

May 11,  
2022

## Economy

### PKR hits an all-time low

#### Economy | Negative

US dollar pushed Pakistan's rupee to its all-time low in the inter-bank market after a fourth successive session of losses on Tuesday. As per the State Bank of Pakistan (SBP), the rupee closed at 188.66 after a day-on-day fall of Rs1.13, or 0.60%. On Monday, the rupee had closed at 187.53 after a depreciation of 0.48%. (BR) | [Click for more info.](#)

### Generate revenues or default

#### Economy | Negative

The government is in a dilemma as the International Monetary Fund (IMF) will not approve the next tranche until petroleum and electricity rates are enhanced, while all the tax proposals received from trade and industry demand reduction in taxes. (The News) | [Click for more info.](#)

### Govt assures World Bank of reform push in upcoming budget

#### Economy | Neutral

Amid a rising fiscal deficit because of heavy fuel and energy subsidies, Pakistan on Tuesday assured the World Bank (WB) it would push through reforms in the upcoming budget for fiscal consolidation to build economic resilience. (Dawn) | [Click for more info.](#)

### FBR tells Miftah; Over Rs300bn revenue measures may be required

#### Economy | Neutral

The Federal Board of Revenue (FBR) Tuesday conveyed to Finance Minister Miftah Ismail that revenue measures of over Rs300 billion may be required in the coming budget (2022-23) to meet the next fiscal year's estimated revenue collection target of Rs7.2 trillion. (BR) | [Click for more info.](#)

### Miftah, FBR discuss measures for raising additional Rs1tr next year

#### Economy | Negative

Pakistan's top tax machinery has proposed revenue and enforcement measures in the upcoming budget to raise an additional Rs1,000 billion in total revenue collection in the next fiscal year, Dawn learnt from knowledgeable sources on Tuesday. (Dawn) | [Click for more info.](#)

### \$30b treasure trove useless

#### Economy | Neutral

Pakistan received \$35 billion worth of information from the Organisation for Economic Cooperation and Development (OECD) and nearly \$30 billion treasure trove turned out to be not actionable amid complaints of misuse of data by the taxmen. (ET) | [Click for more info.](#)

## Power

### PM's electricity relief package

#### Power | Negative

Power Division has sought Federal Government's nod to do away with PM's relief package on electricity of Rs 5 per unit from May 1, 2022 and continue unscheduled load shedding for the next two or three months aimed at passing minimum impact of FCA to consumers and avoid drain of over Rs 300 billion on expensive fuels, well informed sources told. (BR) | [Click for more info.](#)

### Discos' tariffs; Nepra approves Re0.57 raise for 1Q

#### Discos | Positive, Power | Negative

National Electric Power Regulatory Authority (Nepra) has approved Re 0.57 per unit increase in tariffs of power Distribution Companies (Discos) for the first quarter of FY 2021-22 under Quarterly Tariff Adjustment (QTA) mechanism. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,590.2	29,636.9	46.7	0.2%
KSE100	43,393.1	43,504.4	111.2	0.3%
KSE30	16,526.5	16,514.0	-12.5	-0.1%
KMI30	70,032.8	70,081.1	48.2	0.1%

### Top Five Gainers

	Open	Close	Chg.	%
COLG	2,051.0	2,197.9	146.9	7.2%
NESTLE	5,706.3	5,800.0	93.8	1.6%
ISIL	446.0	478.0	32.0	7.2%
SCL	269.5	289.6	20.1	7.5%
PMRS	500.0	510.0	10.0	2.0%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
CENERGY	5.6	5.7	0.1	19.09
PRL	15.0	15.0	0.0	13.87
PIBTL	6.0	6.2	0.1	13.20
LOTCHEM	25.2	25.0	-0.2	12.42
TELE	11.9	11.7	-0.1	12.15

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	5.99	-9.94	-3.95
F-Corporates	101.04	-97.09	3.95
O/S Pakistanies	2.46	-2.39	0.07
<b>Net</b>	<b>2.95</b>	<b>-4.12</b>	<b>-1.16</b>
<b>LIPI</b>			
Individuals	32.25	-31.59	0.66
Companies	1.89	-1.39	0.50
Comm. Banks	3.20	-0.39	2.81
NBFC	0.00	0.00	0.00
Mutual Funds	2.40	-3.36	-0.95
Other	0.27	-0.02	0.24
Brokers Proprietary	7.71	-7.48	0.23
Insurance	0.35	-2.68	-2.33
<b>Net</b>	<b>48.06</b>	<b>-46.90</b>	<b>1.16</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	99.76	-3.2%
Brent oil	USD/bbl.	102.46	-3.3%
Gold	USD/t oz.	1838.44	-0.8%
Silver	USD/t oz.	21.27	-2.4%
Coal	USD/ton	311.75	0.7%
Steel Scrap (LME)	USD/ton	490.00	-4.9%
Steel Rebar (LME)	USD/ton	815.50	-0.8%
USD/PKR	Interbank	188.66	0.6%

News Source: Local / Int'l Newspapers and websites

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## Autos

### Government to take up issues faced by tractor industry

#### MTL | Neutral

Federal Minister for Industries and Production Syed Murtaza Mahmud Monday promised to discuss the issues being faced by the tractor industry with relevant ministries so as to resolve them at the earliest. The minister was informed about the issues being faced by the tractor industry, especially the latest SRO 563, which was feared to force closure of the industry. (AUGAF) | [Click for more info.](#)

## Tech. & Communication

### Supernet enlisted on PSX GEM board

#### GEMSPNL | Positive

Pakistan Stock Exchange (PSX) enlisted IT Company Supernet Limited (SL) on its Growth Enterprise Market (GEM) Board in a gong ceremony on Tuesday, making SL third enterprise to be listed on the board since its start in 2020. (The News) | [Click for more info.](#)

### System to acquire 100% shareholding of National Data Consultant

#### SYS | Positive

Systems Limited has accordingly, entered into a term sheet with the sponsor shareholders of National Data Consultant (Pvt.) Limited ("NdcTech") for the acquisition of 100% of the issued and paid-up share capital of NdcTech, subject to compliance with the applicable laws, including, obtaining the necessary corporate and regulatory approvals (the "Transaction"). (AUGAF) | [Click for more info.](#)

## Miscellaneous

### Minister Welcomes Chinese Investment in Pakistan's Livestock Sector

#### Economy | Positive

The minister welcomed the investment from the Royal Group and directed the ministry officials to expedite the process after the cabinet's approval. The facility will use the highest quality of buffaloes and 50 percent of the production of embryos will be used to meet the local requirement while the rest will be exported to China. (Propakistani) | [Click for more info.](#)

### Withholding tax on profits

#### Economy | Neutral

A Division Bench of Sindh High Court (SHC) has barred the banks/tax department from deduction of withholding tax on bank profits of Provident Funds and Pension and Gratuity Funds which were earlier recognised and approved under the Income Tax Ordinance, 2001 after their registration under the Trust Act 1892. (BR) | [Click for more info.](#)

### ECC approves import of more wheat

#### Economy | Neutral

The Economic Coordination Committee (ECC) of the Cabinet has approved 4.5 MMT (million metric tonnes) of wheat import, depending upon the demand of the PASSCO and provincial governments to build up strategic reserves and to stabilise wheat prices in the country. (PT) | [Click for more info.](#)

## Political News

### PM to 'leave for London' tonight as Nawaz summons emergency meeting

According to insiders, Nawaz has summoned an "emergency meeting" of the party leaders to discuss matters related to economy and prevailing political situation of the country among crucial issues facing the country. The insiders further said the ruling party is expected to make some 'big decisions' regarding the fate of coalition government led by PML-N. (ET) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	43,504.4	111.22	0.26%
CHINA - Shanghai	3,035.8	31.70	1.06%
Taiwan - TWII	16,061.7	12.78	0.08%
US - S&P 500	4,001.1	9.81	0.25%
PHILP - PSEI	6,720.9	-38.97	-0.58%
US - Dow 30	32,160.7	-84.96	-0.26%
INDONESIA - IDX	6,819.8	-89.96	-1.30%
INDIA - SENSEX	54,364.9	-105.82	-0.19%
KSA - Tadawul	13,509.3	-305.54	-2.21%
HK - Hang Seng	19,633.7	-368.27	-1.84%

### Board Meetings

Scrip	Day	Agenda	Time
No Board Meetings			

Source: PSX



## International News

### Stocks set for cautious open before inflation data: Markets Wrap

Asian stocks looked set for a cautious open Wednesday ahead of Chinese and US data that will help gauge whether price pressures are peaking amid concerns about the threat inflation poses to the global economy. (Bloomberg) | [Click for more info.](#)

### Oil extends losses below \$100 ahead of US inflation figures

Oil extended declines below \$100 a barrel ahead of US and Chinese economic data that will gauge the health of the global economy. (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 FCF based DCF methodology.

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