

May 20,
2022

Economy

US assures Pakistan of support in rebuilding economy

Economy | Positive

A State Department spokesperson on Thursday assured Pakistan of strong US support for their efforts to rebuild the Pakistani economy. The United States "Will continue to work bilaterally on ways to grow investment and trade opportunities to build a prosperous and stable Pakistan," the spokesperson said in Washington. (BR) | [Click for more info.](#)

PKR declines to 200 mark

Economy | Negative

The rupee's slide continued for the eleventh consecutive session on Thursday, as the local currency plummeted to Rs200 for the first time in the country's history against the US dollar in the inter-bank market. (BR) | [Click for more info.](#)

Import of non-essential, luxury items banned

Economy | Neutral

Minister for Information and Broadcasting, Marriyum Aurangzeb Thursday announced the government decision to impose ban on the import of 38 non-essential luxury items, which would yield \$6 billion annual saving of foreign exchange reserves. (BR) | [Click for more info.](#)

Current Account Deficit Shrinks to \$623 Million in April

Economy | Negative

The country's current account deficit narrowed significantly in April 2022 to stand at \$623 million, which is only two-thirds of the deficit reported in March 2022, according to the State Bank of Pakistan. (Propakistani) | [Click for more info.](#)

Forex reserves decrease by \$145m

Economy | Negative

The total liquid foreign reserves held by the State Bank of Pakistan (SBP) decreased by \$145 million to \$10.163 billion during the week ended on May 13, 2022. According to data released by SBP on Thursday, the total liquid foreign reserves held by the country stood at \$16.161 billion as of 13-May-2022. (BR) | [Click for more info.](#)

External debt, liabilities rise to \$128.92bn by end-March

Economy | Negative

Pakistan's foreign debt and liabilities (outstanding) increased by 5.41 percent to \$128.920 billion in the first nine months of the current fiscal year, the central bank data showed on Thursday. (The News) | [Click for more info.](#)

Oil & Gas

Better to take tough decisions on energy, fuel prices now: Khurram Dastgir

Oil | Negative

Apparently setting the stage for reversing fuel and electricity discounts amid negotiations with the International Monetary Fund (IMF), the coalition government's energy ministers on Thursday said the tough decisions now would be better than even tougher choices six months later. (Dawn) | [Click for more info.](#)

4 additional cargoes of LNG, five cargoes of furnace oil arranged

Gas | Neutral

The federal govt. has arranged four additional cargoes of LNG and five cargoes of furnace oil to solve the shortage of fuel for power generation which will help end the load-shedding in the country. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,280.1	29,249.9	-30.3	-0.1%
KSE100	43,026.9	42,983.5	-43.4	-0.1%
KSE30	16,360.4	16,350.1	-10.3	-0.1%
KMI30	69,512.2	69,461.5	-50.8	-0.1%

Top Five Gainers

	Open	Close	Chg.	%
SFL	952.0	1,023.0	71.0	7.5%
SAPT	934.5	1,004.6	70.1	7.5%
PRET	750.0	800.8	50.8	6.8%
MUREB	389.0	408.9	19.9	5.1%
PECO	246.7	260.0	13.3	5.4%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
GGL	16.4	16.0	-0.4	15.10
WTL	1.5	1.5	0.0	13.39
SILK	1.1	1.2	0.1	13.10
TELE	11.1	11.0	-0.1	9.60
CNERGY	5.2	5.3	0.0	7.52

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.	109.89	2.7%
Brent oil	USD/bbl.	112.04	4.4%
Gold	USD/t oz.	1842.16	1.4%
Silver	USD/t oz.	21.93	2.4%
Coal	USD/ton	329.50	-0.2%
Steel Scrap (LME)	USD/ton	485.00	2.0%
Steel Rebar (LME)	USD/ton	795.00	-0.9%
USD/PKR	Interbank	200.00	0.8%

News Source: Local / Int'l Newspapers and websites

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REP-055

Power

Fuel shortage, technical faults

Power | **Negative**

National Power Control Centre (NPCC) - the System Operator (SO) and an arm of National Transmission and Despatch Company (NTDC) - has confirmed officially that about 5,000 MW power is out from the system due to fuel shortage and technical faults, which implies 10-hour load-shedding across the country. (BR) | [Click for more info.](#)

Subsidy to zero-rated sectors; MoC seeks Rs32bn grant for Power Div

Power | **Neutral**

Ministry of Commerce (MoC) has sought supplementary grant of Rs 32 billion to Power Division for supply of electricity at 9 Cents per unit to five export-oriented sectors during the current fiscal year. (BR) | [Click for more info.](#)

Autos

Chinese firm to make Evs

Autos | **Neutral**

A Chinese automobile company — Gauss Auto Group — has announced plans to establish a plant in the special economic zone to produce electric vehicles with the intention of exporting them to other countries. (Dawn) | [Click for more info.](#)

Fertilizer

Urea fertilizer being sold at higher rates

Fertilizer | **Negative**

Despite the government's repeated claims and directions to the relevant quarters to ensure the availability of the urea fertilizer at the control rate of Rs1,768 per bag the commodity in the market is being sold in the range of Rs2,500 to Rs3,000 per bag. (BR) | [Click for more info.](#)

Miscellaneous

Telecard repaid PKR 110.428 million from IPO proceeds of Supernet Limited

TELE | **Neutral**

As communicated earlier that as a result of a successful Initial Offering ('IPO') of Telecard Limited's ('TELE') subsidiary Supernet Limited ('GEMSPNL'), TELE has been able to raise PKR 200 million through its Offer For Sale ('OFS'). (Augsaf) | [Click for more info.](#)

Pakistan Steel Mills; Meeting held with pre-qualified bidders, PC

Economy | **Neutral**

A meeting with pre-qualified bidders of Pakistan Steel Mills (PSM) and Privatization Commission (PC) was held here at the Privatization Division on Thursday. (BR) | [Click for more info.](#)

International News

Oil Heads for Fourth Weekly Gain on Outlook for Products Demand

Oil headed for a modest weekly gain as optimism about the outlook for demand eclipsed concerns about tighter monetary policy and an economic slowdown that have combined to roil wider financial markets. (Bloomberg) | [Click for more info.](#)

Asia Stocks Set for Steady Start Amid Lower Dollar: Markets Wrap

Stocks in Asia look set for a steady start Friday after another choppy US session overshadowed by worries about a darkening economic outlook amid high inflation. (Bloomberg) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDONESIA - IDX	6,823.3	29.93	0.44%
CHINA - Shanghai	3,097.0	10.99	0.36%
US - S&P 500	3,900.8	-22.89	-0.58%
PAK (KSE-100)	42,983.5	-43.43	-0.10%
PHILP - PSEi	6,660.1	-67.55	-1.00%
US - Dow 30	31,253.1	-236.94	-0.75%
Taiwan - TWII	16,020.3	-276.54	-1.70%
KSA - Tadawul	12,428.0	-285.42	-2.25%
HK - Hang Seng	20,120.7	-523.60	-2.54%
INDIA - SENSEX	52,792.2	-1416.30	-2.61%

Board Meetings

Scrip	Day	Agenda	Time
HACC	Tuesday	3QA/C - 31-Mar-22	11:30 AM
BAFS	Tuesday	HYA/C - 31-Mar-22	5:00 PM
TICL	Tuesday	HYA/C - 31-Mar-22	6:00 PM
SHSML	Wednesday	HYA/C - 31-Mar-22	11:30 AM
HABSM	Wednesday	HYA/C - 31-Mar-22	12:00 PM
MIRKS	Wednesday	HYA/C - 31-Mar-22	2:30 PM
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.

Analyst Certification ^{AC}

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