



August 2,

Economy

Pakistan, Germany sign €17.5m grant agreement

Economy | Positive

The governments of Pakistan and Germany on Monday signed a grant agreement for the Regional Infrastructure Fund (Phase-II) worth Euro 17.5 million. (BR) | [Click for more info.](#)

FBR surpasses July revenue target

Economy | Positive

The Federal Board of Revenue (FBR) collected a net revenue of Rs458 billion during July 2022, Profit learnt on Sunday. According to the details, the collection has exceeded the target of Rs443bn set for July by Rs15bn, representing a growth of about 10 per cent over the collection of Rs417bn during the same period last year (1MFY22). (PT) | [Click for more info.](#)

Sukuk bond: Pakistan repays \$40m

Economy | Neutral

Pakistan has repaid \$40 million coupon on the Islamic denominated Sukuk bond, which was due on July 31, 2022. The country's foreign exchange reserves had depleted from \$20 billion in August 2021 to \$8.5 billion on July 22, 2022. (The News) | [Click for more info.](#)

Foreigners withdraw over \$28m from T-bills, bonds in July

Economy | Neutral

The lucrative returns of up to 16 per cent failed to attract foreign investments in domestic bonds as the net outflow stood at little over \$28 million in the first month of the current fiscal year. (Dawn) | [Click for more info.](#)

Jul CPI inflation soars to highest rate in 14 years

Economy | Negative

The Consumer Price Index (CPI) based inflation increased by a massive 24.93 percent on year-on-year basis in July 2022 as compared to an increase of 21.3 percent in the previous month and 8.4 percent in July 2021, says the Pakistan Bureau of Statistics (PBS). (BR) | [Click for more info.](#)

Rupee gains 53 paise in interbank trade

Economy | Neutral

The rupee continued to recover in the interbank market on Monday, gaining 87 paise against the dollar in early trade. According to the State Bank of Pakistan (SBP), the local currency eventually closed at 238.84, up 53 paise or 0.22 per cent, compared to yesterday. (Dawn) | [Click for more info.](#)

Oil & Gas

Petrol, diesel sales decline on slower agri, transport activities

Oil | Negative

The sale of diesel and petrol declined by 27 percent and 38 percent respectively in the month of July 2022 on the back of long holidays of Eid as well as rains, which slowed down agriculture and transport activities in the country. Overall sale of petroleum products also shrank during the month under review as it fell by 26 percent YoY. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,796.1	27,841.6	45.4	0.2%
KSE100	40,150.4	40,076.0	-74.4	-0.2%
KSE30	15,232.4	15,189.7	-42.8	-0.3%
KMI30	65,446.0	65,281.5	-164.6	-0.3%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	5,890.0	6,290.0	400.0	6.8%
COLG	1,999.5	2,149.5	150.0	7.5%
MEHT	818.3	879.6	61.4	7.5%
INDU	994.6	1,023.9	29.3	2.9%
SITC	321.1	337.3	16.2	5.0%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TPLP	17.7	17.8	0.2	12.73
TRG	91.7	91.6	-0.1	9.21
WTL	1.2	1.2	0.0	8.63
AGL	7.4	7.6	0.2	8.42
TELE	10.6	10.6	0.0	5.79

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	-0.01	-0.01
F-Corporates	0.11	-0.14	-0.02
O/S Pakistanies	1.04	-1.11	-0.06
Net	1.16	-1.26	-0.10
LIPI			
Individuals	15.88	-15.75	0.13
Companies	0.67	-0.76	-0.09
Comm. Banks	0.16	-0.12	0.04
NBFC	0.02	-0.02	0.00
Mutual Funds	0.81	-0.86	-0.04
Other	0.07	-0.18	-0.11
Brokers Proprietary	4.13	-4.00	0.13
Insurance	0.10	-0.06	0.04
Net	21.85	-21.75	0.10

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	93.89	-4.8%
Brent oil	USD/bbl.	100.17	-8.9%
Gold	USD/t oz.	1772.26	0.4%
Silver	USD/t oz.	20.36	0.0%
Coal	USD/ton	322.65	-1.5%
Steel Scrap (LME)	USD/ton	362.00	-6.4%
Steel Rebar (LME)	USD/ton	628.50	-7.7%
USD/PKR	Interbank	6.63	0.1%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

Govt plans oil pricing on daily exchange rate

Oil | Neutral

The government has decided in principle to change the pricing mechanism for petroleum products and narrow down its period to cater for the fast changing currency exchange rate and minimise losses of oil marketing companies (OMCs) and refineries. (Dawn) | [Click for more info.](#)

Power

CPPA-G to seek Rs1.55/unit hike in KE tariff

KEL | Positive

Central Power Purchasing Agency-Guaranteed (CPPA-G) on Monday said that it is working to file another motion within NEPRA for increase of Rs 1.55 per unit in KE's tariff for second quarter (October -December) 2021-22 under Quarterly Tariff Adjustment (QTA), in addition to Rs 0.57 per unit for first quarter of FY 22 except lifeline consumers, aimed at maintaining uniform tariff across the country. (BR) | [Click for more info.](#)

Fertilizer

Gas supply to fertilizers makers at unified price likely

Fertilizer | Neutral

The government is planning to supply gas to fertilizers manufacturers at a unified price and to provide direct subsidy on fertilizers to the farmers. (BR) | [Click for more info.](#)

Tech & Communication

Supernet awarded new multi-year project worth R450mn

GEMSPNL | Positive

Supernet Limited (PSX: GEMSPNL), in conjunction with their Japanese technology partner Trend Micro Incorporated, has been awarded a new multi-year project for the acclaimed "Tipping Point" Threat Protection System (TPS) by a major Pakistani customer valued at over Rs450 million, the notice sent to PSX showed. (Mettis) | [Click for more info.](#)

OneLoad raises \$11m in funding

SYS | Positive

Systems Ltd said on Monday its subsidiary EP Systems Ltd that operates in the fintech segment has secured \$11 million in a funding round led by Sarmayacar and Shorooq Partners, a leading Abu Dhabi-based venture capital firm. Speaking to Dawn, OneLoad CEO Muhammad Yar Hiraj said the startup has so far raised a total of roughly \$18m in funding. (Dawn) | [Click for more info.](#)

Banks

Soneri Bank to raise Tier-2 capital up to Rs4bn face value

SNBL | Positive

The Board of Directors of Soneri Bank Limited (SNBL) has approved raising Tier-2 Capital as redeemable capital in the form of listed, rated, subordinated and unsecured Term Finance Certificates (TFC-III) up to the extent of the face value of Rs4 billion for the purpose of the bank business operation. (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	58,115.5	545.25	0.95%
KSA - Tadawul	12,339.0	139.87	1.15%
INDONESIA - IDX	6,968.8	17.66	0.25%
HK - Hang Seng	20,165.8	9.33	0.05%
CHINA - Shanghai	3,260.0	6.72	0.21%
PHILP - PSEi	6,312.0	-3.90	-0.06%
US - S&P 500	4,118.6	-11.66	-0.28%
Taiwan - TWII	14,981.7	-18.38	-0.12%
US - Dow 30	32,798.4	-46.73	-0.14%
PAK (KSE-100)	40,076.0	-74.40	-0.19%

Board Meetings

Scrip	Day	Agenda	Time
WAVES	Tuesday	Multiple Periods	11:30 AM
GADT	Tuesday	Ann A/c for 30Jun22	12:00 PM
SMTM	Tuesday	Multiple Periods	12:30 PM
UBL	Wednesday	HYA/c for 30Jun22	9:30 AM
SKRS	Wednesday	Ann A/c for 30Sep21	5:00 PM
MARI	Thursday	Ann A/c for 30Jun22	9:30 AM
EPQL	Thursday	HYA/c for 30Jun22	10:00 AM
CEPB	Thursday	Ann A/c for 30Jun22	3:00 PM
LUCK	Friday	Ann A/c for 30Jun22	11:30 AM
LOTCEM	Friday	Ann A/c for 30Jun22	12:00 PM

Source: PSX

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MORNING BRIEFING

Miscellaneous

Subsidized power to export-oriented sectors

Textile | Neutral

The Finance Ministry would be required to provide Rs77.9 billion to the Power Division if it wanted to provide electricity at a subsidised rate to the five export-oriented sectors for the entire fiscal year of 2022-23. (BR) | [Click for more info.](#)

July imports dip 37.7pc MoM

Economy | Positive

Pakistan's imports on a month-on-month (MoM) basis declined by 37.7 percent in July 2022 as it remained \$4.913 billion compared to \$7.880 billion in June 2022. (BR) | [Click for more info.](#)

Zero duty on imports from China

Economy | Positive

The Federal Board of Revenue (FBR) has issued a revised list of items allowing concessionary rate of customs duty or zero percent duty on the import of items from China with effect from July 1, 2022. The FBR has issued 6,917 customs tariff lines for specifying the concessionary rates of customs duty on the import of items from China. (BR) | [Click for more info.](#)

Traders threaten to go on strike after addition of sales tax on energy bills

Economy | Neutral

Traders on Monday announced a nationwide strike against the imposition of sales tax on electricity bills, claiming that they would not pay the new bills. (ET) | [Click for more info.](#)

Political News

ECP verdict on foreign funding case today

Amidst a volley of threats hurled by the PTI leadership at the Chief Election Commissioner Sikandar Sultan Raja and its unrelenting demand for his resignation, the Election Commission (EC) finally announced on Monday that the verdict in the PTI foreign funding case will be handed down on Tuesday. (The News) | [Click for more info.](#)

International News

Oil sinks about 4% after weak factory data sparks demand concerns

Oil prices dropped about 4% on Monday as weak manufacturing data in several countries weighed on the demand outlook while investors braced for this week's meeting of OPEC and its producer allies on supply. (Reuters) | [Click for more info.](#)

Stocks Fall, Bonds Up Amid Rising US-China Tension: Markets Wrap

Stocks in Asia retreated Tuesday amid escalating US-China tension over Taiwan and deepening worries about a global economic slowdown, risks that are supporting demand for bonds as a haven. (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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