

May 19,
2022

Economy

In talks with IMF, Miftah agrees govt will have to take 'tough decisions'

Economy | Negative

Finance Minister Miftah Ismail on Wednesday told the International Monetary Fund (IMF) that the government understood the current economic crisis and agreed that it would have to take "tough decisions" while mitigating the effects of inflation on middle to low-income groups. According to a handout issued later in the day by the Finance Division, Ismail reaffirmed the government's commitment to undertake reforms envisaged under the programme and to complete the structural benchmarks. (Dawn) | [Click for more info.](#)

In maiden official visit to US, FM Bilawal holds 'productive' meeting with Blinken

Economy | Neutral

Foreign Minister Bilawal Bhutto Zardari on Wednesday held a meeting with US Secretary of State Antony Blinken during his maiden official visit to New York, as they discussed bilateral relations, regional situation, and cooperation in various sectors between the two countries. (Dawn) | [Click for more info.](#)

GDP growth reaches 5.97pc; per capita income \$1,798 in FY22

Economy | Neutral

After rebasing of national accounts, the economic growth touched 5.97 percent in the current financial year ending June 2022, slightly faster than the 5.74 in the previous year, the government said. (The News) | [Click for more info.](#)

Treasury bills yields slide; moderate rate hike likely

Economy | Negative

Treasury bill yields edged down on Wednesday in a sign that investors' fears about an aggressive policy stance from the central bank to curb soaring inflation have abated for now. The yield on the three-month T-bill fell 29 basis points (bps) to 14.50 percent, the auction result from the State Bank of Pakistan showed. (The News) | [Click for more info.](#)

Plan okayed to slap ban on import of 50 'luxury items'

Economy | Positive

In order to slash the burgeoning import bill, Prime Minister Shehbaz Sharif on Wednesday approved a plan to slap a ban on the import of 50 'luxury items', including cars, mobile phones, cheese, jams, frozen food items, fish, dried fruit, cosmetics and tyres. (The News) | [Click for more info.](#)

Currency's collapse continues: Rupee closes at 198.39 in inter-bank market, crosses 200 in open

Economy | Negative

Rupee depreciated massively for the 10th consecutive session on Wednesday, pushing the local currency to a fresh all-time low against the US dollar in the inter-bank market and taking cumulative fall during the ongoing calendar year to 11%. As per the State Bank of Pakistan (SBP), the currency dosed at 198.39 after a day-on-day depreciation of Rs 2.65 or 1.3%. On Tuesday, the currency had lost Rs 1.56 or 0.8% to dose at Rs 195.74. (BR) | [Click for more info.](#)

Centre will no longer fund provincial uplift schemes

Economy | Negative

Clearing Rs 71.4 billion worth of development projects, the government on Wednesday decided in principle to stop funding of provincial development schemes out of the federal budget from this year due to a serious resource crunch. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,104.8	29,280.1	175.4	0.6%
KSE100	42,726.1	43,026.9	300.8	0.7%
KSE30	16,246.4	16,360.4	114.0	0.7%
KMI30	68,855.8	69,512.2	656.4	1.0%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	5,701.0	5,790.0	89.0	1.6%
GATI	420.0	448.8	28.8	6.8%
SRVI	375.0	397.0	22.0	5.9%
EXIDE	221.5	235.1	13.7	6.2%
HINOON	524.5	537.8	13.3	2.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.5	1.5	0.1	27.08
CNERGY	5.3	5.2	-0.1	24.14
TELE	10.2	11.1	0.9	23.22
GGL	15.3	16.4	1.1	12.92
PAEL	15.1	16.0	1.0	12.78

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
Net	2.45	-3.68	-1.23
LIPI			
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
Net	42.93	-41.70	1.23

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	107.04	-2.4%
Brent oil	USD/bbl.	107.27	-4.2%
Gold	USD/t oz.	1816.55	0.1%
Silver	USD/t oz.	21.41	-1.0%
Coal	USD/ton	330.05	0.7%
Steel Scrap (LME)	USD/ton	475.50	-1.8%
Steel Rebar (LME)	USD/ton	802.50	-0.2%
USD/PKR	Interbank	198.39	1.4%

News Source: Local / Int'l Newspapers and websites

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REP-055

MORNING BRIEFING

Oil & Gas

Cnergyico refutes shutdown report

CNERGY | Neutral

The headline in yesterday's paper which claimed that 'The Refinery has shut down on cash flow concerns' is extremely misleading. The fact of the matter is that Refinery is 'temporarily' taken out of circulation due to some delay in the arrival of crude oil cargo, which is currently under clearance as per procedure, with additional 2-3 cargoes are in the line and expected soon in the country. (The News) | [Click for more info.](#)

Power

Hubco seeks exemption from application of IFRS-9 on behalf of all IPPs

HUBC | Neutral

The Hub Power Company (Hubco) has sought permanent exemption from applicability of the International Financial Reporting Standards-9 (IFRS-9) for Independent Power Producers (IPPs) due to the prevailing situation with regard to circular debt. (BR) | [Click for more info.](#)

With coal stocks dipping, power outages to get worse

Power | Negative

Pakistan is facing a threat of low levels of coal inventory that might take 3,900 MW out of the national grid, making the situation of power outages worse. The overall shortfall of electricity in the country has reached 5,000 MW. Power Division sources said the total power generation in the country was 21,500 MW while demand stood at over 26,500 MW. The energy ministry has warned Prime Minister Shehbaz Sharif to immediately arrange Rs100 billion to address the issue of coal inventory in a bid to avert the power crisis. (ET) | [Click for more info.](#)

Banks

Saudi National Bank terminates sale process of its stake in Samba Bank

SMB | Neutral

Saudi National Bank (SNB), being the parent company, has terminated the process for the sale of its stake in Samba Bank Limited (SBL) due to the prevailing uncertainty in the market. (Mettis) | [Click for more info.](#)

MCB Islamic Bank, Hyundai Nishat Motors and Adamjee Insurance (WTO) enter strategic alliance

MCB | Positive

MCB Islamic Bank Ltd, Hyundai Nishat Motors and Adamjee Insurance (WTO) have joined hands for a strategic collaboration to provide exclusive car financing solution to their customers. (BR) | [Click for more info.](#)

Illegal offshore FX websites; SBP stops banks from making payments

Banks | Neutral

The State Bank of Pakistan (SBP) Wednesday prohibited the banks for payment to illegal offshore foreign exchange trading websites, mobile applications and platforms through any payment channel. (BR) | [Click for more info.](#)

Miscellaneous

Wheat, flour prices further rise in Sindh

Economy | Negative

Millers have increased the price of flour no. 2.5 to Rs78 per kg from last week's Rs69 followed by fine and maida flour to Rs81 from Rs72 per kg. The 10kg bag is now selling at Rs785 against Rs695 per bag. (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	43,026.9	300.82	0.70%
Taiwan - TWII	16,296.9	240.77	1.50%
INDONESIA - IDX	6,793.4	148.94	2.24%
PHILP - PSEI	6,727.6	132.94	2.02%
HK - Hang Seng	20,644.3	41.76	0.20%
KSA - Tadawul	12,713.4	23.51	0.19%
CHINA - Shanghai	3,086.0	-7.72	-0.25%
INDIA - SENSEX	54,208.5	-109.94	-0.20%
US - S&P 500	3,923.7	-165.17	-4.04%
US - Dow 30	31,490.1	-1164.52	-3.57%

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

Political News

National Assembly will be dissolved if...

If the Shehbaz Sharif government does not get the required assurance from the relevant quarters for its survival till August 2023, the National Assembly will be dissolved. (The News) | [Click for more info.](#)

International News

Stocks Set to Sink as Bonds Jump on Growth Fears: Markets Wrap

A slump in stocks is set to continue in Asia on Thursday after mounting fears of an economic downturn hit US shares and spurred a flight to havens including Treasuries and the dollar. (Bloomberg) | [Click for more info.](#)

Oil falls 2.5% as U.S. refiners ramp up output, equities retreat

Oil prices fell 2.5% on Wednesday, reversing early gains as traders grew less worried about a supply crunch after government data showed U.S. refiners ramped up output, and as crude futures followed Wall Street lower. (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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