

May 13,  
2022

## Economy

**ADB likely to disburse \$2bn to Pakistan before December**

**Economy | Positive**

Amid the government efforts to secure external flows to support balance of payments amid falling foreign exchange reserves and currency depreciation, the Asian Development Bank (ADB) on Thursday hinted at releasing additional funds of up to \$2 billion to Pakistan before December this year. (Dawn) | [Click for more info.](#)

**1HFY22: \$8.48bn commitment agreements inked**

**Economy | Neutral**

The country has signed new agreements worth \$8.481 billion as commitments during the first half of the current fiscal year 2021-22 including \$2.484 billion with foreign commercial banks, says the Economic Affairs Division (EAD). The Division released the quarterly report on foreign economic assistance for July–December 2021, according to which new agreements signed during the first half of the current fiscal year included \$1,956 million with multilateral development partners, \$3000 million as safe deposits, \$1000 million committed as of Eurobonds and \$1,000 million from international capital market through tap-issuance. (BR) | [Click for more info.](#)

**Pakistan's remittances may grow 8pc: WB report**

**Economy | Neutral**

The remittance outlook for South Asia in 2023 is highly uncertain, warns a new World Bank report, which says it is unlikely that the strong growth in remittances in the region in 2020 and 2021 can be sustained through 2023. In Pakistan, remittances are projected to grow by eight per cent in 2023. (Dawn) | [Click for more info.](#)

**SBP reserves decline by \$190m**

**Economy | Negative**

Foreign exchange reserves of the State Bank of Pakistan (SBP) declined by \$190 million to \$10.308 billion during the week ended on May 6, announced the central bank on Thursday. (Dawn) | [Click for more info.](#)

**PKR declines: slide deepens uncertainty**

**Economy | Negative**

Pakistan's currency was thrown deeper into oblivion on Thursday, with the rupee dosing near the 192 level against the US dollar amid deepening economic woes and no policy-plan in sight. As per the State Bank of Pakistan (SBP), the rupee dosed at its all-time low of 191.77 after a day-on-day fall of Rs1.75, or 0.91%. (BR) | [Click for more info.](#)

## Oil & Gas

**Oil sector presses govt to end fuel subsidy**

**Oil | Neutral**

Oil sector on Thursday pressed the government to call off oil subsidies to streamline the fuel supply chain, which was on the verge of a breakdown as this burdensome price support and its recovery mechanism were utterly "unsustainable". The sector also cautioned about nationwide supply disruptions of fuel supplies, if corrective measures were not taken instantly. (The News) | [Click for more info.](#)

**OBOY plans to raise Rs150mn for trading business of energy products**

**OBOY | Positive**

Oilboy Energy Limited (PSX: OBOY) has decided to raise Rs150 million through a right issue of 15mn ordinary shares at a par value of Rs10/- each, in order to meet the working capital requirement related to trading activities of Coal, Lubes, LPG and other Energy Products. (Mettis) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,203.2	29,187.1	-16.2	-0.1%
KSE100	42,863.2	42,898.4	35.3	0.1%
KSE30	16,303.9	16,307.8	3.9	0.0%
KMI30	69,006.7	69,336.8	330.1	0.5%

### Top Five Gainers

	Open	Close	Chg.	%
GATI	382.8	410.3	27.5	7.2%
HINOON	530.6	550.6	20.0	3.8%
BATA	2,080.0	2,100.0	20.0	1.0%
ABOT	644.7	658.0	13.3	2.1%
MTL	935.9	945.0	9.1	1.0%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TREET	30.1	31.5	1.4	27.63
TPLP	17.1	17.2	0.1	18.90
TELE	10.8	11.2	0.4	16.86
WTL	1.5	1.5	0.0	16.44
GGL	16.0	16.6	0.7	15.91

### 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	2.23	-2.16	0.07
<b>Net</b>	<b>2.30</b>	<b>-2.91</b>	<b>-0.61</b>
<b>LIPI</b>			
Individuals	34.73	-35.11	-0.38
Companies	1.54	-2.05	-0.51
Comm. Banks	3.48	-1.27	2.21
NBFC	0.01	-0.08	-0.07
Mutual Funds	2.41	-3.12	-0.71
Other	0.40	0.00	0.40
Brokers Proprietary	9.62	-9.37	0.25
Insurance	0.55	-1.12	-0.58
<b>Net</b>	<b>52.74</b>	<b>-52.13</b>	<b>0.61</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	0.00	-100.0%
Brent oil	USD/bbl.	0.00	-100.0%
Gold	USD/t oz.	0.00	-100.0%
Silver	USD/t oz.	0.00	-100.0%
Coal	USD/ton	328.35	2.7%
Steel Scrap (LME)	USD/ton	0.00	-100.0%
Steel Rebar (LME)	USD/ton	0.00	-100.0%
USD/PKR	Interbank	191.77	0.9%

**News Source:** Local / Int'l Newspapers and websites

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**REP-055**

## Power

**Hydel generation capacity will surge to 13949MW by 2026: Wapda chief**

**Power | Neutral**

Wapda Chairman Lt Gen Muzammil Hussain (Retd) has said that installed hydel generation capacity of Wapda will surge to 13949 MW by 2026 with an addition of 4543 MW following completion of its under construction projects. (BR) | [Click for more info.](#)

## Autos

**Car sales drop 18pc to 22,370 units in April**

**Autos | Negative**

Car sales shrank 18 percent in April 2022 over March as almost all the auto assemblers blew up the price tags, citing higher costs and reduced working hours in Ramazan. The industry sold 22,370 units in April as compared to 27,202 in the previous month of March. However, year-on-year sales increased 30 percent against April 2021. (The News) | [Click for more info.](#)

**Pakistan Exports its First Locally Assembled Vehicle**

**Autos, Economy | Neutral**

Master Changan Motors Limited (MCML) has become Pakistan's first automaker to export a vehicle under the new Auto Industry Development and Export Policy (AIDEP 2021-26). The country's first export unit under the new policy is the Changan Oshan X7. (Propakistani) | [Click for more info.](#)

## Fertilizer

**FFBL disagrees to recent reduction in urea prices**

**FFBL | Neutral**

The management of Fauji Fertilizer Bin Qasim (FFBL) has not agreed to the government's recent price reduction of urea to Rs1,768 per bag, however, discussions are underway for a workable solution with the concerned ministry, the company said in a corporate briefing today. (Mettis) | [Click for more info.](#)

## Tech. & Communcation

**Ministry Suggests Reducing Taxes on Mobile Phones and Telecom Sector**

**Tech. & Communication | Neutral**

The Ministry of Information Technology and Telecommunication has proposed the government to abolish regulatory duty on imports of telecom equipment, a tax credit for fresh IT graduates, simplification of taxes on the sector as well as a reduction in taxes on mobile phones aimed at ease of doing business in the country. (Propakistani) | [Click for more info.](#)

## Miscellaneous

**Deposits of Microfinance Banks Surge to Over Rs. 400 Billion**

**APNA | Positive**

The deposits maintained by microfinance banks have surged to over Rs. 400 billion for the first time, according to data released by Pakistan Microfinance Network. The deposits of the sector surged to Rs. 423 billion by the end of 2021 compared to Rs. 374 billion reported by the end of 2020, showing a substantial increase of nearly Rs. 50 billion in a year. (Propakistani) | [Click for more info.](#)

**EPQL seeks more gas**

**EPQL | Neutral**

Engro Powergen Qadirpur Ltd (EPQL), an independent power producer owned by Engro Corporation, has asked the government to provide it with additional 30 million cubic feet per day of gas. (Dawn) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	42,898.4	35.29	0.08%
CHINA - Shanghai	3,055.0	-3.71	-0.12%
US - S&P 500	3,930.1	-5.10	-0.13%
PHILP - PSEI	6,532.3	-103.56	-1.56%
US - Dow 30	31,730.3	-103.81	-0.33%
INDONESIA - IDX	6,599.8	-216.36	-3.17%
Taiwan - TWII	15,616.7	-389.57	-2.43%
HK - Hang Seng	19,380.3	-444.23	-2.24%
KSA - Tadawul	12,835.3	-543.78	-4.06%
INDIA - SENSEX	52,930.3	-1158.08	-2.14%

### Board Meetings

Scrip	Day	Agenda	Time
AGTL	Tuesday	1QA/C - 31-Mar-22	5:30 PM
NCML	Thursday	3QA/C - 31-Mar-22	10:00 AM
SIEM	Thursday	HYA/C - 31-Mar-22	10:00 AM

Source: PSX

## Artificial leather; Duty- and tax-free import allowed temporarily

### Leather | Positive

The Federal Board of Revenue (FBR) has resolved a major issue of the exporters by allowing duties and taxes free temporary import of artificial leather used in the manufacturing of export goods under SRO492(I)2009. (BR) | [Click for more info.](#)

## International News

### Stocks set for cautious open amid dollar strength: Markets Wrap

Stocks in Asia look set for a cautious open Friday amid dollar strength and choppy conditions in global markets driven by tightening monetary policy to tackle elevated inflation. (Bloomberg) | [Click for more info.](#)

### Oil settles mixed amid Beijing lockdown fears, tight supplies

Oil prices settled mixed on Thursday as supply concerns and geopolitical tension in Europe got the upper hand over the economic fears dogging financial markets as inflation soars. (Reuters) | [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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