

April 11,
2022

Economy

SECP relaxes eligibility rules for GEM investors

Capital Market | Positive

The Securities and Exchange Commission of Pakistan (SECP) has relaxed the rules for brokers to verify the eligibility of accredited individual investors for the Growth Enterprise Market (GEM) board, a dedicated counter within the Pakistan Stock Exchange (PSX) for smaller and riskier companies. The accredited individual investors are required to have assets of Rs5 million — as opposed to the previous requirement of “net assets” — including but not limited to the value of the securities held in their respective Central Depository Company (CDC) accounts, sub-accounts or any other criteria specified by the PSX. (Dawn) | [Click for more info.](#)

IMF hails 250bps hike in policy rate

Economy | Positive

The International Monetary Fund (IMF) has welcomed the Monetary Policy Committee (MPC) of the State Bank of Pakistan’s decision of raising the policy rate by 250 basis points (bps) to 12.25 percent. The MPC on Thursday raised the policy rate by 250 basis points to 12.25 percent. (BR) | [Click for more info.](#)

Rupee breaks losing streak, rises Rs3.5

Economy | Positive

Pakistani rupee broke a prolonged downward streak and made a sharp recovery in the inter-bank market on Friday as it gained Rs3.5 against the US dollar to close at Rs184.68 following the emergence of some political clarity in the country. (ET) | [Click for more info.](#)

Debt servicing: Payment of \$2.5bn to hurt forex reserves

Economy | Negative

Amid the dwindling foreign exchange reserves, Pakistan will have to pay back foreign debt of \$2.5 billion on account of principal and mark-up obligations during the ongoing quarter (April-June) period of the current fiscal year 2021-22. (The News) | [Click for more info.](#)

Debt to GDP ratio falls to 72pc in FY21, 67pc till Dec FY22

Economy | Negative

Public debt, as a percentage of Gross Domestic Product (GDP), decreased to 72 per cent during the fiscal year 2021, from 76.6 per cent in FY 2020, finance ministry said here Friday while rebutting an article published in a section of press. According to the latest published data, public debt to GDP is estimated to have declined further to 67 per cent of GDP as of December 2021, said a press statement issued by the finance ministry. (PT) | [Click for more info.](#)

Weekly inflation sees biggest rise since November

Economy | Negative

Inflation measured through the Sensitive Price Indicator (SPI) increased 1.53 per cent during the week ended on April 7, owing to a rise in the prices of essential food items, Pakistan Bureau of Statistics (PBS) data showed on Friday. This was the biggest increase in weekly prices since Nov 11, when the SPI jumped 1.81pc. (Dawn) | [Click for more info.](#)

Oil & Gas

Govt owes OMCs Rs55bn in April fuel subsidy

Oil | Neutral

The government has to pay Rs55 billion worth of price differential claims (PDC) to oil marketing companies (OMCs) and refineries in April, which the cash-strapped sector is not sure about. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,989.2	30,369.3	380.0	1.3%
KSE100	43,786.8	44,444.6	657.8	1.5%
KSE30	16,708.1	17,014.1	306.0	1.8%
KMI30	70,615.2	71,717.8	1102.6	1.6%

Top Five Gainers

	Open	Close	Chg.	%
BATA	2,259.2	2,339.2	80.0	3.5%
INDU	1,310.1	1,349.7	39.6	3.0%
SRVI	421.4	440.0	18.6	4.4%
TICL	223.5	240.3	16.8	7.5%
GATI	485.6	501.9	16.3	3.4%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TELE	14.5	15.1	0.7	19.72
GGL	16.5	17.6	1.1	17.72
TREET	32.5	34.2	1.7	16.88
CNERGY	5.1	5.2	0.1	15.09
TPLP	18.8	20.0	1.1	14.22

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	2.91	-3.58	-0.67
Net	3.16	-6.07	-2.92
LIPI			
Individuals	32.24	-30.25	1.99
Companies	1.11	-0.89	0.21
Comm. Banks	7.58	-0.42	7.16
NBFC	0.05	-0.02	0.03
Mutual Funds	2.50	-7.71	-5.21
Other	0.31	-0.12	0.19
Brokers Proprietary	7.90	-7.87	0.03
Insurance	0.68	-2.17	-1.49
Net	52.37	-49.46	2.92

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	98.26	2.3%
Brent oil	USD/bbl.	102.78	1.3%
Gold	USD/t oz.	1947.54	0.8%
Silver	USD/t oz.	24.77	0.7%
Coal	USD/ton	282.25	4.1%
Steel Scrap (LME)	USD/ton	635.00	-0.8%
Steel Rebar (LME)	USD/ton	942.50	0.1%
USD/PKR	Interbank	184.68	-1.9%

News Source: Local / Int'l Newspapers and websites

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REP-055

Cabinet okayed change in diesel price mechanism before ouster

Oil | Negative

Days before its dissolution, the cabinet of former prime minister Imran Khan approved a change in mechanism of high-speed diesel (HSD) prices to replace the fixed negotiated premium of long-term supplier Kuwait Petroleum Company (KPC) with a higher market-based weighted average. This allows an increase in premium charged to Pakistani importers by spot traders for an interim period of three months — April-June. (Dawn) | [Click for more info.](#)

Power

KE reluctant to accept price of PLL-supplied RLNG

KEL | Neutral

K-Electric (KE) is reportedly reluctant to accept RLNG price being supplied to it by Pakistan LNG Limited (PLL). On the basis of KE letter Oil and Gas Regulatory Authority (OGRA) has been asked by the Government of Pakistan to determine the price of RLNG supplied by PLL to KE. (BR) | [Click for more info.](#)

Non-payment of dues; Power Div warns KE of stern action

KEL | Neutral

The Power Division has warned Karachi Electric (KE) to clear payment against additional supply from the national grid or face severe action such as reduction in quota or complete disconnection. On March 29, 2022, the Central Power Purchasing Agency–Guaranteed (CPPA-g) has informed that the K-Electric is not making any payment even against the additional supply from the National Grid since November 2021, despite its firm commitment. Now, the outstanding liabilities towards CPPA-G have soared to Rs48.358 billion till February 28, 2022 and were continuously increasing day by day, the sources added. (BR) | [Click for more info.](#)

Extension in PPA; Senate panel seeks details of payments made to KAPCO

KAPCO | Negative

The Senate Standing Committee on Power has sought details of payments made to Kot Addu Power Company (KAPCO) after extension in its Power Purchase Agreement (PPA). A payment of Rs57 billion had been made to KAPCO on the selling units at Rs19.5/unit along with the variable payment; however, no capacity payment was made after the expiry of its tenure. The KAPCO had been made minimal payment with strict tariff rules on the take-and-pay method. The Committee unanimously decided and directed the NEPRA that payments must be withheld and the details of all payments made to KAPCO be submitted to the committee in extended period. (BR) | [Click for more info.](#)

Ministry unable to pay off over Rs50bn PPOD liabilities

Power | Negative

The Ministry of Communication is reportedly in a very awkward position with respect to the payment of over Rs50 billion liabilities of various companies, collected by Pakistan Post Office Department (PPOD) as the Finance Ministry is not ready to release the amount. (BR) | [Click for more info.](#)

Autos

Import of used cars gaining momentum once again

Autos | Neutral

The import of used cars has been gaining momentum once again despite the government's resolve to curb this menace that hurts the local auto industry and the national economy. According to the import data, over 21,000 units were imported in the FY 2021. However, the import of used vehicles has increased by 46% as over 20,000 units have only been imported during July-February, 2022. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	44,444.6	657.75	1.50%
INDIA - SENSEX	59,447.2	412.23	0.70%
US - Dow 30	34,721.1	137.55	0.40%
Taiwan - TWII	17,284.5	105.91	0.62%
PHILP - PSEI	7,018.0	91.99	1.33%
INDONESIA - IDX	7,210.8	83.47	1.17%
KSA - Tadawul	13,395.5	81.48	0.61%
HK - Hang Seng	21,872.0	63.03	0.29%
CHINA - Shanghai	3,251.9	15.15	0.47%
US - S&P 500	4,488.3	-11.93	-0.27%

Board Meetings

Scrip	Day	Agenda	Time
FDIBL	Tuesday	3Q A/c - 31Dec21	1:00 PM
AGTL	Tuesday	ANN A/c - 31Dec21	5:15 PM
PTC	Wednesday	1Q A/c - 31Dec21	1:00 PM
CWSM	Thursday	1Q A/c - 31Dec21	11:00 AM
EPQL	Monday	1Q A/c - 31Dec21	10:00 AM
EPCL	Monday	1Q A/c - 31Dec21	2:00 PM
EFERT	Tuesday	1Q A/c - 31Dec21	10:30 AM
FANM	Tuesday	3Q A/c - 31Dec21	11:00 AM
MGBAH	Wednesday	3Q A/c - 31Dec21	11:00 AM
FFBL	Friday	1Q A/c - 31Dec21	10:30 AM
FCCL	Tuesday	3Q A/c - 31Dec21	11:00 AM
OML	Tuesday	3Q A/c - 31Dec21	11:00 AM
HAFI	Tuesday	3Q A/c - 31Dec21	11:30 AM
UPFL	Tuesday	1Q A/c - 31Dec21	2:30 PM

Source: PSX



Steel

Steel prices rise for second time in April

Steel | Positive

Manufacturers in the domestic steel industry have increased the prices of steel sheets for the second time in the ongoing month of April in the wake of rupee depreciation and passed on the price pressure to the downstream industry such as automobile and home appliance segment. Flat steel industry players have hiked the price of cold rolled coils (CRCs) by around Rs4,000 per ton to Rs227,500 per ton. They also increased hot dipped galvanized coil (HDGC) rates by around Rs4,000 per ton to Rs238,800 per ton with effect from Friday. (ET) | [Click for more info.](#)

Miscellaneous

Bank of Punjab to arrange PKR 6 billion for GoldVista Project

BOP | Positive

A mandate award ceremony was recently held at Sitara Heights (Pvt.) Limited (a Go Group company) Head Office for award of mandate to The Bank of Punjab (BOP) for arrangement of project finance facility of PKR 6,000 million for GoldVista project. (Augaf) | [Click for more info.](#)

Engro Eximp Agri loaded first Bulk Basmati Vessel to Europe amid container shortages

Engro | Neutral

Engro Eximp Agri Products successfully loaded Pakistan's first Bulk Basmati Vessel to Europe during March. This happened at a time when container shortages affected Pakistans Rice Exports during 2021. (Augaf) | [Click for more info.](#)

Ghani Global Glass Limited successfully fired its second furnace

GGGL | Positive

Ghani Global Glass Limited (the Company) has successfully setup and fired its 25 T PD (tons per day) second (2nd) furnace for manufacturing of glass tubing, as per company filling to the exchange. (Augaf) | [Click for more info.](#)

Wapda expedites construction work on 12 dams

Cement | Positive

Water and Power Development Authority (WAPDA) has expedited construction work on 12 small and medium dams aimed at enhancing a clean energy generation, water availability and climate resilience across the country. (BR) | [Click for more info.](#)

Lumpy skin disease cases soar

TOMCL | Negative

A rise is being witnessed in the cases of lumpy skin disease despite the vaccination of cattle in Sindh, it was reported on Sunday. According to the Livestock Department, the number of the lumpy skin disease cases in Sindh has reached 34,761, whereas, 374 cattle heads have so far died of the disease. (BR) | [Click for more info.](#)

Lumpy Skin Disease: Saudi Arabia bans beef import from Pakistan

TOMCL | Negative

Saudi Arabia on Friday imposed a ban on the import of beef from Pakistan amid the outbreak of Lumpy Skin Disease (LSD) in the country that has affected livestock. Saudi Arabian Embassy Press Attaché said the country has temporarily banned the import of beef from Pakistan. It is pertinent to mention that the LSD has spread out in the country, especially in Sindh, including Karachi, affecting livestock in thousands. (The News) | [Click for more info.](#)



No ST adjustments for 778 goods

Economy | Neutral

The Federal Board of Revenue (FBR) has notified a list of 778 goods on which input tax adjustments will not be allowed. The FBR notified 348 items that will not be eligible for input tax adjustments for the oil and ghee sector and another 430 for steel sector. (Dawn) | [Click for more info.](#)

FBR issues details of incentives-laden industrial amnesty

Economy | Neutral

The Federal Board of Revenue (FBR) on Saturday issued details of the amnesty scheme for industrial sector and encouraged entrepreneurs to invest in industrial undertaking out of their undisclosed assets. (Dawn) | [Click for more info.](#)

Political News

Imran Khan becomes country's first PM to be ousted through no-trust vote

Imran Khan late Saturday was finally voted out from the position of prime minister through a vote of no-confidence motion — the first in country's history — at the end of a day full of high political drama which also saw National Assembly Speaker Asad Qaiser and Deputy Speaker Qasim Khan Suri resigning from their positions. (ET) | [Click for more info.](#)

Election for Leader of House: Shehbaz, Qureshi submit nomination papers

The National Assembly would elect new leader of the House today (Monday) after the approval of non-confidence motion against Prime Minister Imran and acceptance of the nomination papers of Shehbaz Sharif and Shah Mehmood Qureshi. (BR) | [Click for more info.](#)

'Freedom struggle': Protests across country following Imran Khan's ouster

The Pakistan Tehreek-i-Insaf (PTI) on Sunday took out rallies in several cities of the country to protest against the ouster of former prime minister and party chairman Imran Khan through a successful vote of no-confidence the previous night. (Dawn) | [Click for more info.](#)

International News

Stocks Set for Steady Open; Euro Up on French Vote: Markets Wrap

Stocks look set for a steady start Monday as investors weigh the implications of elevated inflation, while the euro gained on Emmanuel Macron's lead in the first round of the French presidential election. (Bloomberg) | [Click for more info.](#)

Oil Slips as China's Worsening Outbreak Raises Demand Concerns

Oil edged lower at the start of the week as investors assessed the outlook for Chinese demand following a worsening coronavirus resurgence that's led to a series of lockdowns. (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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