

March 14,
2022

Economy

World Bank okays \$435m loans for Punjab

Economy | Positive

The World Bank's board of executive directors approved \$435 million in financing for three projects in Pakistan, ie the Pakistan Housing Finance project, Punjab Urban Land Systems Enhancement project and Punjab Affordable Housing Programme, according to a statement. (ET) | [Click for more info.](#)

PM's package to need Rs136bn in four months

Economy | Neutral

Prime Minister's Package of Rs5per unit cut in electricity price of up to 700 units would involve a subsidy of Rs115 billion on account of tariff and Rs 21.47 billion on account of fuel impact for the next four months. (BR) | [Click for more info.](#)

7th review of EFF; Policy-level talks with IMF likely on Monday

Economy | Neutral

Policy level talks between Pakistani authorities and the International Monetary Fund (IMF) on seventh review of Extended Fund Facility (EFF) are now expected to be held on Monday amid Fund reservations on Prime Minister Package and tax amnesty scheme for industries. (BR) | [Click for more info.](#)

Rupee may take a hit from global commodity prices

Economy | Negative

Rupee will likely remain under pressure against the US dollar in the coming week due to soaring global commodity prices, currency dealers said. (The News) | [Click for more info.](#)

Oil & Gas

Saudi oil deal to be finalised by 28th

Oil | Neutral

Pakistan and Saudi Arabia are to finalise agreement on oil facility by March 28, 2022, according to which the former will supply oil of \$1.2 billion yearly for three years on deferred payment. The meeting decided that Petroleum Division will finalise the process of oil facility agreement at the earliest so that in coming months a smooth oil supply may be ensured. (BR) | [Click for more info.](#)

PSO refuses oil import for OMCs

PSO | Neutral

State-owned Pakistan State Oil (PSO) refused to take responsibility of oil imports on behalf of other Oil Marketing Companies (OMCs), saying market situation was volatile with regards to product availability. (The News) | [Click for more info.](#)

ECC approves Rs747.5mn for gas supply to 85 villages

Gas | Neutral

The Economic Coordination Committee (ECC) of the cabinet Friday approved supplementary grant of Rs 747.539 million for the provision of gas to localities and villages in 5km radius of gas producing fields. (PT) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,109.5	29,972.8	-136.7	-0.5%
KSE100	43,853.6	43,653.3	-200.3	-0.5%
KSE30	17,076.5	16,976.1	-100.4	-0.6%
KMI30	71,150.6	70,645.0	-505.6	-0.7%

Top Five Gainers

	Open	Close	Chg.	%
PMPK	675.0	724.9	49.9	7.4%
SYS	674.9	713.0	38.1	5.6%
INDU	1,295.9	1,317.4	21.5	1.7%
SCL	261.0	279.0	18.0	6.9%
WYETH	2,084.0	2,100.5	16.5	0.8%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TPLP	23.7	22.5	-1.3	12.27
PAELR3	2.5	1.8	-0.7	11.91
TPL	10.0	10.1	0.0	9.40
UNITY	25.0	23.9	-1.1	9.04
FLYNGR1	0.4	0.3	-0.1	7.84

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	4.18	-2.07	2.11
Net	6.68	-5.45	1.22
LIPI			
Individuals	25.30	-29.69	-4.39
Companies	6.23	-3.09	3.14
Comm. Banks	1.01	-0.66	0.35
NBFC	0.01	-0.01	0.00
Mutual Funds	2.76	-3.41	-0.65
Other	0.43	-0.20	0.23
Brokers Proprietary	5.84	-5.95	-0.11
Insurance	0.35	-0.13	0.22
Net	41.92	-43.14	-1.22

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	109.33	3.1%
Brent oil	USD/bbl.	112.67	3.2%
Gold	USD/t oz.	1988.46	-0.4%
Silver	USD/t oz.	25.87	-0.2%
Coal	USD/ton	379.35	1.5%
Steel Scrap (LME)	USD/ton	629.00	-0.9%
Steel Rebar (LME)	USD/ton	925.50	0.6%
USD/PKR	Interbank	178.51	-0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055

Power

CCoE likely to consider pending agreements with KE

KEL | Neutral

The Cabinet Committee on Energy (CCoE) has directed Power Division to place pending Power Purchase Amendment Agreement (PPAA), Interconnection Agreement (ICA) and other agreements with K-Electric (KE) for approval in its next meeting, well informed sources told. (BR) | [Click for more info.](#)

Clearing CPEC IPPs' dues; ECC all set to approve Rs50bn revolving account

IPPs | Positive

The Economic Coordination Committee (ECC) is all set to approve opening of Revolving Account (RA) of Rs 50 billion for Independent Power Producers (IPPs) established under China Pakistan Economic Corridor (CPEC), well informed sources in Power Division told. (BR) | [Click for more info.](#)

Autos

Auto sector grows despite inflation

Autos, LUCK | Neutral

Despite mounting inflation, rising commodity prices and contraction in purchasing power of the public, foreign automobile brands are entering the Pakistani market to capitalize on the available opportunities. (ET) | [Click for more info.](#)

Cement

North cement plants switch to Afghan coal

Cement | Positive

Cement factories in North have mostly switched to utilizing a mix of Afghan and coal sourced from other countries as record high world markets are making imports too expensive for the sector to maintain their profitability. Northern players are currently using 70 percent Afghan coal and are considering adding 20 percent more local rocky fuel to the mix. (The News) | [Click for more info.](#)

Fertilizer

Pakistan largest Urea manufacturer increase Urea prices by PKR 80 per bag

Fertilizer | Neutral

Pakistan largest Urea manufacturer increase urea prices by PKR 80 per bag effective from March 12 2022 today as per company notification issued to its customers. The new price of Prilled Urea is PKR 1,863 while of granular urea is PKR 1,883 per bag. The new price of DAP is PKR 9,863 per bag and SOP granular is PKR 11,730 per bag. (Augaf) | [Click for more info.](#)

Steel

Fresh hike tosses steel above Rs208,000

Steel | Positive

Manufacturers have again increased the prices of steel bars by up to Rs8,000 to above Rs208,000 per tonne in less than four days. Meanwhile, cement prices also rose by 5 per cent over the preceding week ending March 3. As per data of Sensitive Price Index (SPI), the average prices went up to Rs787 per 50 kg bag from Rs749. (The News) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	55,550.3	85.91	0.15%
CHINA - Shanghai	3,309.8	13.66	0.41%
INDONESIA - IDX	6,922.6	-1.41	-0.02%
PHILIP - PSEi	7,112.2	-12.61	-0.18%
US - S&P 500	4,204.3	-55.21	-1.30%
KSA - Tadawul	12,605.4	-78.76	-0.62%
Taiwan - TWII	17,264.7	-168.46	-0.97%
PAK (KSE-100)	43,653.3	-200.29	-0.46%
US - Dow 30	32,944.2	-229.88	-0.69%
HK - Hang Seng	20,553.8	-336.47	-1.61%

Board Meetings

Scrip	Day	Agenda	Time
DATM	Monday	HY A/c - 31Dec21	11:00 AM
SHEL	Wednesday	ANN A/c - 31Dec21	10:00 AM
HINOON	Wednesday	ANN A/c - 31Dec21	11:00 AM
KSBP	Wednesday	ANN A/c - 31Dec21	11:00 AM
PABC	Wednesday	ANN A/c - 31Dec21	1:00 PM
IBFL	Thursday	HY A/c - 31Dec21	4:00 PM

Source: PSX

Banks

Private sector borrowings more than double

Banks | Positive

Private sector credit off-take more than doubled in the first eight months of the current fiscal year compared to the same period of last year reflecting a high growth pattern in the economy. The bank advances to the private sector jumped 116pc to Rs874.3 billion during 8MFY22 compared to Rs403.6bn in 8MFY21. (Dawn) | [Click for more info.](#)

Bahria Town selling its majority stake in Escort Bank

ESBL | Neutral

Manager to the Offer on behalf of the Acquirers, Mr. Mian Javaid Akhtar, Mr. Mohammad Ali Kazmi and Mr. Mian Zeeshan Javaid (the “Acquirers”) submit a Public Announcement of Intention to acquire more than 50 percent of the Issued and Paid-up Share Capital of Escorts Investment Bank Limited (the “Target Company”) with management control. (Augaf) | [Click for more info.](#)

Miscellaneous

Greentree Holdings acquires additional 2.94mn voting shares of TRG Pakistan

TRG | Positive

Greentree Holdings Limited has acquired additional 2.94 million voting shares of TRG Pakistan Limited at the rate of Rs74.80 per share. As per the notice, on account of this acquisition, Greentree’s total shareholding in TRG Pakistan has increased to 56,018,024 shares which represent 10.27% of the total issued voting shares of the company. (Mettis) | [Click for more info.](#)

Customs Values on Import of Glass Tubing Revised Upward

Glass | Positive

Directorate General Customs Valuation Karachi has upward revised customs values on the import of glass tubing used in the manufacturing of ampoules from China and Europe. (Propakistani) | [Click for more info.](#)

Reliance Weaning Mills to invest Rs5bn in Fatima Energy Limited

REWM | Positive

The shareholders Reliance Weaning Mills Limited have resolved to invest in Fatima Energy Limited (FEL) as a long-term loan/advance aggregating to an amount up to Rs5,000 million. (Mettis) | [Click for more info.](#)

Pharmacists seek PM Imran’s help as paracetamol shortage gives headache

Pharma | Neutral

As paracetamol painkillers continue to remain in short supply across the country, a pharmacists’ association has claimed that the shortage is being engineered to create space for a new, high-dosage variant of the medicine being sold at three times higher rates. (Dawn) | [Click for more info.](#)

Duty-free imports surge 42pc in February

Economy | Neutral

The surging duty-free arrival of goods has posed a serious threat to the government’s efforts to curtail the overall import bill, which may lead to a higher-than-expected trade deficit in the current fiscal year. The value of duty-free imports in February rose 42.41 per cent to \$2.67 billion from \$1.87bn in the same month last year. (The News) | [Click for more info.](#)



Political News

Joint opposition mulling filing no-trust motions against NA Speaker, Senate chief

Joint opposition is firming up plans to move no-confidence resolutions against Speaker National Assembly Asad Qaiser and Senate Chairman Sadiq Sanjrani. (BR) | [Click for more info.](#)

International News

Stocks, U.S. Futures Rise as Oil Falls; Bonds Drop: Markets Wrap

U.S. equity futures dimbed Monday, while Treasures fell, as traders weighed inflation risks from commodity-supply disruptions and braced for the Federal Reserve to begin hiking interest rates this week. (Bloomberg) | [Click for more info.](#)

Oil prices fall, continuing downward trend from last week

Oil prices fell on Sunday at the start of the session, extending last week's decline, as a U.S. official said Russia was showing signs it might be willing to have substantive negotiations over Ukraine. (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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