

May 18,  
2022

## Economy

**MPC meeting: Majority polled expect major spike in policy rate**

**Economy | Neutral**

A majority of market participants expect a major hike in the policy rate in the upcoming Monetary Policy Committee (MPC) meeting of the State Bank of Pakistan (SBP) scheduled for May 23. (BR) | [Click for more info.](#)

**Pakistan set to achieve 6pc GDP growth this year**

**Economy | Neutral**

Pakistan is all set to achieve GDP growth in the range of approximately 6 per cent for the current fiscal year mainly because of the improved contribution of industrial and services sectors. (The News) | [Click for more info.](#)

**Govt to raise Rs4.05tn via treasury auctions**

**Economy | Neutral**

The government aims to raise Rs4.050 trillion through the auction of Market Treasury Bills (MTBs), Pakistan Investment Bonds (PIBs), and Sukuk in May-July period to meet its financing needs. (The News) | [Click for more info.](#)

**Rupee sinks for ninth successive session, closes at 195.74 in inter-bank trading**

**Economy | Negative**

The local currency sustained a downtrend for the ninth consecutive session on Tuesday as the rupee closed at an all-time low of Rs195.74 against the greenback in the inter-bank market. (BR) | [Click for more info.](#)

## Oil & Gas

**Cnergyco Refinery shut down on cash flow concerns**

**CENERGY | Negative**

Cnergyco Refinery (formerly Byco Refinery) has shut down its operation following serious cash flow problems in buying expensive crude oil from the international market. (The News) | [Click for more info.](#)

**Oil firms to get higher payments in May**

**OMCs | Neutral**

The Petroleum Division has notified substantially higher price differential claim (PDC) payable to oil companies and refineries for the second half of current fiscal year owing to continuously rising global prices and domestic price freeze. (Dawn) | [Click for more info.](#)

## Power

**PD all set to share 'reform plan' with IMF**

**Power | Neutral**

Power Division is all set to share its 'power sector reforms plan' with the International Monetary Fund (IMF) on Wednesday (today) including a commitment to increase about Rs 7 per unit in tariff, a mix of base tariff, QTAs and FCAs under the 7th Review Extended Fund Facility (EFF). (BR) | [Click for more info.](#)

## Cement

**Maple Leaf to buy back its shares to arrest decline in stock price: PSX**

**MLCF | Neutral**

Maple Leaf Cement Factory Limited (MLCF) by way of Special Resolution have accorded approval to the Company to purchase/buy-back of its own shares through Pakistan Stock Exchange Limited upto a maximum of 25 million issued ordinary shares of the face value of Rs. 10/- (Rupees Ten) according to the company filing to the exchange. (Augaf) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,067.7	29,104.8	37.0	0.1%
KSE100	42,667.3	42,726.1	58.7	0.1%
KSE30	16,212.9	16,246.4	33.5	0.2%
KMI30	68,861.8	68,855.8	-6.0	0.0%

### Top Five Gainers

	Open	Close	Chg.	%
SFL	964.9	1,029.0	64.1	6.6%
MEHT	828.2	880.0	51.8	6.3%
PECO	230.0	246.7	16.7	7.3%
AGTL	376.2	389.2	13.1	3.5%
SRVI	363.0	375.0	12.0	3.3%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.5	1.5	0.0	21.95
CNERGY	5.2	5.3	0.1	15.47
LOTCEM	27.0	26.4	-0.6	11.48
PRL	14.8	15.1	0.3	10.99
TREET	30.3	30.0	-0.2	10.94

### 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	1.77	-1.60	0.17
<b>Net</b>	<b>2.45</b>	<b>-3.68</b>	<b>-1.23</b>
<b>LIPI</b>			
Individuals	27.96	-26.94	1.01
Companies	1.66	-1.66	0.01
Comm. Banks	3.81	-1.09	2.72
NBFC	0.01	-0.01	0.00
Mutual Funds	0.95	-3.13	-2.17
Other	0.33	-0.42	-0.09
Brokers Proprietary	8.15	-8.16	-0.01
Insurance	0.06	-0.29	-0.23
<b>Net</b>	<b>42.93</b>	<b>-41.70</b>	<b>1.23</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	109.63	-2.0%
Brent oil	USD/bbl.	111.93	-2.0%
Gold	USD/t oz.	1815.14	-0.5%
Silver	USD/t oz.	21.64	0.1%
Coal	USD/ton	327.75	-0.1%
Steel Scrap (LME)	USD/ton	484.00	1.0%
Steel Rebar (LME)	USD/ton	804.50	0.4%
USD/PKR	Interbank	195.74	0.8%

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

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## Fertilizer

Govt allows import of 0.2MMTs of urea

Fertilizer | **Positive**

The federal government has allowed import of 0.2 million metric tons of urea on G2G and deferred payment basis, official sources told. (BR) | [Click for more info.](#)

## Miscellaneous

Telecom industry attracts \$6.1bn FDI in less than 4 years

Tech. & Communication | **Neutral**

The telecommunication industry attracted foreign direct investment of \$6.1 billion during July 1, 2018, to March 30, 2022, said Federal Minister for IT and Telecommunication Syed Aminul Haque. (BR) | [Click for more info.](#)

IMF programme resumption only way for economic stability

Economy | **Neutral**

As Pakistan's economy passes through one of its toughest phases in recent years, amid dwindling foreign exchange reserves and a rising import bill, the Pakistan Business Council (PBC) believes resumption of the International Monetary Fund's (IMF) loan facility is the only way to bring much-needed economic stability. (BR) | [Click for more info.](#)

## Political News

Dissenting lawmakers' vote will not be counted: Supreme Court

The Supreme Court of Pakistan has said that the vote of dissenting lawmakers will not be counted in parliament as the top court expressed its opinion on presidential reference seeking interpretation of Article 63-A. (ET) | [Click for more info.](#)

Allies want govt to stay in power till Aug next year

The government's coalition partners on Tuesday decided that the current setup would complete its term that ends in August 2023 and supported 'tough' decisions to revive the crippling economy. (Dawn) | [Click for more info.](#)

## International News

Stocks Extend Rally as Bonds Hold Post-Powell Drop: Markets Wrap

Stocks in Asia extended a rally Wednesday after a jump in US equities, while Treasuries held most of a slide induced by hawkish comments from Federal Reserve Chair Jerome Powell. (Bloomberg) | [Click for more info.](#)

Oil falls 2% on Powell comments, hopes for Venezuela supply

After hitting seven-week highs, oil prices slumped 2% on Tuesday as Reuters reported that the United States could ease some restrictions on Venezuela's government, raising hopes that the market could see some additional supplies. (Reuters) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	54,318.5	1344.63	2.54%
HK - Hang Seng	20,602.5	652.31	3.27%
US - Dow 30	32,654.6	431.17	1.34%
Taiwan - TWII	16,056.1	155.05	0.98%
PHILP - PSEI	6,594.7	92.54	1.42%
US - S&P 500	4,088.9	80.84	2.02%
PAK (KSE-100)	42,726.1	58.74	0.14%
INDONESIA - IDX	6,644.5	46.48	0.70%
CHINA - Shanghai	3,093.7	19.95	0.65%
KSA - Tadawul	12,689.9	-225.02	-1.74%

### Board Meetings

Scrip	Day	Agenda	Time
NCML	Thursday	3QA/C - 31-Mar-22	10:00 AM
HACC	Tuesday	3QA/C - 31-Mar-22	11:30 AM
HCAR	Thursday	ANN A/C - 31-Mar-22	9:00 AM
SIEM	Thursday	HYA/C - 31-Mar-22	10:00 AM

Source: PSX

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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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