

March 25,  
2022

## Economy

**7th review under IMF's EFF; 'Negotiations are continuing'**

**Economy | Neutral**

Sections of the media have been speculating recently about the on-going 7th review under IMF's Extended Fund Facility (EFF). It is clarified that negotiations under the 7th review are continuing as planned and the two sides remain engaged on a regular basis at a technical level through virtual meetings and data sharing. (BR) | [Click for more info.](#)

**Govt fails to convince IMF over amnesty scheme**

**Economy | Negative**

The International Monetary Fund (IMF) is not convinced with the government's justifications for a recently announced amnesty scheme and has doubts over the financial impact and financing sources of the prime minister's relief package on electricity and petroleum prices. (Dawn) | [Click for more info.](#)

**Pakistan Rupee Pressured by Rising Trade Balance: Deutsche Bank**

**Economy | Negative**

Pakistan's currency could be weakened as the surge in energy and commodities prices deepens the nation's current account deficit, according to Deutsche Bank AG's country head, referring to the broadest measure of trade. (BNNBloomberg) | [Click for more info.](#)

**SBP reserves fall below \$15bn on debt repayments**

**Economy | Negative**

A massive outflow of \$869 million week-on-week mainly for debt repayments dragged the foreign exchange reserves of the State Bank of Pakistan (SBP) below the \$15 billion mark for the first time in almost a year. (Dawn) | [Click for more info.](#)

**REER inches up by 0.9% to 97.91 in February**

**Economy | Neutral**

The Real Effective Exchange Rate (REER) of Pakistan was recorded at 97.91 in February 2022, showing a marginal increase of 0.90% compared to 97.04 recorded in January 2022. The index surged by 0.71% in February 2022 against the value of 97.22 in February 2021. (Mettis) | [Click for more info.](#)

## Oil & Gas

**Pakistan in talks with Russia for LNG imports**

**Gas | Positive**

As Russia develops the Yamal LNG project facility -- Islamabad and Moscow are in talks to a multi-billion dollar government-to-government import deal. The Yamal LNG Project includes the development of the giant South Tambey (Tambeykoye) gas field that is located near Sabetta in the Yamal peninsula in Russia. The Russian government has declared the project to be of national interest at a cost of around \$27 billion. (ET) | [Click for more info.](#)

**Pakistan Refinery likely to get Saudi investment for expansion**

**PRL | Positive**

Saudi Arabia is likely to invest in the expansion of Pakistan Refinery, as the Kingdom's investment minister on Thursday agreed that his government would take a decision on the refinery plan after evaluating viability of the project. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,629.0	29,813.6	184.6	0.6%
KSE100	43,203.8	43,522.6	318.8	0.7%
KSE30	16,471.6	16,622.1	150.5	0.9%
KMI30	69,444.3	70,063.4	619.1	0.9%

### Top Five Gainers

	Open	Close	Chg.	%
UPFL	23,449.5	24,000.0	550.5	2.3%
RMPL	11,403.3	11,690.0	286.7	2.5%
GATI	447.0	480.5	33.5	7.5%
PECO	278.4	297.6	19.2	6.9%
SRVI	470.0	485.5	15.5	3.3%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TREET	30.1	30.9	0.8	20.76
TRG	72.4	76.4	4.0	10.20
TELE	10.1	10.4	0.3	9.40
PAELR3	1.0	1.2	0.2	8.02
TPLP	17.9	18.2	0.3	5.35

### 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	3.53	-3.64	-0.10
<b>Net</b>	<b>6.76</b>	<b>-10.32</b>	<b>-3.57</b>
<b>LIPI</b>			
Individuals	39.18	-37.63	1.55
Companies	1.82	-3.22	-1.40
Comm. Banks	2.33	-0.62	1.71
NBFC	0.01	-0.01	0.00
Mutual Funds	3.14	-2.36	0.78
Other	0.18	-0.14	0.04
Brokers Proprietary	14.17	-14.31	-0.14
Insurance	1.17	-0.15	1.02
<b>Net</b>	<b>62.00</b>	<b>-58.43</b>	<b>3.57</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	112.34	2.8%
Brent oil	USD/bbl.	117.96	2.1%
Gold	USD/t oz.	1957.74	1.9%
Silver	USD/t oz.	25.54	3.1%
Coal	USD/ton	333.35	-0.5%
Steel Scrap (LME)	USD/ton	644.00	0.2%
Steel Rebar (LME)	USD/ton	925.00	0.5%
USD/PKR	Interbank	181.73	0.0%

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

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**REP-055**



## Refineries yet to receive Rs23bn unadjusted sales tax

### Refineries | Neutral

Oil Companies Advisory Council (OCAC) on Thursday pleaded with the government to clear refineries' receivables worth Rs23.25 billion, accumulated on account of unadjusted sales tax. (The News) | [Click for more info.](#)

## Cement

### 16 cement factories to generate Rs600bn investment: minister

#### Cement | Positive

The completion of 16 under-construction cement factories in the province will generate an overall investment of Rs600 billion and thousands of jobs. "Such a huge investment in the cement industry has never been made in history. It is the PTI government that created an enabling environment for new businesses," Punjab Minister for Industry and Commerce Mian Aslam Iqbal claimed while presiding over a meeting held at the Punjab Board of Investment and Trade (PBIT) on Thursday. (Dawn) | [Click for more info.](#)

## Banks

### Highest housing loans disbursed in February

#### Banks | Positive

The disbursement of loans for low-cost housing witnessed the highest increase of Rs9.3 billion in February FY22, highlighting no uncertainty despite the ongoing political crisis in Islamabad, data released by the State Bank of Pakistan (SBP) showed on Thursday. Total disbursements under the Mera Pakistan Mera Ghar (MPMG) reached at Rs53.074bn at the end of February 2022, the SBP data showed. (Dawn) | [Click for more info.](#)

### Pakistan Housing Finance Project; WB lists risks to \$85m additional financing

#### Banks | Neutral

The World Bank has listed several risks to the \$85 million "additional financing for the Pakistan Housing Finance Project" including political and governance and macroeconomic. The World Bank's Board of Executive Directors has recently approved the \$85 million additional financing for the Pakistan Housing Finance Project that will help expand access to affordable mortgages to increase homeownership among low-income households, including women and informal workers. (BR) | [Click for more info.](#)

## Miscellaneous

### Greentree Holdings increase its shareholding in TRG to 11.21 percent: PSX

#### TRG | Positive

Greentree Holdings Limited a subsidiary of TRG International have acquired on March 18, 2022, 1,8203,000 at price of PKR 71.61 per share voting shares of TRG Pakistan. (Augaf) | [Click for more info.](#)

### PSX approved listing of Pak Oman Daily Dividend Fund

#### Capital Market | Neutral

Pakistan Stock Exchange Limited has approved the formal listing and quotation of the units of Pak Oman Daily Dividend Fund, an Open-End Mutual Fund on the Exchange w.e.f. Friday, March 25, 2022. (Augaf) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
US - Dow 30	34,707.9	349.44	1.02%
PAK (KSE-100)	43,522.6	318.76	0.74%
PHILP - PSEi	7,082.6	73.18	1.04%
US - S&P 500	4,520.2	63.92	1.43%
INDONESIA - IDX	7,049.7	53.57	0.77%
KSA - Tadawul	12,948.4	4.21	0.03%
CHINA - Shanghai	3,250.3	-20.77	-0.63%
Taiwan - TWII	17,699.1	-32.31	-0.18%
INDIA - SENSEX	57,595.7	-89.14	-0.15%
HK - Hang Seng	21,946.0	-208.13	-0.94%

### Board Meetings

Scrip	Day	Agenda	Time
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



## CCP Takes Action Against Pharma Companies for Hiding Side Effects of Weight Loss Products

Pharmaceutical | Neutral

The Competition Commission of Pakistan (CCP) has issued guidelines for the pharmaceutical / herbal companies for advertising, marketing and selling weight loss products. The CCP took action against 14 pharmaceutical / herbal companies involved in advertising/marketing and selling of weight loss products by concealing potential side effects of products. (Propakistani) | [Click for more info.](#)

## Political News

### No-trust motion Votes to be cast, counted: Supreme Court

The Chief Justice of Pakistan (CJP), Justice Ata Bandial, in the case of presidential reference remarked that courts cannot fill in the blanks; the Parliament, rather than references, should settle the matter. Justice Mandokhel observed if a member casts his vote, then it must be counted as well. (The News) | [Click for more info.](#)

### Fireworks expected today as no-trust motion on NA agenda

Fireworks are expected as the National Assembly meets on Friday (today) for an extraordinary session on the request of the joint opposition to begin the process for the no-confidence motion filed against Prime Minister Imran Khan. (ET) | [Click for more info.](#)

## International News

### Fitch Ratings Increases Short-and Medium-Term Fertiliser Price Assumptions

Fitch Ratings has increased its short- and medium-term global fertiliser price assumptions following supply disruptions due to the Russia-Ukraine war, significantly increased feedstock prices and still-strong demand. Our longer-term price assumptions are unchanged. (Fitch Ratings) | [Click for more info.](#)

### Stocks Steady Amid Oil Dip as Traders Mull Economy: Markets Wrap

Stocks in Asia were steady Friday as investors weighed the resilience of the global economic recovery to risks from tightening Federal Reserve monetary policy and Russia's military campaign in Ukraine. (Bloomberg) | [Click for more info.](#)

### Oil slides 2% as EU fails to boycott Russian crude

Crude prices slid 2% on Thursday after the European Union (EU) could not agree on a plan to boycott Russian oil and on reports that exports from Kazakhstan's Caspian Pipeline Consortium (CPC) terminal could partially resume. (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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