

March 28,  
2022

## Economy

**Saudi firm to help Pakistan assess Reko Diq gold, copper quantity**

**Economy | Positive**

Balochistan Chief Minister Mir Abdul Qudoos Bizenjo, while defending a recently signed agreement on the Reko Diq copper and gold mining project with a Canadian company, has disclosed that a Saudi Arabian firm would set up a refinery in Gwadar to assess the quantity of minerals extracted from the site. (Dawn) | [Click for more info.](#)

**Developing states may need \$310bn for debt servicing: Unctad**

**Economy | Neutral**

The United Nations trade and development body has warned of short-term public debt servicing needs as a growing concern in the wake of Ukraine war and monetary tightening. Developing countries are projected to require \$310 billion to meet external public debt service requirements in 2022, according to UN Conference on Trade and Development (Unctad). (Dawn) | [Click for more info.](#)

**Covid-19 pandemic; Pakistan accumulates over \$10bn new debt: ADB**

**Economy | Negative**

Pakistan has accumulated more than \$10 billion in new debt during the pandemic, says the Asian Development Bank (ADB). The bank in its latest report, "COVID-19 and Economic Recovery Potential in the CAREC Region" stated that Pakistan's debt-to-GDP ratio was the highest in the region at 86 percent in 2019 and further increased to 88 percent in 2020. (BR) | [Click for more info.](#)

**Political turmoil driving away foreign investors**

**Economy | Negative**

An ongoing political crisis at home is putting pressure on the external economic front, as foreign investment outflows from equity, treasury bills and Pakistan Investment Bonds (PIBs) have sharply increased during the ongoing month. (Dawn) | [Click for more info.](#)

**Up to 100bps: NSS rates jump on rising PIBs yields**

**Economy | Positive**

The government on Thursday increased the profit rates on almost all National Savings Schemes (NSSs) to absorb the benefit of a boost in its income from the Pakistan Investment Bonds. The raise in the rates is effective from March 25, 2022. (The News) | [Click for more info.](#)

**Foreign loans swell to \$14.5 billion**

**Economy | Negative**

The government received \$14.5 billion in foreign loans during the first eight months of current fiscal year, higher by 77% over the same period of previous year, but the funds remained insufficient to prevent the official foreign exchange reserves from falling continuously. Total loans received by the government of Prime Minister Imran Khan from July through February of the current fiscal year amounted to \$14.5 billion. (ET) | [Click for more info.](#)

**Rupee hits new low at 181.78**

**Economy | Negative**

The rupee weakened against the US dollar at Rs181.78 in the inter-bank market on Friday compared with Thursday's dose of Rs181.73, according to the State Bank of Pakistan (SBP). (ET) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,813.6	29,860.0	46.4	0.2%
KSE100	43,522.6	43,551.2	28.6	0.1%
KSE30	16,622.1	16,657.5	35.4	0.2%
KMI30	70,063.4	70,090.6	27.2	0.0%

### Top Five Gainers

	Open	Close	Chg.	%
MEHT	817.9	879.0	61.2	7.5%
SAPT	990.0	1,039.0	49.0	4.9%
SIEM	605.0	624.0	19.0	3.1%
OTSU	216.7	233.0	16.3	7.5%
PAKT	1,005.0	1,020.0	15.0	1.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.5	1.6	0.0	22.17
DSL	4.1	4.6	0.5	9.83
CNERGY	5.1	5.3	0.2	9.41
TELE	10.4	10.5	0.1	7.68
PIBTL	6.0	6.0	0.0	7.17

### 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	4.04	-3.73	0.30
<b>Net</b>	<b>5.73</b>	<b>-5.08</b>	<b>0.65</b>
<b>LIPI</b>			
Individuals	37.74	-36.90	0.84
Companies	3.07	-3.31	-0.24
Comm. Banks	1.70	-8.85	-7.15
NBFC	0.02	-0.06	-0.05
Mutual Funds	6.98	-2.09	4.89
Other	0.16	-0.19	-0.04
Brokers Proprietary	14.91	-14.23	0.68
Insurance	0.78	-0.37	0.41
<b>Net</b>	<b>65.36</b>	<b>-66.01</b>	<b>-0.65</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	113.90	4.6%
Brent oil	USD/bbl.	120.65	3.6%
Gold	USD/t oz.	1958.29	0.8%
Silver	USD/t oz.	25.53	0.0%
Coal	USD/ton	258.75	-4.2%
Steel Scrap (LME)	USD/ton	643.00	-0.2%
Steel Rebar (LME)	USD/ton	926.50	0.2%
USD/PKR	Interbank	181.78	0.0%

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

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MORNING BRIEFING

## Oil & Gas

**High-speed diesel on a fortnightly basis, decides to revise premium mechanism for import**

**Oil | Neutral**

The Economic Coordination Committee (ECC) of the Cabinet has decided to revise the premium mechanism for import of high-speed diesel on a fortnightly basis to avert shortage of HSD in the country because OMCs would incur Rs6.8/liter loss. (BR) | [Click for more info.](#)

**Singapore-based Guvnor backs out from 4 LNG term deliveries**

**Gas | Negative**

Singapore-based Guvnor has decided not to honour its contract to deliver four LNG term cargoes to Pakistan, which would force the dollar-starved country to purchase costly LNG from the spot market to fulfill its energy needs. (The News) | [Click for more info.](#)

**Gas crisis to hit country in summer too**

**Gas | Neutral**

After the Singapore based LNG trading company GUNVOR backed out of delivery of four LNG cargoes that were to be delivered in the remaining four months, in April, May and two in June of its five-year contract ending in July 2022, and the decision of Pakistan LNG Limited not to procure spot LNG cargo for April at the price of \$34.677 per MMBTU offered by Vitol Bahrain in the bids opened on Friday. (The News) | [Click for more info.](#)

**Sindh to move against WACOG bill**

**Gas | Negative**

The federal government is going to face a blow on LNG pricing as the government of Sindh has decided to become a party in a case on weighted average cost bill that has been challenged in the Sindh High Court. (ET) | [Click for more info.](#)

## Power

**Senators inquire about KAPCO contract**

**KAPCO | Neutral**

The committee, which met under the chairmanship of Saifullah Abro, questioned in what capacity the extension was granted to Kapco and why the transactions were not blocked on the expiry of its time period. The committee was informed that Rs57 billion was paid to Kapco at a rate of Rs19.5 per unit, but no capacity payment was made after the expiry of contract. (ET) | [Click for more info.](#)

**Rs100bn financial support; ECC refuses to entertain PD's proposal**

**IPPs | Neutral**

Economic Coordination Committee (ECC) has reportedly refused to entertain Power Division's proposal of Rs 100 billion financial support after Finance Division shared information about severe financial constraints. Prime Minister held two meetings - on January 14 and January, 26 2022, prior to his visit to China. (BR) | [Click for more info.](#)

## Autos

**Honda raises prices by up to Rs0.4m**

**HCAR | Positive**

Honda Atlas Cars Ltd (HACL) has increased the prices of various models by Rs250,000-400,000. The new retail price is effective on current back order and orders booked from March 26 onwards. (Dawn) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
US - Dow 30	34,861.2	153.30	0.44%
KSA - Tadawul	12,999.7	51.36	0.40%
PHILP - PSEi	7,124.8	42.23	0.60%
PAK (KSE-100)	43,551.1	28.59	0.07%
US - S&P 500	4,543.1	22.90	0.51%
Taiwan - TWII	17,677.0	-22.11	-0.12%
CHINA - Shanghai	3,212.2	-38.02	-1.17%
INDONESIA - IDX	7,002.5	-47.16	-0.67%
INDIA - SENSEX	57,362.2	-233.48	-0.41%
HK - Hang Seng	21,404.9	-541.07	-2.47%

### Board Meetings

Script	Day	Agenda	Time
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
OCTOPUS	Monday	ANN A/c - 31Dec21	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
SGF	Thursday	ANN A/c - 31Dec21	9:30 AM
PKGI	Thursday	ANN A/c - 31Dec21	10:00 AM
SHNI	Thursday	ANN A/c - 31Dec21	10:30 AM
UVIC	Thursday	ANN A/c - 31Dec21	11:30 AM
ASIC	Thursday	ANN A/c - 31Dec21	3:00 PM
HICL	Thursday	ANN A/c - 31Dec21	3:00 PM
SRVI	Thursday	ANN A/c - 31Dec21	3:30 PM
AGL	Friday	ANN A/c - 31Dec21	10:00 AM
UNIC	Friday	ANN A/c - 31Dec21	11:00 AM
AVN	Friday	ANN A/c - 31Dec21	4:00 PM

Source: PSX

## Ghandhara commences booking for newly-launched SUVs

**GHNI, GHNL | Positive**

Ghandhara formally commenced the booking of its newly launched SUVs Chery Tiggo 4 and 8 Pro here at World Automobiles in Karachi at a price tag of Rs.4,599,000 for Tiggo 4 pro and Rs6,599,000 for Tiggo 8 Pro. (BR) | [Click for more info.](#)

## Hyundai Tucson Also Gets a Big Price Hike

**NML | Neutral**

Hyundai Nishat Motors Private Limited (HNMP) has also joined the price hikes bandwagon by revising the prices of Hyundai Tucson. This is the company's second price hike in just over two months. (Propakistani) | [Click for more info.](#)

## Banks

### Private sector borrowings swell to Rs911bn

**BANKS | Positive**

Minister for Finance and Revenue, Shaukat Tarin Saturday said private credit offtake during the period from July-March 11, 2022 was recorded at Rs 911 billion against Rs. 357 billion of same period last year. He said the substantial increase was indicating robust economic activity. Meanwhile, the government had retired Rs 291 billion to the State Bank of Pakistan, creating room for private sector, he added. (BR) | [Click for more info.](#)

### RDA drive launched in S Arabia

**HABIB, MCB | Positive**

Habib Bank Limited (HBL) and MCB Bank Limited launched a Roshan Digital Account (RDA) drive in Riyadh and Jeddah to create awareness of the State Bank's initiative among overseas. Both banks partnered with Pakistani Consulate (Riyadh, KSA) to introduce the drive at Pakistani consulate's Pakistan Day (March 23) event. (The News) | [Click for more info.](#)

### Askari Bank to increase shareholding in FSL to 51%

**AKBL | Neutral**

The shareholders of Askari Bank Limited (PSX: AKBL) have resolved to increase the shareholding of AKBL in Foundation Securities (Private) Limited (FSL) to 51% of the total shareholding in FSL by way of acquiring shares in FSL from Fauji Foundation for a total consideration of up to Rs32 billion. (Mettis) | [Click for more info.](#)

## Sugar

### Tax collection from sugar sector jumps to Rs26.5bn

**Sugar, Economy | Positive**

The revenue collection in the current sugar crushing season posted a robust growth of 33 per cent over the corresponding period of last year. The sales tax collection reached Rs26.5 billion in the first four months — Dec 21, 2021 to March 22. (Dawn) | [Click for more info.](#)

### Sugar production surges to 7.5mn tons this year

**Sugar | Positive**

The production of sugar rose to 7.5 million tons this year, which is 36.3% higher than last year's 5.5mn tons, Muzzammil Aslam, spokesperson to Finance Ministry said (Mettis) | [Click for more info.](#)

## Miscellaneous

### Financial crunch; MoF refuses subsidy on phosphatic, potash fertilizers

#### Fertilizer | **Negative**

Finance Ministry has refused to increase subsidy on phosphatic and potash fertilizers due to serious financial constraints and being under an IMF program and urged provinces to enhance their shares. (BR) | [Click for more info.](#)

### Import of edible oil; 10pc tax relief approved by govt

#### Vanaspati | **Positive**

The government has decided to approve 10 percent tax relief on the import of edible oil for the next two months (April-May 2022) with the objective to mitigate the impact of high international palm oil prices in the domestic market. (BR) | [Click for more info.](#)

### Indonesia to help expand trade

#### Economy | **Neutral**

Indonesia can play a significant role in boosting economic and trade opportunities for Pakistan as it can provide Islamabad access to the Association of Southeast Asian Nations (Asean) market, said Indonesia Ambassador Adam Mulawarman Tugio. (ET) | [Click for more info.](#)

### Kyrgyzstan keen to begin transit trade through Pakistan

#### Economy | **Neutral**

Kyrgyzstan is interested in transit trade through Pakistan and the country wants to use the seaports of Karachi, said Kyrgyzstan Minister of Foreign Affairs Ruslan Kazakbaev. (ET) | [Click for more info.](#)

## Political News

### No govt will complete term if system derailed: PTI leaders

No future government in the country will be able complete its tenure if the system is derailed. People should support Prime Minister Imran Khan to save the country from plunderers of national wealth. Imran Khan is a great asset to the Muslim world and a symbol of Pakistan's future. (The News) | [Click for more info.](#)

## International News

### Stocks, U.S. Equity Futures Fall; Crude Oil Slides: Markets Wrap

Asian stocks and U.S. equity futures fell Monday as Russia's war in Ukraine grinds into a second month and the risk of an economic downturn from tightening U.S. monetary policy hangs over markets. (Bloomberg) | [Click for more info.](#)

### Oil slumps as Shanghai shuts to curb COVID surge

Oil prices fell more than \$3 in early trade on Monday on prospects of a drop in fuel demand in China after authorities in Shanghai said they would shut the country's financial hub for a COVID-19 testing blitz over nine days. (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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