

March 24,  
2022

## Economy

### Pakistan bags \$300m ADB loan

**Economy | Positive**

The global lender approved \$300 million loan to further develop Pakistan's capital markets, promote private investment in the country and help to mobilize domestic resources to finance sustainable growth, according to a statement by the ADB. (ET) | [Click for more info.](#)

### Govt gets financial relief as China rolls over \$4.2b debt

**Economy | Positive**

Finance Minister Shaukat Tarin on Tuesday said that China has agreed to rollover \$4.2 billion debt that was maturing this week, providing a major financial relief to the government. (ET) | [Click for more info.](#)

### Deals on the cards during PM's UAE visit

**Economy | Neutral**

The United Arab Emirates (UAE) has shown a willingness to sign a number of pacts during the forthcoming visit of Pakistani Prime Minister to Dubai, well informed sources in Ministry of Foreign Affairs told. According to sources, the UAE side emphasized that they are ready to sign MoU on the Maritime Shipping & Institutional Development. (BR) | [Click for more info.](#)

### OIC all praise for Pakistan's role in South Asia stability

**Economy | Positive**

The OIC member states have acknowledged Pakistan's pivotal role as an anchor of stability in South Asia and commended its efforts for promotion of regional peace. (The News) | [Click for more info.](#)

### CPEC's 2nd phase to reinforce Pakistan's efforts, Wang told

**Economy | Positive**

Prime Minister Imran Khan Tuesday said the ongoing second phase of the China-Pakistan Economic Corridor (CPEC) would reinforce Pakistan's efforts for economic development with enhanced cooperation in areas such as industrial development, agriculture, and information technology. (BR) | [Click for more info.](#)

### IMF asks for changes to personal income tax

**Economy | Neutral**

A staff mission of the IMF held a first round of discussions with tax officials last week and raised the issue of reforms in the PIT to raise maximum revenue, especially from salary incomes. Last year, the government did not accept the same demand of the Fund. (Dawn) | [Click for more info.](#)

### MTBs yields tick up amid rate hike bets

**Economy | Neutral**

State Bank of Pakistan's (SBP) numbers presented it received bids worth of Rs893 billion; however, Rs598 billion was raised against the target of Rs800 billion and maturity of Rs793 billion. The cut-off yield on three-month T-bills increased 55 basis points (bps) to 12 percent, according to central bank's auction result data. (The News) | [Click for more info.](#)

### Dollar surges to new peak

**Economy | Negative**

The rupee sank to yet another record low against the dollar on Tuesday as it closed at 181.73, down 0.26 per cent from a day ago. (Dawn) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,648.7	29,629.0	-19.7	-0.1%
KSE100	43,230.2	43,203.8	-26.4	-0.1%
KSE30	16,494.2	16,471.6	-22.6	-0.1%
KMI30	69,454.4	69,444.3	-10.1	0.0%

### Top Five Gainers

	Open	Close	Chg.	%
UPFL	23,249.5	23,449.5	200.0	0.9%
COLG	2,200.0	2,288.0	88.0	4.0%
MEHT	771.1	817.9	46.8	6.1%
SFL	922.9	969.0	46.1	5.0%
SAPT	947.5	990.0	42.5	4.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TREET	29.9	30.1	0.2	15.35
TPLP	17.4	17.9	0.5	8.38
PAELR3	0.9	1.0	0.1	7.36
SMBL	2.9	3.0	0.1	6.61
TELE	9.9	10.1	0.2	6.34

### 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	2.18	-2.13	0.05
<b>Net</b>	<b>5.30</b>	<b>-6.26</b>	<b>-0.96</b>
<b>LIPI</b>			
Individuals	28.17	-27.10	1.07
Companies	2.95	-3.69	-0.74
Comm. Banks	6.71	-3.78	2.93
NBFC	0.06	-0.01	0.06
Mutual Funds	1.70	-3.01	-1.31
Other	0.22	-0.22	0.00
Brokers Proprietary	10.44	-11.53	-1.08
Insurance	0.27	-0.24	0.03
<b>Net</b>	<b>50.53</b>	<b>-49.57</b>	<b>0.96</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	114.93	5.2%
Brent oil	USD/bbl.	121.60	5.3%
Gold	USD/t oz.	1947.65	1.4%
Silver	USD/t oz.	25.11	1.3%
Coal	USD/ton	338.00	0.9%
Steel Scrap (LME)	USD/ton	664.00	3.3%
Steel Rebar (LME)	USD/ton	926.00	0.7%
USD/PKR	Interbank	181.73	0.3%

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

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## Oil & Gas

**Oil scarcity lifts import premiums**

**Oil | Neutral**

Pakistan is going to face another setback as premiums on oil import have risen sharply due to the shortage of petroleum products, especially diesel, in the global market following the Russia-Ukraine war. (ET) | [Click for more info.](#)

**Pakistan's Gasoline Imports from China Surge 26.2%**

**Gas | Neutral**

Pakistan's gasoline imports from China witnessed an increase of 26.2 percent year-over-year (YoY) from 395,000 MT in January-February 2021-22 compared to 313,000 MT the previous year, reported S&P Global Commodity Insights. (Propakistani) | [Click for more info.](#)

## Power

**Cost of power generation up 78 percent in July-Feb**

**Power | Negative**

The cost of power generation in the country shot up by a massive 78 percent during the first eight months (July-February) of this fiscal year over the same period of FY2021, mainly owing to high fuel prices, latest data showed on Wednesday. (The News) | [Click for more info.](#)

## Autos

**Carmakers set to jump on price hike bandwagon**

**INDU | Positive**

More carmakers are seen jumping on the bandwagon after two major sector players ratcheted up prices, citing cost pressures and adverse rupee-dollar parity, which may have ushered in a new spell of hikes from the industry, sources said on Wednesday. Analysts expect the car prices to increase by up to 15 percent. (The News) | [Click for more info.](#)

## Cement

**Flying Cement gets long term mining lease for limestone**

**FLYING | Positive**

Flying Cement Company Limited (FLYING) has been granted a long-term mining lease by the Directorate General of Mines & Minerals (Punjab) for limestone over an additional area of 1,765 acres of land situated near to factory site, Dhok Meharwal in District Khushab. (Mettis) | [Click for more info.](#)

## Chemicals

**AkzoNobel Pakistan To Setup A New Manufacturing Facility In Faisalabad**

**AKZO | Neutral**

AkzoNobel Pakistan Ltd, a leading global manufacturer of paints and coatings, announced the construction of a new manufacturing plant in Pakistan. The integrated paints and coatings plant will be located at the Allama Iqbal Industrial City in Faisalabad, Pakistan. (The Nation) | [Click for more info.](#)

## Banks

**Summit Bank tender offer released**

**SMBL | Positive**

UAE investor Nasser Abdulla Hussain Lootah agreed to acquire at least 51 percent shareholding in Summit Bank Limited in terms of a share subscription agreement dated October 4, 2021, a statement said on Tuesday. (The News) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	22,154.1	264.80	1.21%
Taiwan - TWII	17,731.4	171.66	0.98%
KSA - Tadawul	12,944.2	62.71	0.49%
CHINA - Shanghai	3,271.0	11.17	0.34%
PHILP - PSEi	7,009.4	0.49	0.01%
INDONESIA - IDX	6,996.1	-4.70	-0.07%
PAK (KSE-100)	43,203.8	-26.43	-0.06%
US - S&P 500	4,456.2	-55.37	-1.23%
INDIA - SENSEX	57,684.8	-304.48	-0.53%
US - Dow 30	34,358.5	-448.96	-1.29%

### Board Meetings

Script	Day	Agenda	Time
ZIL	Thursday	ANN A/c - 31Dec21	11:00 AM
APOT	Thursday	ANN A/c - 30Jun20	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
EWIC	Friday	ANN A/c - 31Dec21	4:30 PM
IGIL	Friday	ANN A/c - 31Dec21	4:30 PM
RICL	Saturday	ANN A/c - 31Dec21	12:30 PM
LEUL	Monday	HY A/c - 31Dec21	10:00 AM
PINL	Monday	ANN A/c - 31Dec21	11:00 AM
WYETH	Monday	1Q A/c - 28Feb21	12:30 PM
IGIHL	Monday	ANN A/c - 31Dec21	4:30 PM
PKGS	Tuesday	ANN A/c - 31Dec21	11:00 AM
PAEL	Tuesday	ANN A/c - 31Dec21	11:30 AM
SPWL	Tuesday	ANN A/c - 31Dec21	12:30 PM
CSIL	Wednesday	ANN A/c - 31Dec21	4:00 PM
PIL	Wednesday	ANN A/c - 31Dec21	4:00 PM
ASIC	Thursday	ANN A/c - 31Dec21	3:00 PM

Source: PSX



## Applications for affordable house finance rose to PKR 357 billion: SBP

Banks | **Positive**

In an overwhelming response to the first ever Mera Pakistan Mera Ghar (MPMG) Mela organized by State Bank in Faisalabad, banks logged in applications of PKR 18 billion from applicants. Against the applications logged in, banks provided conditional approvals of around Rs7.4 billion. (Augaf) | [Click for more info.](#)

## Tech. & Communication

### Systems Limited and Huawei announce strategic partnership

SYS | **Positive**

With the increase in online transactions, customer demands are changing, and to keep up with them banks must embrace human-centric and customer-first digital transformation. The patron of building a fully connected, intelligent world, Huawei, and enabler of a digital tomorrow, Systems Limited, formed a strategic alliance to navigate the way forward regarding the advancement of digital banking. (BR) | [Click for more info.](#)

### Digital Banking Licenses Attract Interest from Over 40 Foreign and Local Companies

Banks | **Positive**

The initiative of the State Bank of Pakistan (SBP) to introduce Digital Banks in the country has attracted overwhelming interest from over 40 companies including domestic and foreign entities to apply for its licenses. (Propakistani) | [Click for more info.](#)

## Miscellaneous

### International steel increase prices for the third time in March

ISL | **Neutral**

International Steel Limited increase flat steel prices by PKR 2,000 per ton, according to the notification issued to the customers. This is a third price hike in local flat steel prices during the month of March, taking cumulative increase to PKR 10k per ton as prices of Hot rolled steel (HRC) increased by 10 percent during the last thirty days.(Augaf) | [Click for more info.](#)

### TPL Properties sells three projects to TPL REIT Fund I

TPL | **Neutral**

The shareholders of TPL Properties have approved to sell three projects of the company to TPL REIT Fund I in lieu of units to hold a strategic shareholding of at least 35% in the REIT Fund. (Mettis) | [Click for more info.](#)

### PIA signs accord with Swissport

PIAA | **Neutral**

Pakistan International Airline (PIA) has signed an agreement with Swissport International for ground handling services for Saudi Arabia. (BR) | [Click for more info.](#)

### Cooking oil, ghee crisis looming in Ramazan

Food | **Neutral**

Cooking oil/ghee crisis is looming in Ramazan as the only 150,000 tons edible oils left with the industry is limited for two weeks production while the global supplies are adversely affected following Russia-Ukraine war. (The News) | [Click for more info.](#)



## Transit trade with Kabul under TAD allowed

### Economy | Neutral

Pakistan and Afghanistan have implemented movement of transit and bilateral trade through Temporary Admission Documents (TAD) for commercial vehicles. The move, aimed at improving regional connectivity with the Central Asian States, envisages the provision of TAD to transporters from both sides. (Dawn) | [Click for more info.](#)

## Pakistan asks Iran to open another trade gate at border

### Economy | Neutral

Pakistan has asked Iran to open a gate at Gar — a border point in Makran division — for barter trade and supply of edible items and LPG cylinders. Various other issues were discussed at a meeting with the Iranian border authorities in Panjgur on Monday. (Dawn) | [Click for more info.](#)

## World Bank indirectly funding Pakistan coal projects, says analyst

### Economy | Neutral

The World Bank has been actively funding coal projects in Pakistan despite making a global no-coal-finance pledge back in 2013, said analysts at a seminar on Tuesday organized by the Alliance for Climate Justice and Clean Energy, a coalition of energy-sector think tanks. (Dawn) | [Click for more info.](#)

## Political News

### MQM-P 'agrees' to back JUI-F on no-trust motion

MQM-P Convener Khalid Maqbool Siddiqui on Tuesday said the party "greatly valued" the opinion of the opposition alliance Pakistan Democratic Movement (PDM) and would decide its stance on the no-confidence motion against the government taking heed of its advice. (ET) | [Click for more info.](#)

## International News

### Asia Stocks Point Lower as Bonds Rally, Oil Swings: Markets Wrap

Stocks in Asia are set for a weaker open Thursday as a global equities rally stumbled and commodities whipsawed in a market beset with inflation concerns. Treasuries clawed back from unprecedented losses. (Bloomberg) | [Click for more info.](#)

### Oil jumps 5% as Caspian pipeline disruption adds to supply fears

Oil prices jumped 5% to over \$121 a barrel on Wednesday as disruptions to Russian and Kazakh crude exports via the Caspian Pipeline Consortium (CPC) pipeline added to worries over tight global supplies. (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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