



July 26, 2022

Economy

Pakistan to receive IMF tranche by August end: Miftah Ismail Economy | Neutral

Finance Minister on Monday said that Pakistan is expected to receive the next tranche of IMF by end of August after IMF's board meeting on Aug 24. (Mettis) | [Click for more info.](#)

Pakistan obtains foreign loans of \$22.5bn in FY22

Economy | Negative

Pakistan has secured total foreign loans of \$22.5 billion in the last financial year 2021-22 out of which it obtained highly expensive \$2.24 billion commercial loans just last month (June 2022) to avoid depletion of foreign currency reserves at an accelerated pace. (The News) | [Click for more info.](#)

Oil payments create shortage of dollars

Economy | Negative

The dollar has come under renewed pressure amid higher demand from importers. The dollar rate appreciated Rs1.51 to Rs229.88 on Monday in interbank trading while the open market rate increased Rs2.50 to Rs231.50. Bankers said the "import mafia" has practically drowned the national economy and is still insisting that more imports be allowed while the country is already on the brink of default. (Dawn) | [Click for more info.](#)

SBP curbing interbank trade to contain dollar shortage

Economy | Negative

Pakistan's central bank is discouraging interbank trading due to a severe shortage of dollars that has pushed the rupee to post its worst weekly drop since 1998, Bloomberg reported on Monday. (The News) | [Click for more info.](#)

Oil & Gas

Gas prices for export-oriented sectors increased by up to 82pc SSGC, SNGP | Positive

The Economic Coordination Committee (ECC) of the Cabinet on Monday increased for the export industry the price of imported and domestic gas by over 38 per cent and 82pc, respectively, and protected power rates at 9 cents per unit for 11 months effective Aug 1. (Dawn) | [Click for more info.](#)

Power

Power shortfall nears 6,000MW

Power | Neutral

The power shortfall in the country has reached about 6,000 megawatts, power demand in the country is 28,500 megawatts while the production lags at 22,500 megawatts. According to power division sources, the power shortfall is increasing despite heavy monsoon rains in the country and currently has neared 6,000MW. (PT) | [Click for more info.](#)

Pakistan Stock Exchange Overview

| | Open | Close | Chg. | % |
|---------|----------|----------|--------|-------|
| KSE All | 27,723.5 | 27,640.7 | -82.8 | -0.3% |
| KSE100 | 40,077.3 | 39,844.0 | -233.3 | -0.6% |
| KSE30 | 15,211.2 | 15,098.7 | -112.5 | -0.7% |
| KMI30 | 65,819.4 | 65,495.5 | -323.9 | -0.5% |

Top Five Gainers

| | Open | Close | Chg. | % |
|------|----------|----------|-------|------|
| RMPL | 10,450.0 | 10,990.0 | 540.0 | 5.2% |
| UPFL | 24,250.0 | 24,500.0 | 250.0 | 1.0% |
| MEHT | 570.0 | 612.8 | 42.8 | 7.5% |
| SIEM | 685.0 | 713.8 | 28.8 | 4.2% |
| MARI | 1,690.0 | 1,713.6 | 23.7 | 1.4% |

Top Five Volume Leaders

| | Open | Close | Chg. | Vol. |
|--------|------|-------|------|------|
| TPLP | 16.9 | 17.0 | 0.1 | 9.75 |
| WTL | 1.2 | 1.2 | 0.0 | 9.32 |
| LOTCEM | 24.1 | 25.8 | 1.7 | 8.00 |
| UNITY | 17.8 | 18.3 | 0.6 | 7.90 |
| CNERGY | 5.0 | 5.0 | 0.0 | 3.51 |

Portfolio Investments – Net Position

| FIPI | Buy | Sell | Net |
|---------------------|--------------|---------------|--------------|
| F-Individuals | 0.00 | 0.00 | 0.00 |
| F-Corporates | 0.11 | -0.48 | -0.37 |
| O/S Pakistanies | 1.09 | -1.16 | -0.07 |
| Net | 1.20 | -1.64 | -0.44 |
| LIPI | | | |
| Individuals | 10.22 | -9.58 | 0.64 |
| Companies | 0.47 | -0.48 | 0.00 |
| Comm. Banks | 0.10 | -0.05 | 0.05 |
| NBFC | 0.01 | -0.01 | -0.01 |
| Mutual Funds | 0.33 | -0.57 | -0.23 |
| Other | 0.05 | -0.02 | 0.03 |
| Brokers Proprietary | 2.31 | -2.39 | -0.08 |
| Insurance | 0.04 | -0.01 | 0.03 |
| Net | 13.53 | -13.10 | 0.44 |

Commodity Outlook

| | Unit | Close | % chg. |
|-------------------|-----------|---------|--------|
| Crude oil | USD/bbl. | 96.70 | 2.1% |
| Brent oil | USD/bbl. | 99.89 | -3.2% |
| Gold | USD/t oz. | 1719.76 | -0.5% |
| Silver | USD/t oz. | 18.44 | -0.9% |
| Coal | USD/ton | 341.50 | 1.5% |
| Steel Scrap (LME) | USD/ton | 391.00 | -0.3% |
| Steel Rebar (LME) | USD/ton | 682.50 | 0.0% |
| USD/PKR | Interbank | 6.27 | 1.5% |

News Source: Local / Int'l Newspapers and websites

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Autos

Automakers mull production shutdown as supply of parts dries out

INDU | Negative

Restrictions on the opening of letters of credit for parts import amid exchange rate volatility have caused unrest in the auto sector and one assembler has hinted at a production shutdown besides refunding bookings to the customers perturbed over late delivery issues. While some assemblers have also opted for non-production days (NPDs) this month and in August because of the uncertain economic situation. Indus Motor Company (IMC) told Dawn that the production remained suspended from July 1 to 17 due to the non-arrival of parts and the long eid holidays. (Dawn) | [Click for more info.](#)

Ghandhara, Chery plan to invest \$10m in Pakistan's automotive industry

GHNI | Positive

Leading Chinese automaker Chery has launched in Pakistan through a manufacturing and licensing agreement with Ghandhara Group. This initiative has initially injected an investment of Rs. 2.4 billion in Pakistan's automotive sector. (Pakobserver) | [Click for more info.](#)

Lucky Motors' introduces limited time discount for Peugeot 2008 to spur sales

LUCK | Neutral

Lucky Motors' has introduced a limited time reduction on the price of the Peugeot 2008 Active model whereby its price has been slashed from Rs 5,250,000 to Rs 4,999,000. (PT) | [Click for more info.](#)

Auto SMEs going bankrupt

Autos Parts | Negative

Pakistan Association of Auto Parts and Accessories Manufacturers (PAAPAM) has said that the auto parts industry was facing the worst crisis in the history of Pakistan on account of the domino effect of dollarization-- spiraling inflation, freight rates, and tariff of utilities. (The News) | [Click for more info.](#)

Banks

MPMG scheme: conditional lending allowed

Banks | Neutral

The federal government has conditionally allowed banks and financial institutions to disburse financing under Mera Pakistan Mera Ghar (MPMG) housing finance scheme for approved cases. The participating institutions have been asked to charge 250 basis points (bps) spread over and above Kibor instead of maximum spread of 400 bps currently allowed under Tiers 2 and 3 of MPMG housing finance scheme. (BR) | [Click for more info.](#)

| World Indices | | | |
|------------------|----------|---------|--------|
| | Last | Chg. | Chg. % |
| US - Dow 30 | 31,990.0 | 90.75 | 0.28% |
| US - S&P 500 | 3,966.8 | 5.21 | 0.13% |
| Taiwan - TWII | 14,936.3 | -13.03 | -0.09% |
| CHINA - Shanghai | 3,250.4 | -19.58 | -0.60% |
| INDONESIA - IDX | 6,858.4 | -28.55 | -0.41% |
| HK - Hang Seng | 20,562.9 | -46.20 | -0.22% |
| PHILP - PSEi | 6,209.5 | -53.86 | -0.86% |
| KSA - Tadawul | 11,874.2 | -100.92 | -0.84% |
| PAK (KSE-100) | 39,844.0 | -233.28 | -0.58% |
| INDIA - SENSEX | 55,766.2 | -306.01 | -0.55% |

| Board Meetings | | | |
|----------------|-----------|---------------------|----------|
| Scrip | Day | Agenda | Time |
| ALNRS | Tuesday | 3Q A/c for 30Jun22 | 11:30 AM |
| HCAR | Tuesday | 1Q A/c for 30Jun22 | 11:30 AM |
| HSM | Wednesday | 3Q A/c for 30Jun22 | 10:00 AM |
| CHAS | Wednesday | 3Q A/c for 30Jun22 | 11:00 AM |
| JSML | Wednesday | 3Q A/c for 30Jun22 | 11:30 AM |
| PMRS | Wednesday | 3Q A/c for 30Jun22 | 11:30 AM |
| SHJS | Wednesday | 3Q A/c for 30Jun22 | 11:30 AM |
| FRSM | Wednesday | 3Q A/c for 30Jun22 | 11:45 AM |
| ARPL | Wednesday | 3Q A/c for 30Jun22 | 12:00 PM |
| SIEM | Wednesday | 3Q A/c for 30Jun22 | 3:00 PM |
| NESTLE | Thursday | HY A/c for 30Jun22 | 9:00 AM |
| HBL | Thursday | HY A/c for 30Jun22 | 10:00 AM |
| EFERT | Thursday | HY A/c for 30Jun22 | 10:30 AM |
| AABS | Thursday | 3Q A/c for 30Jun22 | 11:00 AM |
| FFC | Thursday | HY A/c for 30Jun22 | 11:00 AM |
| BAFL | Thursday | 3Q A/c for 30Jun22 | 11:30 AM |
| HINO | Thursday | 1Q A/c for 30Jun22 | 11:30 AM |
| MIRKS | Thursday | 3Q A/c for 30Jun22 | 11:30 AM |
| NONS | Thursday | 3Q A/c for 30Jun22 | 11:30 AM |
| SANSM | Thursday | 3Q A/c for 30Jun22 | 11:30 AM |
| SML | Thursday | 3Q A/c for 30Jun22 | 11:30 AM |
| MRNS | Thursday | 3Q A/c for 30Jun22 | 12:00 PM |
| SASML | Thursday | 3Q A/c for 30Jun22 | 12:30 PM |
| PAKT | Thursday | HY A/c for 30Jun22 | 2:00 PM |
| KPUS | Thursday | 3Q A/c for 30Jun22 | 2:30 PM |
| DWSM | Thursday | 3Q A/c for 30Jun22 | 4:00 PM |
| ATLH | Friday | 1Q A/c for 30Jun22 | 9:00 AM |
| HABSM | Friday | 3Q A/c for 30Jun22 | 12:00 PM |
| COLG | Friday | Ann A/c for 30Jun22 | 5:00 PM |

Source: PSX

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MORNING BRIEFING

Chemicals

ICI Pakistan plans to acquire 75pc stake in Lotte Chemical ICI, LOTCHEM | Positive

ICI Pakistan Ltd., a company held by Lucky Cement, has announced intention to acquire approximately 75.01 percent shares of Lotte Chemical Pakistan Limited, a chemical company, a notification revealed. (The News) | [Click for more info.](#)

Miscellaneous

Wheat import gets costly for Pakistan as rupee devalues Economy | Negative

The unabated free fall of rupee against US dollar continues to deprive Pakistanis of the benefit they could have gotten from the declining global wheat prices. (The News) | [Click for more info.](#)

Boards of revenue told to collect enhanced WHT under Sec 236C

Economy | Neutral

The Federal Board of Revenue (FBR), Monday, conveyed to the provincial Boards of Revenue that the enhanced withholding tax rates on the sale or transfer of immovable properties will be collected under Section 236C of the Income Tax Ordinance irrespective of the holding period. (BR) | [Click for more info.](#)

Political News

SC rejects govt's request for full court bench on petitions related to CM's election

The Supreme Court on Monday rejected the coalition government's request to form a full court bench on petitions related to the recently held Punjab chief minister's re-election — including a review of its interpretation of Article 63-A. (Dawn) | [Click for more info.](#)

Turmoil deepens as govt pits itself against SC

Following the Supreme Court's decision to continue the hearing on the Punjab chief minister's election with the current three-member bench, the ruling coalition, Monday, announced to boycott the scheduled hearing Tuesday (July 26). (BR) | [Click for more info.](#)

International News

Stocks Subdued, US Futures Drop in Pre-Fed Caution: Markets Wrap

Stocks in Asia made little headway Tuesday and US equity futures retreated, hampered by a challenging outlook for company profits and wariness ahead of a looming Federal Reserve interest-rate hike. (Bloomberg) | [Click for more info.](#)

Oil Slips as Investors Weigh Demand Outlook Ahead of Fed Meet

Oil dipped ahead of a Federal Reserve meeting this week that's expected to result in another large interest-rate hike to combat surging inflation, escalating concerns of an economic slowdown. (Bloomberg) | [Click for more info.](#)

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Rating Criteria

Rating - Expected Total Return
Buy - Greater than 10%
Hold - Neither Buy nor Sell
Sell - Less than and equal to -10%

Valuation Methodology

To arrive at our 12-months Price Target, ABA Ali Habib Research uses different valuation methods which include: 1). DCF methodology, 2). Relative valuation methodology, and 3). Asset-based valuation methodology. In this report, our PT is founded on FCFF based DCF methodology.

Analyst Certification ^{AC}

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