

March 17,
2022

Economy

Stockbrokers seek tax relief in next budget

Capital Market | Positive

The stockbrokers have asked the government to provide tax incentives to encourage investments in the stock market. A delegation of the Pakistan Stockbrokers Association (PSBA) met Finance Minister Shaukat Tarin on Wednesday and presented their budget proposals for 2022-23. They said that the current high rate of Capital Gains Tax of 12.5 per cent was discouraging investments in the capital market. (Dawn) | [Click for more info.](#)

Govt lifts all Covid-related restrictions

Economy | Positive

Minister for Planning and Development Asad Umar on Wednesday announced that the government was lifting all Covid-19 related restrictions across the country as Pakistan "has come close to eliminating the pandemic". (BR) | [Click for more info.](#)

Pakistan hopes to pass 7th IMF review hands down

Economy | Positive

The government is confident in getting a positive nod from the International Monetary Fund's (IMF) on 7th review as it addressed in details the fund's concerns on the Prime Minister's relief package, finance minister said on Wednesday. (The News) | [Click for more info.](#)

\$21bn support request; Ministry seeks update from Pak envoy in Beijing

Economy | Neutral

Ministry of Finance (MoF) has sought an update from Pakistan Ambassador to China Moin ul Haq on Islamabad's request for \$ 21 billion financial package from China required for external account stability and budgetary needs. (BR) | [Click for more info.](#)

Rs201.572bn for KCR; Ecnec approves over Rs270bn uplift projects

Economy | Positive

A meeting of the Executive Committee of the National Economic Council (Ecnec) has approved over Rs270 billion development projects including development, operation and maintenance of Karachi Circular Railway under Public-Private Partnership mode with a total cost of Rs201.572 billion. (BR) | [Click for more info.](#)

Govt raises Rs193 billion via fixed-rate PIBs

Economy | Neutral

The government, in a bid to meet its financing needs, raised Rs193 billion by auctioning fixed-rate Pakistan Investment Bonds, with the cut-off yields on three-, five- and 10-year papers trending upwards, the central bank data showed on Wednesday. (The News) | [Click for more info.](#)

Oil & Gas

OGDCL injects 7 new wells in production gathering system

OGDC | Positive

The Oil and Gas Development Company Limited (OGDCL) has injected seven operated wells, producing 171,110 barrel (BBL) crude oil and 883 million cubic feet (MMCF) gas, in its production gathering system during the first half of the current fiscal year. (Mettis) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,939.7	29,996.7	57.0	0.2%
KSE100	43,719.8	43,975.7	255.9	0.6%
KSE30	16,922.4	17,018.6	96.2	0.6%
KMI30	70,632.3	71,294.3	662.0	0.9%

Top Five Gainers

	Open	Close	Chg.	%
BATA	2,178.0	2,268.0	90.0	4.1%
MEHT	794.7	854.0	59.3	7.5%
SYS	723.3	761.2	37.9	5.2%
HINOON	583.4	611.4	28.0	4.8%
NESTLE	5,450.0	5,468.8	18.8	0.3%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
FLYNGR1	0.1	0.1	-0.1	22.35
WTL	1.7	1.7	0.0	19.69
TREET	31.0	31.3	0.3	15.23
TPLP	22.7	23.6	0.9	12.97
PAELR3	2.0	1.8	-0.2	11.95

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	2.32	-2.41	-0.09
Net	3.92	-5.70	-1.78
LIPI			
Individuals	27.02	-27.41	-0.39
Companies	1.86	-1.47	0.39
Comm. Banks	2.07	-0.83	1.24
NBFC	0.01	-0.03	-0.02
Mutual Funds	2.79	-2.69	0.10
Other	0.78	-0.43	0.35
Brokers Proprietary	6.14	-6.47	-0.33
Insurance	0.74	-0.30	0.44
Net	41.42	-39.64	1.78

Commodity Outlook

	Unit	Close	% Chg.
Crude oil	USD/bbl.	95.04	-1.5%
Brent oil	USD/bbl.	98.02	-1.9%
Gold	USD/t oz.	1926.39	0.4%
Silver	USD/t oz.	25.09	0.8%
Coal	USD/ton	321.65	-6.9%
Steel Scrap (LME)	USD/ton	645.00	0.0%
Steel Rebar (LME)	USD/ton	928.50	0.4%
USD/PKR	Interbank	179.44	0.1%

News Source: Local / Int'l Newspapers and websites

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Power

KE approaches Tarin for payment of receivables

KEL | Positive

Karachi Electric (KE) has approached Finance Minister Shaukat Tarin for payment of its receivables amounting to Rs 315.2 billion arguing that pending significant accumulation of TDC balance is straining the already stretched position of company's working capital. (BR) | [Click for more info.](#)

Determination of uniform tariff; SC summons top govt official

Power, KEL | Neutral

The Supreme Court summoned Additional Director General Tariff, NEPRA, and secretary Ministry of Energy and Power Division today (Thursday) to assist with respect to the process applicable for the determination of uniform tariff. (BR) | [Click for more info.](#)

Govt, ADB discuss energy programme, reforms

Power | Neutral

Federal Minister for Energy Hammad Azhar held a meeting with Shixin Chen, Vice President (operations) for Asian Development Bank (ADB) and discussed the ADB's energy programme in Pakistan, government's energy reforms. (BR) | [Click for more info.](#)

Debt recapitalization; NPPMCL proposes amendments in GSA with two RLNG-fired power plants

Power | Neutral

National Power Parks Management Company (Private) Limited (NPPMCL) has proposed amendments in Gas Supply Agreement (GSA) with two RLNG-fired power plants to further the privatization process and ensure financing of Rs 110 billion from banks for debt recapitalization. (BR) | [Click for more info.](#)

Fertilizer

ECC likely to okay fertilizer subsidy today

Fertilizer | Positive

A meeting of the Economic Coordination Committee (ECC) of the Cabinet has been convened Thursday (Mar 17) to consider and approve subsidy to farmers on fertilizer for Kharif crops 2022 besides fixation of public wheat procurement targets of Sindh and Balochistan along with cash credit limits. (BR) | [Click for more info.](#)

Banks

MFBs to lend for low-cost housing

Banks | Positive

The State Bank of Pakistan (SBP) on Wednesday said that it has facilitated microfinance banks to lend for low-cost housing and micro and small enterprises through amendments in prudential regulations. According to statistics, at the close of CY2021, MFBs had over 4.6 million borrowers with an outstanding loan portfolio exceeding Rs290 billion. This included over 674,000 MSEs and 75,000 housing finance beneficiaries with loans aggregating to Rs77bn and Rs20bn, respectively. (Dawn) | [Click for more info.](#)

Microfinance; Accountholders can invest in govt securities: SBP

Banks | Neutral

The State Bank of Pakistan (SBP) has allowed microfinance accountholders to invest in government securities, a move aimed at providing them more investment opportunities. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	20,087.5	1672.42	9.08%
INDIA - SENSEX	56,816.7	1039.80	1.86%
US - Dow 30	34,063.1	518.76	1.55%
PAK (KSE-100)	43,975.7	255.87	0.59%
KSA - Tadawul	12,656.2	248.63	2.00%
CHINA - Shanghai	3,170.7	106.74	3.48%
US - S&P 500	4,357.9	95.41	2.24%
INDONESIA - IDX	6,992.4	74.22	1.07%
Taiwan - TWII	16,940.8	14.77	0.09%
PHILIP - PSEi	7,026.5	6.53	0.09%

Board Meetings

Scrip	Day	Agenda	Time
IBFL	Thursday	HY A/c - 31Dec21	4:00 PM
PSMC	Tuesday	ANN A/c - 31Dec21	10:00 AM
EFGH	Tuesday	ANN A/c - 31Dec21	4:00 PM
SIBL	Tuesday	ANN A/c - 31Dec21	4:30 PM
ZIL	Thursday	ANN A/c - 31Dec21	11:00 AM
AGP	Friday	ANN A/c - 31Dec21	3:00 PM

Source: PSX



Miscellaneous

Nestle Pakistan planned to increase investment in 2022

NESTLE | Positive

Nestlé Pakistan planned investments of approximately PKR 3 billion for 2022, primarily in respect of operational reliability and capacity increase in order to meet consumer demands. Company made investments of PKR 2.6 billion, including expansion projects, in 2021 includes capital expenditure of PKR 1.181 billion at Sheikhpura Factory, PKR 485 million at Kabirwala Factory and PKR 496 million to strengthen company's supply chain. (Augaf) | [Click for more info.](#)

WorldCall ask for waiver regarding compliance of regulations

WTL | Neutral

WorldCall Telecom Limited ask for waiver regarding compliance with the requirements of PSX Regulations for submission of last three-quarter accounts, as per company filling at exchange. (Augaf) | [Click for more info.](#)

International News

Fed hikes rates, signals aggressive turn against inflation

The Federal Reserve on Wednesday raised interest rates by a quarter of a percentage point and laid out an aggressive plan to push borrowing costs to restrictive levels by next year as concerns about high inflation and the war in Ukraine overtook the risks of the coronavirus pandemic. (BR) | [Click for more info.](#)

Stocks Jump on China Tech Surge, Powell Confidence: Markets Wrap

Stocks jumped Thursday as Chinese technology shares soared again and traders digested the Federal Reserve's view that the U.S. economy is strong enough to weather the campaign against high inflation now underway. (Bloomberg) | [Click for more info.](#)

Oil dips on Russia-Ukraine talks, U.S. inventory data

Oil lost ground for the fifth time in the last six days on Wednesday as traders reacted to hoped-for progress in Russia-Ukraine peace talks and a surprising increase in U.S. inventories. (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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