



April 21,  
2022

## Economy

### IMF puts five demands before Shehbaz Sharif govt

#### Economy | Negative

According to the minister, the IMF has put five major demands before the Shehbaz Sharif government for slashing down the primary deficit by Rs1,300 billion through withdrawal of fuel subsidy of Rs150 billion on monthly basis and taking additional taxation measures for reviving the stalled Fund programme. The minister also hoped that China would roll over \$2.4 billion in commercial loans soon and Islamabad was also expecting to get a rollover of safe deposits of \$2 billion in May and July 2022. (The News) | [Click for more info.](#)

### IMF projects decrease in gross debt

#### Economy | Neutral

The International Monetary Fund (IMF) has projected a decrease in the government gross debt for Pakistan from 74 percent of gross domestic product (GDP) in 2021 to 71.3 percent in 2022 and projected further decline to 66.8 percent in 2023. (BR) | [Click for more info.](#)

### Dollar shows no mercy for rupee, gains Rs1.48

#### Economy | Negative

The US dollar on Wednesday continued taking big strides to reach the level it had attained against the local currency in the first week of this month amid a deepening political crisis. The currency dealers in the interbank market said the dollar was traded as high as Rs186 during the day but was finally closed at Rs185.92. (Dawn) | [Click for more info.](#)

### T-bill yields jump by up to 70bps

#### Economy | Negative

In the first auction of treasury bills under the new government, cut-off yields jumped by up to 70 basis points, making the returns significantly higher than the interest rate and inflation. (Dawn) | [Click for more info.](#)

### July-March 2021-22; Country incurs foreign debt of \$12.767bn

#### Economy | Negative

Pakistan incurred foreign debt of US 12.767 billion dollars from multiple financing sources in the first nine months (July-March 2021-22) including \$ 2.623 billion from foreign commercial banks (20.5 percent) against the total budgeted external loans of \$ 14.088 billion for the entire fiscal year. (BR) | [Click for more info.](#)

### Planning ministry to release development funds for Q4

#### Economy | Neutral

Ministry of Planning, Development and Special Initiatives (M/oPD&SI) has reportedly decided to release funds for development projects for fourth quarter of 2021-22 on the basis of available fiscal space and utilization of earlier release funds as per commitments. (BR) | [Click for more info.](#)

## Oil & Gas

### Bitter pill of Rs20 rise in petrol-diesel prices under consideration

#### Oil | Negative

The Shehbaz Sharif government is considering swallowing the bitter pill of increasing the petrol and diesel prices by Rs20 per litre to partially alleviate the extremely-damaging impact on the country's economy of the huge subsidy that was given by the Imran Khan government at the end of its tenure. This one-time increase, despite being huge, will still not be equal to a withdrawal of the entire subsidy, which in the case of diesel is almost Rs50 per litre. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,437.9	31,207.4	-230.5	-0.7%
KSE100	46,333.4	45,943.2	-390.2	-0.8%
KSE30	17,862.7	17,690.2	-172.5	-1.0%
KMI30	75,869.5	74,992.3	-877.2	-1.2%

### Top Five Gainers

	Open	Close	Chg.	%
PRET	699.0	751.0	52.0	7.4%
COLG	2,250.0	2,300.0	50.0	2.2%
SFL	968.0	1,015.0	47.0	4.9%
GATI	462.5	489.7	27.2	5.9%
NESTLE	5,582.8	5,600.0	17.2	0.3%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
CENERGY	6.1	6.3	0.2	23.76
TPLP	22.7	23.4	0.7	15.74
GGL	19.4	19.2	-0.1	14.76
MLCF	38.0	35.7	-2.3	12.46
TELE	14.8	14.9	0.1	10.58

### 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	3.49	-2.49	1.00
<b>Net</b>	<b>4.42</b>	<b>-3.55</b>	<b>0.87</b>
<b>LIPI</b>			
Individuals	40.80	-38.30	2.51
Companies	2.29	-2.85	-0.56
Comm. Banks	1.60	-2.01	-0.40
NBFC	0.01	-0.02	0.00
Mutual Funds	2.32	-4.68	-2.36
Other	0.25	-0.60	-0.35
Brokers Proprietary	9.76	-9.56	0.20
Insurance	0.37	-0.27	0.10
<b>Net</b>	<b>57.41</b>	<b>-58.28</b>	<b>-0.87</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	102.19	0.1%
Brent oil	USD/bbl.	107.19	-0.1%
Gold	USD/t oz.	1957.61	0.4%
Silver	USD/t oz.	25.20	0.1%
Coal	USD/ton	311.50	1.4%
Steel Scrap (LME)	USD/ton	629.00	-1.3%
Steel Rebar (LME)	USD/ton	944.50	-0.6%
USD/PKR	Interbank	185.92	0.8%

News Source: Local / Int'l Newspapers and websites

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REP-055

## Gas sector circular debt reaches Rs 1,500 billion: Miftah Ismail

**SNGP | Negative**

Gas sector circular debt reaches Rs 1,500 billion including Rs 200 billion losses of SNGPL according to Federal Minister for Finance Miftah Ismail. This includes a loss of Rs 200 billion (or 20,000 crore) in SNGPL. Before I came in govt I thought the gas circular debt was “only” Rs 700 billion.” Says Miftah Ismail Federal Minister for Finance. (Augaf) | [Click for more info.](#)

## Gas crisis deepens as ENI defaults once again

**Gas | Negative**

At a time when the government has moved the London Court of International Arbitration (LCIA) against two LNG trading companies—ENI and Gunvor for defaults on provision of 10 term LNG cargoes, ENI once again defaulted on LNG cargo scheduled for May 1. This latest default is likely to cause an increase in the ongoing gas deficit, well-placed top officials privy to the development told. (The News) | [Click for more info.](#)

## Power

### KE seeks Rs5.27/unit raise for March

**KEL | Neutral**

Karachi Electric (KE) has sought an increase of Rs 5.27 per unit in its FCA adjustment to recover Rs 8.592 billion from consumers for the month of March 2022 under monthly FCA mechanism. (BR) | [Click for more info.](#)

### WB, Wapda holding talks on setting up of 300MW floating solar project

**Power | Neutral**

The World Bank and Water and Power Development Authority (Wapda) are reportedly holding talks on establishment of 300 MW floating solar project in Pakistan, well informed sources told. (BR) | [Click for more info.](#)

## Autos

### Toyota IMC Resumes Bookings at the Same Prices

**INDU | Positive**

In a positive development, Toyota Indus Motor Company (IMC) has resumed bookings for its cars at the same old rates. (Propakistani) | [Click for more info.](#)

## Fertilizer

### \$5.3bn import substitution likely; Fertilizer industry providing urea at 84pc discount: Engro CFO

**Fertilizer | Neutral**

The local fertilizer industry is providing urea at around 84 percent discount, equivalent to Rs 9,823 per bag, and is expected to enable import substitution of \$ 5.3 billion in 2022. (BR) | [Click for more info.](#)

### ‘Irregularities’ in subsidies to be investigated

**Fertilizer | Neutral**

The federal government has announced the formation of a commission on fertilizer shortages and irregularities in subsidies. (BR) | [Click for more info.](#)

## Miscellaneous

### UBL Overtakes HBL as the Most Profitable Bank in Pakistan

**UBL | Positive**

United Bank Limited (UBL) reported a handsome growth of 23 percent in profits during the first quarter of 2022. According to the financial results, the bank’s profit stood at Rs. 9.39 billion from January to March 2022 as compared to Rs. 7.58 billion reported in the similar period of 2021, showing an increase of Rs. 1.8 billion or 23 percent. UBL has overtaken Habib Bank Limited in terms of profitability after a gap of many years. (Propakistani) | [Click for more info.](#)

## World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	57,037.5	574.35	1.02%
US - Dow 30	35,160.8	249.59	0.71%
KSA - Tadawul	13,668.5	162.97	1.21%
Taiwan - TWII	17,148.9	155.48	0.91%
PHILP - PSEI	7,142.4	104.68	1.49%
INDONESIA - IDX	7,227.4	28.13	0.39%
US - S&P 500	4,459.5	-2.76	-0.06%
CHINA - Shanghai	3,151.1	-42.98	-1.35%
HK - Hang Seng	20,944.7	-83.09	-0.40%
PAK (KSE-100)	45,943.2	-390.20	-0.84%

## Board Meetings

Scrip	Day	Agenda	Time
NESTLE	Thursday	1Q A/c - 31Mar21	9:00 AM
PRL	Thursday	3Q A/c - 31Mar21	9:00 AM
ENGRO	Thursday	1Q A/c - 31Mar21	9:30 AM
FFL	Thursday	1Q A/c - 31Mar21	10:00 AM
SEPL	Thursday	3Q A/c - 31Mar21	10:00 AM
ISL	Thursday	3Q A/c - 31Mar21	10:30 AM
NRL	Thursday	3Q A/c - 31Mar21	10:30 AM
ASTL	Thursday	3Q A/c - 31Mar21	11:00 AM
AWWAL	Thursday	3Q A/c - 31Mar21	11:00 AM
EMCO	Thursday	3Q A/c - 31Mar21	11:00 AM
ICL	Thursday	3Q A/c - 31Mar21	11:00 AM
KAPCO	Thursday	3Q A/c - 31Mar21	11:00 AM
APL	Thursday	3Q A/c - 31Mar21	11:30 AM
FHAM	Thursday	3Q A/c - 31Mar21	11:30 AM
KASBM	Thursday	3Q A/c - 31Mar21	11:30 AM
BIPLS	Thursday	1Q A/c - 31Mar21	12:00 PM
PAKMI	Thursday	3Q A/c - 31Mar21	12:00 PM
ATRL	Thursday	3Q A/c - 31Mar21	12:30 PM
PMI	Thursday	3Q A/c - 31Mar21	12:30 PM
HMM	Thursday	3Q A/c - 31Mar21	12:30 PM
JDMT	Thursday	3Q A/c - 31Mar21	12:30 PM
BOP	Thursday	1Q A/c - 31Mar21	2:00 PM
PABC	Thursday	3Q A/c - 31Mar21	2:00 PM
POL	Thursday	3Q A/c - 31Mar21	2:00 PM
PAKT	Thursday	1Q A/c - 31Mar21	2:00 PM
GATI	Thursday	3Q A/c - 31Mar21	2:30 PM
IBFL	Thursday	3Q A/c - 31Mar21	2:30 PM
ACPL	Thursday	3Q A/c - 31Mar21	3:00 PM
CEPB	Thursday	3Q A/c - 31Mar21	4:30 PM
SPEL	Thursday	3Q A/c - 31Mar21	5:00 PM
JSIL	Friday	1Q A/c - 31Mar21	10:00 AM
LOTICHEM	Friday	1Q A/c - 31Mar21	10:00 AM
MACTER	Friday	3Q A/c - 31Mar21	10:00 AM
PAKD	Friday	3Q A/c - 31Mar21	10:00 AM
PIM	Friday	3Q A/c - 31Mar21	10:00 AM
FFBL	Friday	1Q A/c - 31Mar21	10:30 AM
ICIBL	Friday	3Q A/c - 31Mar21	10:30 AM
ISIL	Friday	3Q A/c - 31Mar21	10:30 AM
NPL	Friday	3Q A/c - 31Mar21	10:30 AM
BIFO	Friday	3Q A/c - 31Mar21	11:00 AM
CSIL	Friday	1Q A/c - 31Mar21	11:00 AM
FATIMA	Friday	1Q A/c - 31Mar21	11:00 AM
GAMON	Friday	3Q A/c - 31Mar21	11:00 AM
NATF	Friday	3Q A/c - 31Mar21	11:00 AM
PIL	Friday	1Q A/c - 31Mar21	11:00 AM

Source: PSX



## Pakistan IT services exports increased 29.9% to \$1.688 billion in 8 months

**Tech. & Communication | Positive**

Pakistan earned US \$1,688.862 million by providing different Information Technology (IT) services in various countries during the first eight months of financial year 2021-22. (Augaf) | [Click for more info.](#)

## Maple Leaf Cement to buy back shares at market price: PSX

**MLCF | Neutral**

Maple Leaf Cement Limited Board of Director has recommended towards purchase or buy back upto a maximum of 25 million issued ordinary shares of the company at the spot price or current price, according to company filing to the exchange. (Augaf) | [Click for more info.](#)

## 2021-22: Rice sector showing strong performance

**MATCO | Positive**

Pakistan's rice sector is showing marvellous performance during the financial year 2021-22 by producing a record 8.4 million tons of milled rice first and then achieving export volume of 3.54 million tons in just nine months as compared to 3.69 million tons of exports achieved during the whole corresponding year of 2020-21. (BR) | [Click for more info.](#)

## Food ministry decides to import 3MMTs of wheat on G2G basis

**Economy | Neutral**

Ministry of National Food Security & Research (MoNFS&R) has reportedly decided to import 3 MMT wheat on G2G basis and international tendering, citing production shortfall, current Russia and Ukraine war, Afghanistan situation, higher international wheat prices, hoarding and smuggling issues and current food inflation. (BR) | [Click for more info.](#)

## Political News

### All political parties wanted to hold elections as soon as possible: Kaira

Special Assistant to the Prime Minister on Gilgit-Baltistan and Kashmir Affairs Qamar Zaman Kaira on Wednesday said all political parties wanted to hold general elections as soon as possible. (Augaf) | [Click for more info.](#)

## International News

### U.S. Futures Rise as Yields Sink; Asia Seen Muted: Markets Wrap

U.S. equity futures climbed and Asian stocks look set for a steady start Thursday as investors mull a slide in Treasury yields. (Bloomberg) | [Click for more info.](#)

### Oil settles mixed on Russia supply, demand concerns

Oil settled nearly unchanged on Wednesday as broader concerns about economic growth and oil demand stagnation weighed against tightening supplies. (Reuters) | [Click for more info.](#)



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**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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