

April 25,
2022

Economy

Breakthrough as IMF to give another \$2bn

Economy, Capital Market | Positive

Minister for Finance Miftah Ismail said on Sunday that the International Monetary Fund (IMF) has agreed to send its mission to Pakistan in mid-May 2022 for continuation of its Extended Fund Facility (EFF) programme. He said at a press conference in Washington that the Fund had agreed to extend the programme for a year. A senior finance ministry official told The News in Islamabad that the Fund would jack up its \$6bn programme to \$8bn. (The News) | [Click for more info.](#)

External Sector under pressure as Current Account Deficit swells to \$1.03bn in March

Economy | Negative

Pakistan's current account deficit was recorded at \$1.03 billion in previous month of March 2022, indicating that there is pressure on the external account sector. (The Nation) | [Click for more info.](#)

764 schemes of Rs2.3 trillion may face axe

Economy | Neutral

The planning ministry has proposed to the new government to close around 764 development projects, costing Rs2.3 trillion with a view to cleaning its own-created mess and creating fiscal space for the new projects. (ET) | [Click for more info.](#)

Foreign inflows in domestic bonds dry up to zero in April

Economy | Negative

Foreign investment inflows into domestic bonds have remained zero in April so far despite over 13 per cent, risk-free returns. Bankers said the country has been paying a high cost of political uncertainty for the last two months, which also noted massive outflows from Pakistan Investment Bonds (PIBs) and treasury bills. (Dawn) | [Click for more info.](#)

US pledges to help Pakistan boost trade with CARs

Economy | Neutral

The United States has pledged to help Pakistan in improving its trade volumes, particularly with the Central Asian republics (CARs) under the US Agency for International Development's (USAID) Pakistan Regional Economic Integration Activity (PREIA). (Dawn) | [Click for more info.](#)

Budget to be tabled in June 1st week

Economy | Neutral

The federal budget would be presented in the National Assembly in the first week of June, sources told. (ET) | [Click for more info.](#)

Industrial Revival, Economic Growth not possible without stability of Rupee

Economy | Neutral

The business community on Saturday urged the government to control volatility of rupee against the US dollar as the industrial revival and economic growth are not possible without stability of local currency. (The Nation) | [Click for more info.](#)

Oil & Gas

Petroleum bill doubles to \$15bn in nine months

Oil | Negative

Pakistan's petroleum import bill for nine months of this fiscal swelled to \$15 from \$7.5 billion in the same period last fiscal, mostly because of bloating international prices and a steadily surging consumer demand. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,055.6	31,013.9	-41.7	-0.1%
KSE100	45,652.6	45,553.0	-99.6	-0.2%
KSE30	17,569.9	17,589.3	19.4	0.1%
KMI30	74,395.2	74,560.0	164.8	0.2%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	11,450.0	11,800.0	350.0	3.1%
NESTLE	5,501.0	5,618.1	117.1	2.1%
TICL	253.3	269.0	15.7	6.2%
FZCM	250.4	265.0	14.6	5.8%
JDWS	211.2	225.0	13.8	6.6%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
CENERGY	6.5	6.7	0.2	23.65
HUMNL	7.8	8.2	0.4	23.61
LOTCHEM	19.8	19.0	-0.8	19.59
TPLP	23.2	23.0	-0.2	15.61
GGL	19.3	20.7	1.4	15.40

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	2.20	-1.95	0.25
Net	2.33	-2.99	-0.66
LIPI			
Individuals	27.72	-26.48	1.24
Companies	1.98	-1.39	0.59
Comm. Banks	0.52	-0.11	0.41
NBFC	0.12	-0.01	0.11
Mutual Funds	0.82	-2.05	-1.23
Other	0.12	-0.46	-0.34
Brokers Proprietary	6.04	-5.88	0.16
Insurance	0.19	-0.46	-0.28
Net	37.50	-36.84	0.66

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	102.07	-1.7%
Brent oil	USD/bbl.	106.65	-1.6%
Gold	USD/t oz.	1931.60	-1.0%
Silver	USD/t oz.	24.14	-2.1%
Coal	USD/ton	306.35	-1.7%
Steel Scrap (LME)	USD/ton	626.00	-0.5%
Steel Rebar (LME)	USD/ton	935.00	-0.2%
USD/PKR	Interbank	186.75	0.0%

News Source: Local / Int'l Newspapers and websites

Research Team

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REP-055



Rs40bn released for oil subsidy payment

OMCs | **Positive**

Ministry of Finance (MoF) has released Rs40 billion for the payment of fuel subsidy to the oil sector, which industry officials dubbed as not enough, given the magnitude of their liquidity challenges. (The News) | [Click for more info.](#)

Local company signs LNG agreement with Chinese firm

Gas | **Positive**

The transition to liquefied natural gas (LNG) from diesel and oil is the correct way forward for Pakistan in terms of making the shift to renewables, remarked Daewoo Gas Chief Executive Officer. (ET) | [Click for more info.](#)

PLL awards four spot cargoes

Gas | **Positive**

Pakistan LNG Limited (PLL) has awarded four spot cargoes of which three are for May 2022 and one spot cargo for June 2022. Keeping in view the current scenario, PPL's liquidity requirements for May 2022 and June 2022 will be over Rs 25.678 billion for May and Rs 57 billion for June. The PPL will also recover Rs 5.7 billion against May delivery and Rs 13.1 billion against RLNG delivery in June. The PLL will require Rs 1.426 billion per day in May 2022 and Rs 3.1169 billion per day in June 2022. (BR) | [Click for more info.](#)

LNG deal: Talks with KSA expected during PM's visit

Gas | **Neutral**

The energy starved Pakistan is likely to discuss a Liquefied Natural Gas (LNG) deal with Saudi Arabia during the scheduled visit of Prime Minister Shahbaz Sharif next week, well informed sources told. (BR) | [Click for more info.](#)

Power

US notifies power scheme in Pakistan

Power | **Positive**

The US government, through the USAID, is partnering with the Pakistani government to launch a four-year \$23.5 million power sector improvement project to address climate change and increase the share of green energy in Pakistan's energy mix. (ET) | [Click for more info.](#)

Autos

Pakistan's Annual Car Prod. Capacity Will Increase to 300,000 This Year

Autos | **Neutral**

Despite COVID-19, automakers assembled 215,776 cars, jeeps, SUVs, and LCVs in 2021, CEO of Engineering Development Board (EDB) Raza Abbas Shah told the Minister of Industries and Production Makhdoom Syed Murtaza Mahmud earlier today. CEO EDB claimed that the automotive industry is making strides due to the incentives offered in Automotive Development Policy (ADP) 2016-21 and Automotive Industry Development and Export Policy (AIDEP) 2021-26. He added that, at the current pace of operations, it will achieve its annual production target of up to 300,000 units this year. (Propakistani) | [Click for more info.](#)

Miscellaneous

IT exports up 29pc to \$1.94bn

Tech. & Communication | **Positive**

Remittances from the IT exports, including telecommunication, computer and information services, during July to March FY22 surged by 29.26 per cent to \$1.94 billion from \$1.50bn during the same period of the previous fiscal year. IT export remittances reached \$259 million at a growth rate of 23.92 per cent when compared to \$209m reported in March 2021. (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
CHINA - Shanghai	3,086.9	7.11	0.23%
HK - Hang Seng	20,638.5	-43.70	-0.21%
INDONESIA - IDX	7,225.6	-50.58	-0.70%
PHILP - PSEi	6,998.6	-62.90	-0.89%
KSA - Tadawul	13,463.1	-71.31	-0.53%
PAK (KSE-100)	45,553.0	-99.60	-0.22%
Taiwan - TWII	17,025.1	-102.86	-0.60%
US - S&P 500	4,271.8	-121.88	-2.77%
INDIA - SENSEX	57,197.2	-714.53	-1.23%
US - Dow 30	33,811.4	-981.36	-2.82%

Board Meetings

Scrip	Day	Agenda	Time
FSWL	Monday	!A/c - 31Mar22	9:00 AM
DFSM	Monday	!A/c - 31Mar22	9:30 AM
ITTEFAQ	Monday	!A/c - 31Mar22	10:00 AM
MARI	Monday	!A/c - 31Mar22	10:00 AM
DWTM	Monday	!A/c - 31Mar22	10:30 AM
CHCC	Monday	!A/c - 31Mar22	11:00 AM
CJPL	Monday	!A/c - 31Mar22	11:00 AM
DGKC	Monday	!A/c - 31Mar22	11:00 AM
HMIM	Monday	!A/c - 31Mar22	11:00 AM
MDTL	Monday	!A/c - 31Mar22	11:00 AM
PNSC	Monday	!A/c - 31Mar22	11:00 AM
PPP	Monday	!A/c - 31Mar22	11:00 AM
RUPL	Monday	!A/c - 31Mar22	11:00 AM
ALAC	Monday	!A/c - 31Mar22	11:30 AM
NICL	Monday	!A/c - 31Mar22	11:30 AM
SGF	Monday	!A/c - 31Mar22	11:30 AM
DIIL	Monday	!A/c - 31Mar22	12:00 PM
KOHE	Monday	!A/c - 31Mar22	12:00 PM
MEBL	Monday	!A/c - 31Mar22	12:00 PM
SINDM	Monday	!A/c - 31Mar22	12:00 PM
ALTN	Monday	!A/c - 31Mar22	12:30 PM
DMTM	Monday	!A/c - 31Mar22	12:30 PM
HUMNL	Monday	!A/c - 31Mar22	12:30 PM
CASH	Monday	!A/c - 31Mar22	2:00 PM
GLAXO	Monday	!A/c - 31Mar22	2:00 PM
SSGC	Monday	!A/c - 31Mar22	2:00 PM
TRIPF	Monday	!A/c - 31Mar22	2:00 PM
INDU	Monday	!A/c - 31Mar22	3:00 PM
TOMCL	Monday	!A/c - 31Mar22	3:00 PM
BATA	Monday	!A/c - 31Mar22	4:00 PM
PSEL	Monday	!A/c - 31Mar22	4:00 PM
FPJM	Monday	!A/c - 31Mar22	5:00 PM
ILP	Tuesday	!A/c - 31Mar22	9:00 AM
DCL	Tuesday	!A/c - 31Mar22	9:30 AM
FCCL	Tuesday	!A/c - 31Mar22	10:00 AM
GRYL	Tuesday	!A/c - 31Mar22	10:00 AM
JOPP	Tuesday	!A/c - 31Mar22	10:00 AM
JGICL	Tuesday	!A/c - 31Mar22	10:00 AM
OLPL	Tuesday	!A/c - 31Mar22	10:00 AM
YOUW	Tuesday	!A/c - 31Mar22	10:00 AM
DSFL	Tuesday	!A/c - 31Mar22	10:30 AM
GLPL	Tuesday	!A/c - 31Mar22	10:30 AM
INIL	Tuesday	!A/c - 31Mar22	10:30 AM
KHYT	Tuesday	!A/c - 31Mar22	10:30 AM
SLL	Tuesday	!A/c - 31Mar22	10:30 AM
PREMA	Tuesday	!A/c - 31Mar22	10:45 AM

Source: PSX



NICL start of Caustic Soda commercial operation to hurt EPCL and ICL market

NICL | Neutral

Nimir Industrial Chemicals limited has successfully completed the first phase of the expansion of the Chlor Alkali (Caustic Soda) plant, which has started its commercial operations. With this expansion, the company replaced its existing plant with the latest technology acquired from thyssenkrupp nucera, Italy. The production capacity of first phase is 60 tons per day. (Augaf) | [Click for more info.](#)

Govt assistance sought to push textile exports to \$50bn

Textile | Neutral

The textile industry has filed a package of submissions with Prime Minister Mian Mohammad Shehbaz Sharif for his nod, which will help pave the way for increasing textile exports to \$26 billion in the next fiscal year and \$50 billion in next 5 years. (The News) | [Click for more info.](#)

Steel sector; FBR decides to apply track-and-trace system

Steel | Neutral

The Federal Board of Revenue (FBR) has decided to implement the Track-and-Trace system on the manufacturing units of steel sector for electronic monitoring of production and supplies of steel products. (BR) | [Click for more info.](#)

HLSCC meeting; Pakistan, Turkey working towards inking several deals

Economy | Neutral

Pakistan and Turkey are likely to sign a number of new agreements at a meeting of High Level Strategic Cooperation Council (HLSCC) to be co-chaired by Prime Minister of Pakistan and Turkish President, well informed sources told. (BR) | [Click for more info.](#)

Political News

Constituencies of NA, PAs; Preliminary delimitations to be finalized by Aug 3: ECP

The Election Commission of Pakistan (ECP) Saturday said that the delimitation committees will complete the preliminary delimitation of the constituencies of national and provincial assemblies across the country by May 24 and final work will be completed by August 3. (BR) | [Click for more info.](#)

International News

Indonesia to ban palm oil exports to curb domestic prices

Indonesia will effectively ban palm oil exports from April 28, until further notice, after President Joko Widodo on Friday announced a halting of shipments of cooking oil and its raw material to control soaring domestic prices. (BR) | [Click for more info.](#)

Stocks, Futures Drop With Yields in Risk-Off Tilt: Markets Wrap

Stocks, U.S. futures and commodities sank Monday as investors weigh China's worsening Covid situation and the potential for more aggressive interest-rate increases dragging on growth. Treasury yields retreated. (Bloomberg) | [Click for more info.](#)

Oil Sinks Below \$100 as China's Lockdowns Imperil Demand Outlook

Oil pushed lower at the start of the week on concerns that a spreading Covid-19 outbreak in China will weigh on global demand. (Bloomberg) | [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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