



March 21,
2022

Economy

Discussions constructive: IMF official

Economy | Positive

The International Monetary Fund (IMF) has said that the discussions with Pakistan are constructive to reconcile and try to meet the key objectives of the programme of fiscal prudence, external sector viability, due protection of vulnerable groups from high international energy and food prices. (BR) | [Click for more info.](#)

IMF asks govt how it will fund subsidy package

Economy | Neutral

Finance Minister Shaukat Tarin said on Sunday the International Monetary Fund (IMF) has sought more details of financing of petroleum levy and electrify prices reduced under Prime Minister Relief Package in response to explanations provided to them and now a response is expected from them today (Monday). (BR) | [Click for more info.](#)

Barrick to restart Reko Diq project in deal ending dispute with Pakistan

Economy | Positive

Pakistan has reached an out-of-court deal with a foreign firm that has agreed to waive \$11 billion in penalties and revive a mining project stalled since 2011, officials said on Sunday. After a decade-long legal battle, Pakistani officials announced the out-of-court settlement with Barrick Gold on Sunday. "The agreement has nullified the award of around \$11 billion on us and secondly Barrick and its partners will invest \$10 billion," Finance Minister Shaukat Tarin said during a press conference. "It will benefit Pakistan and Balochistan for the next 100 years," he added. (Dawn) | [Click for more info.](#)

Next 3 years: \$8.7bn ADB assistance 'in the pipeline'

Economy | Positive

The Asian Development Bank (ADB) has reportedly pledged \$8.7 billion for various projects and programs for Pakistan during the next three years. The focused areas of \$8.7 billion would be urban development, roads, energy, social protection, education, health, and budget support. (BR) | [Click for more info.](#)

Current account deficit shrinks 78pc in February

Economy | Positive

The country's current account deficit (CAD) shrank by 78.46 per cent to \$545 million in February from a whopping \$2.531 billion in January mainly on account of a sharp decline in the imports. However, during the first 8 months of FY22, the CAD crossed the \$12 billion mark leaving no sign of improvement in the external account. (Dawn) | [Click for more info.](#)

Big industries expand 7.6% in Jul-Jan

Economy | Positive

Large industries of Pakistan posted 7.6% growth in the first seven months of current fiscal year on the back of increase in output of almost all major industries after the downward growth paused for the first time in five months. (ET) | [Click for more info.](#)

Exports reach \$100m per day in Feb

Economy | Positive

Advisor to Prime Minister on Commerce Abdul Razak Dawood was informed on Saturday that for the first time, exports reached USD 100 million per day in February 2022. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,930.3	29,478.4	-451.8	-1.5%
KSE100	43,807.2	43,030.0	-777.3	-1.8%
KSE30	16,825.5	16,434.1	-391.4	-2.3%
KMI30	70,836.9	69,139.7	-1697.2	-2.4%

Top Five Gainers

	Open	Close	Chg.	%
UPFL	21,500.0	21,875.0	375.0	1.7%
SFL	800.3	859.0	58.7	7.3%
NESTLE	5,600.0	5,640.0	40.0	0.7%
BTL	462.3	495.0	32.7	7.1%
GATI	390.0	419.3	29.3	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.6	1.5	-0.1	13.49
GGL	15.1	14.1	-0.9	10.05
KEL	3.0	2.9	-0.1	8.83
PAELR3	1.5	0.9	-0.6	7.25
TELE	10.8	10.0	-0.8	7.18

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	2.23	-2.34	-0.11
Net	8.17	-10.77	-2.61
LIPI			
Individuals	24.48	-25.02	-0.53
Companies	2.73	-2.37	0.37
Comm. Banks	3.08	-0.80	2.28
NBFC	0.00	0.00	0.00
Mutual Funds	2.82	-3.98	-1.16
Other	0.14	-0.38	-0.24
Brokers Proprietary	7.03	-6.28	0.75
Insurance	1.28	-0.15	1.13
Net	41.57	-38.97	2.61

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	104.70	1.7%
Brent oil	USD/bbl.	107.93	1.2%
Gold	USD/t oz.	1921.62	-1.1%
Silver	USD/t oz.	24.96	-1.6%
Coal	USD/ton	330.00	4.8%
Steel Scrap (LME)	USD/ton	639.00	-0.2%
Steel Rebar (LME)	USD/ton	920.00	-0.5%
USD/PKR	Interbank	180.57	0.3%

News Source: Local / Int'l Newspapers and websites

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REP-055



Rupee hits new low vs dollar

Economy | Negative

The rupee weakened against the US dollar at Rs180.57 in the inter-bank market on Friday compared with Thursday's close of Rs180.07, according to the State Bank of Pakistan (SBP). (ET) | [Click for more info.](#)

Oil & Gas

OGDCL and PPL to hold 16.67% share in \$10 Billion Reko Diq project

OGDC, PPL | Positive

As per the terms of the new agreement, the Reko Diq project shall be revived and developed by Barrick gold in partnership with Pakistani entities. The new project company shall be owned 50% by Barrick Gold. The remaining 50% shareholding shall be owned by Pakistan, divided equally between Federal Government and the provincial government of Balochistan. Federal Government's 25% shareholding shall be divided equally amongst three state-owned-entities (SOEs) of the Federal Government, namely Oil & Gas Development Corporation Limited (OGDCL), Pakistan Petroleum Limited (PPL) and Government Holdings Pakistan Limited (GHPL). (Aufaf) | [Click for more info.](#)

Government initiates fuel subsidy payment process

Oil | Positive

Petroleum authorities have activated the process of fuel subsidy payment to oil sector to ensure smooth supply of petrol and diesel at prices frozen by the government for until next budget to calm down inflation-broken public. (The News) | [Click for more info.](#)

POL products; Rs114bn collected through PL

Oil | Neutral

The federal government has been able to collect a revenue of Rs114 billion through Petroleum Levy (PL) on petroleum products, an official of the Petroleum Division told. The total PL budgetary target envisaged in the current financial year was Rs610 billion; however, the government could only collect 18 percent revenue through the PL in the first eight months of the current financial year. (BR) | [Click for more info.](#)

Power

Rs5 reduction in power tariff notified

Power | Positive

The National Electric Power Regulatory Authority (Nepra) on Friday allowed the Power Division to notify Rs5 per unit reduction in electricity rates for domestic and commercial consumers announced by Prime Minister Imran Khan on Feb 28. (Dawn) | [Click for more info.](#)

FCA for Feb 2022, CPPA-G, KE seek tariff rise

KEL | Neutral

Central Power Purchasing Agency-Guaranteed (CPPA-G) and K-Electric (KE) have sought increase of Rs 5 per unit and Rs 3.45 per unit in their tariffs, respectively for February 2022 under monthly Fuel Charges Adjustment (FCA) mechanism. According to CPPA-G, the key reason for the proposed increase in FCA for the month of February 2022 is higher cost of imported fuels, i.e., coal, furnace oil, RLNG, and HSD. The government intends to pass on positive financial impact of over Rs 40 billion to the consumers. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	57,863.9	1047.28	1.84%
US - Dow 30	34,754.9	274.17	0.80%
KSA - Tadawul	12,875.8	106.59	0.83%
US - S&P 500	4,463.1	51.45	1.17%
CHINA - Shanghai	3,251.1	36.03	1.12%
Taiwan - TWII	17,456.5	8.30	0.05%
INDONESIA - IDX	6,955.0	-9.42	-0.14%
HK - Hang Seng	21,412.4	-88.83	-0.41%
PHILP - PSEi	7,007.6	-114.82	-1.61%
PAK (KSE-100)	43,030.0	-777.26	-1.77%

Board Meetings

Scrip	Day	Agenda	Time
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
APOT	Thursday	Multiple Period	2:00 PM
SAPL	Thursday	ANN A/c - 31Dec21	4:00 PM
OCTOPUS	Friday	ANN A/c - 31Dec21	10:00 AM
AGP	Friday	ANN A/c - 31Dec21	3:00 PM
IGIL	Friday	ANN A/c - 31Dec21	4:30 PM

Source: PSX



Lucky Electric Power 660MW coal fired plant achieved COD

LUCK | Positive

Lucky Electric Power Company Limited has achieved COD of its 660MW coal fired power plant today located at Deh Ghangiaro, Bin Qasim, Karachi. Lucky Electric Power Company is a 100% owned subsidiary of Lucky Cement Limited. Initially, the project was supposed to be operational by March 2021. (Augaf) | [Click for more info.](#)

Pakistan electricity generation rose 11.1 percent in February: NEPRA

Power | Positive

March 20 2022: Pakistan power generation in February rose 11.1 percent to 8,088 gigawatt hours (GWh) from 7,278 GWh a year ago, according to data shared by the National Electric Power Regulatory Authority (NEPRA). The rise in generation was owed to higher generation from RFO, Nuclear, Wind, Gas and Coal. However, electricity generation is down 8.1 percent from 8,779 GWh from the previous month. (Augaf) | [Click for more info.](#)

Payment in form of PIBs, Sukuk; CPPA-G likely to negotiate with CPEC IPPs

IPPs | Positive

Central Power Purchasing Agency- Guaranteed (CPPA-G) is likely to negotiate with CPEC IPPs to accept payment of Rs 50 billion in the form of Pakistan Investment Bonds (PIBs) and Sukuk based on the terms and conditions of currently available offers by the Ministry of Finance. (BR) | [Click for more info.](#)

Autos

Toyota to increase Corolla price by PKR 5 lac says Indus Motors Chief

INDU | Positive

According to Indus Motors Chief Executive Officer Ali Asghar Jamali. He added that higher freight charges and PKR devaluation are now hitting the company's operations. To pass on these cost pressure company is going to increase car prices by 12-13 percent by June 2022. (Augaf) | [Click for more info.](#)

ISUZU introduces D-Max V-Cross GT edition with new features and speedy delivery

GHNI | Positive

Ghandhara Industries Limited presents a new edition of ISUZU D-Max every year and is introducing the new ISUZU D-Max V-Cross GT Edition this year. The greatest news is that buyers will not have to pay extra for the GT Edition and the pricing will remain unchanged at Rs. 7,950,000. (Propakistani) | [Click for more info.](#)

PSMC Could be the next as Suzuki to invest \$1.4 billion for EVs at India factory

PSMC | Positive

Pak Suzuki Motors Company Limited (PSMC) could be the next as Suzuki Motor plans to invest 104.4 billion rupees (\$1.37 billion) in its India factory to produce electric vehicles (EVs) and batteries, Maruti Suzuki India (MRTI.NS), majority-owned by the Japanese carmaker. (Augaf) | [Click for more info.](#)

Auto parts — setting a new record for imports

Auto Parts | Positive

Pakistan's import bill for completely and semi-knocked down (CKD/SKD) kits for cars imported by local assemblers has crossed one billion dollars in just eight months of 2021-22 which is significantly higher than the record high bill of \$1.12 billion for the entire of FY21. (Dawn) | [Click for more info.](#)



Cement

Cement exports to Afghanistan sink 350 percent in February

Cement | **Negative**

Cement exports to Afghanistan slumped 350 percent in February after Pakistan legalized settlement of select items with the former in rupee, but such exports would be non-zero-rated, which makes them unviable for exporters. (The News) | [Click for more info.](#)

Construction activities slowing down

Cement, Steel | **Negative**

Construction activities in the country have slowed down over the past three months mainly due to a steep surge in the cost of construction material particularly, steel and cement.. (ET) | [Click for more info.](#)

Fertilizer

Urea plants: uninterrupted gas supply 'in the pipeline'

FATIMA, AGL | **Positive**

Economic Coordination Committee (ECC) of the Cabinet has directed Petroleum Division to put a proposal for uninterrupted gas supply to M/s Fatima Fertilizer (Sheikhupura plant) and M/s Agritech Mianwali throughout the year, official sources told. (BR) | [Click for more info.](#)

Tech. & Communication

Pakistan's IT Exports Register 30% Growth in 8 Months

Tech & Communication | **Positive**

The information and communications technology (ICT) exports maintained healthy growth of inflows which stood at \$1.69 billion during July to February during the current financial year 2021-22 with a 30 percent year-on-year increase, according to the latest data issued by State Bank of Pakistan. (Propakistani) | [Click for more info.](#)

FBR 'drafting' ordinance aimed at extending incentives

Tech & Communication | **Positive**

The Federal Board of Revenue (FBR) is drafting a Presidential Ordinance to extend grant incentives, including tax exemptions, to facilitate the IT sector, freelancers and startups as announced by the Prime Minister Imran Khan. The package included 100 per cent capital gains tax exemption will be given for investments in IT startups, besides easing foreign exchange restrictions for the industry. (BR) | [Click for more info.](#)

Banks

UAE investor to acquire majority stake in Summit Bank

SMBL | **Positive**

A foreign investor formally submitted on Friday his offer to acquire at least 51 per cent shareholding in Summit Bank Ltd, which is the second smallest of the 20 listed lenders in terms of the value of shares. (Dawn) | [Click for more info.](#)

Miscellaneous

Footwear industry offers opportunities for China

BATA, SERV | **Positive**

The footwear exports of the country in the first eight months of fiscal year 2021-22 reached \$104 million, a year-on-year increase of 17.7%, and the export volume was \$12.09 million, a year-on-year increase of 9.08%, according Pakistan Bureau of Statistics (PBS). (ET) | [Click for more info.](#)



Non-textile exports jump 26pc to almost \$8bn

Economy | **Positive**

Pakistan's non-textile exports grew 25.6 per cent year-on-year to \$7.95 billion in the first eight months of the current fiscal year owing to a partial revival of international orders and the government's support schemes. (Dawn) | [Click for more info.](#)

Ministry proposes 3MMT of wheat import

Food | **Neutral**

Ministry of National Food Security & Research (MoNFS&R) has proposed import of three million metric tons (MMT) of wheat fearing upto 10 percent shortfall in production due to drought and low fertilizer offtake. (BR) | [Click for more info.](#)

Energy, food, metals push imports to record high

Economy | **Negative**

Imports of energy, edible oil, Covid-19 vaccines, iron, steel, and its scrap in the first eight months of this fiscal year have doubled compared to last year, widening the trade deficit massively, Pakistan Bureau of Statistics (PBS) data showed on Saturday. (The News) | [Click for more info.](#)

Political News

No-confidence motion: Speaker summons NA session on March 25

National Assembly Speaker Asad Qaiser has summoned the session of the National Assembly on March 25 at 11 am at the request of the opposition parties who filed a no-confidence motion against Prime Minister Imran Khan on March 8. (ET) | [Click for more info.](#)

All set to host 2-day meeting of OIC-CFMs from tomorrow

The government is all set to host a two-day meeting of the Council of Foreign Ministers of the Organization of Islamic Cooperation (OIC) from tomorrow (Tuesday). The 48th summit of the OIC-CFMs will be held on March 22 and 23. (BR) | [Click for more info.](#)

PTI likely to file presidential reference today

The ruling Pakistan Tehreek-e-Insaf (PTI) is all set to file a presidential reference in Supreme Court of Pakistan today (Monday), seeking interpretation of Article 63 (A) for ending the horse-trading in the parliamentary politics. (BR) | [Click for more info.](#)

International News

Stocks Steady, U.S. Futures Retreat as Oil Jumps: Markets Wrap

U.S. equity futures slipped Monday and Asian stocks were steady as crude oil jumped and investors monitored ongoing diplomatic efforts to bring an end to Russia's almost month-old war in Ukraine. (Bloomberg) | [Click for more info.](#)

Oil climbs on pressure from Ukraine conflict, tight market

Oil prices jumped \$2 on Monday as Ukrainian forces dug in against heavy Russian attacks, while major oil producers reported they are struggling to produce their allotted quotas under a supply agreement. (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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