



March 30,
2022

Economy

Bank account holders can invest in equity market

Capital Market | Neutral

Under the State Bank of Pakistan's (SBP) 'Shared KYC (Know Your Customer) Project' resident investors can open accounts in the capital market using their bank's portal or app, central bank governor Dr Reza Baqir said on Tuesday. (Dawn) | [Click for more info.](#)

Islamabad needs to curtail imports, says Chinese envoy

Economy | Negative

China's Consul General Li Bijian said on Tuesday Pakistan should reduce imports from the largest Asian economy as the bilateral trade is highly skewed against Islamabad. (Dawn) | [Click for more info.](#)

Foreign investors pull out \$397mn from capital market in March

Economy | Negative

Pakistan's capital market outflows have touched a two-year high in the ongoing month of March, as investors pulled out \$397 million on account of political uncertainty, rupee volatility, and troubles with the International Monetary Fund (IMF) review. (The News) | [Click for more info.](#)

Intensity of risks may hit domestic economic activities

Economy | Negative

The exports from the country during the month of March 2022 are expected to continue their upward trend, backed by the export-oriented policies that have been implemented in the recent past, finance ministry said in a report. The trade data for the month of March would be released by the Pakistan Bureau of Statistics (PBS) during first week of next month (April 2022). (BR) | [Click for more info.](#)

Rupee falls to yet another all-time low against US dollar

Economy | Negative

Pakistan's rupee fell to yet another record low against the US dollar after depreciating 0.08% in the inter-bank on Tuesday. As per the State Bank of Pakistan (SBP), the rupee closed at 182.34, its weakest level in history, after a day-on-day depreciation of 15 paises. The rupee has lost nearly 16.5% since its most-recent high achieved in May last year. On a fiscal year to date (FYTD) basis, the local currency has depreciated by over 13.5%. (BR) | [Click for more info.](#)

Oil & Gas

PSO Requires Rs. 60 Billion Funding to Avert Energy Shortages

PSO | Negative

Pakistan State Oil (PSO) is undergoing a serious financial crunch as it needs Rs.60 billion urgently to avert a national energy shortage next month. (Propakistani) | [Click for more info.](#)

OGDCL plans business expansion

OGDC | Neutral

MD and CEO OGDCL Syed Khalid Siraj Subhani on Tuesday vowed to take the company on new heights by diversifying the company business. He said in addition to Reko Diq and ADNOC, the company had plans to invest in other areas. "The rapidly changing situation demands hard work and revisiting our strategy for other projects in the energy sector." (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,092.5	30,379.5	287.0	1.0%
KSE100	43,933.6	44,438.7	505.1	1.1%
KSE30	16,793.5	16,983.3	189.8	1.1%
KMI30	70,911.7	72,066.8	1155.1	1.6%

Top Five Gainers

	Open	Close	Chg.	%
BATA	2,100.0	2,250.0	150.0	7.1%
COLG	2,220.0	2,300.0	80.0	3.6%
MTL	843.3	873.1	29.9	3.5%
ICI	753.7	777.6	23.9	3.2%
PKGS	423.4	442.9	19.5	4.6%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PAELR3	1.1	2.0	0.9	37.68
WTL	1.6	1.7	0.1	27.13
GGL	14.9	15.9	1.0	15.05
KEL	3.0	3.1	0.1	11.18
TPLP	18.2	18.9	0.8	11.11

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	3.07	-2.96	0.11
Net	3.72	-6.11	-2.38
LIPI			
Individuals	35.18	-32.90	2.28
Companies	1.49	-2.48	-1.00
Comm. Banks	4.16	-6.55	-2.40
NBFC	0.14	-0.03	0.10
Mutual Funds	1.82	-2.16	-0.34
Other	0.69	-0.33	0.37
Brokers Proprietary	11.50	-7.88	3.61
Insurance	1.26	-1.49	-0.24
Net	56.22	-53.84	2.38

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	104.24	-1.6%
Brent oil	USD/bbl.	108.72	2.0%
Gold	USD/t oz.	1919.53	-0.2%
Silver	USD/t oz.	24.78	-0.4%
Coal	USD/ton	255.50	-1.2%
Steel Scrap (LME)	USD/ton	641.50	-0.4%
Steel Rebar (LME)	USD/ton	922.50	-0.2%
USD/PKR	Interbank	182.34	0.1%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited
(021) 32429665, Ext. 106

REP-055



Power

Circular debt for major sectors swells to Rs4.5tn in last 40 months

Power | Negative

It has now started accumulating in other areas of economy too, ballooning to Rs4.5 trillion for power, gas, and commodities sector. Now oil industry has also joined the circular debt club because of Price Differential Claims (PDCs) the government has to pay to refineries and oil marketing companies (OMCs) for freezing the prices of petrol and diesel until the budget for next fiscal year. It is equivalent to above 8 percent of Gross Domestic Product (GDP) for this fiscal ending on June 30, 2022. (The News) | [Click for more info.](#)

Power load-shedding may stay in Ramazan

Power | Neutral

The country may face load shedding in Ramzan (likely to commence from April 3, 2022) due to shortage of furnace oil and RLNG, well informed sources told. (BR) | [Click for more info.](#)

Fertilizer

FFC further increases urea prices by Rs70 per bag

FFC | Positive

Fauji Fertilizer Company Limited (FFC) has increased urea prices by Rs70 per bag with effect from March 29, 2022, Ismail Iqbal Securities said today. With this increase, Sona Urea Prilled & Granular prices now stand at Rs1,933 & Rs1,953 per bag, respectively. (Mettis) | [Click for more info.](#)

Banks

BAHL to increase authorized share capital to Rs20bn

BAHL | Positive

The shareholders of Bank Al Habib Limited (PSX: BAHL) in its 31st Annual General Meeting on Tuesday have resolved to increase the authorized share capital of the bank from Rs15 billion to Rs20bn by creating 500 million ordinary shares of Rs10 each. (Mettis) | [Click for more info.](#)

Five-year-old small, medium enterprises to be considered startups: SBP

Banks | Neutral

The State Bank of Pakistan (SBP) has amended the Prudential Regulations for SME financing and now a small enterprise and medium enterprise up to 5 years old will be considered as startup. (BR) | [Click for more info.](#)

Miscellaneous

Telecard to offer Supernet IPO at floor price of PKR 22.5 with valuation of PKR 2.5 billion

TELE | Positive

Supenet Issue consists of 21,111,121 Ordinary Shares (18.81 percent of the total post-Offering paid up capital of Supernet Limited) of face value of PKR 10/- each, as per Investor Memorandum shared with investors. (Augaf) | [Click for more info.](#)

BRR Investment Ltd receives NOC for merger

BRR | Neutral

BRR Investment (Pvt) Limited has informed that the Registrar of Modaraba has issued the no-objection certificate (NOC) on the proposed merger by way of amalgamation of BRR Guardian Modaraba with and into BRR Guardian Limited. (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	44,438.7	505.14	1.15%
INDIA - SENSEX	57,943.7	350.16	0.61%
US - Dow 30	35,294.2	338.30	0.97%
HK - Hang Seng	21,927.6	242.66	1.12%
US - S&P 500	4,631.6	56.08	1.23%
KSA - Tadawul	13,101.4	37.25	0.29%
Taiwan - TWII	17,548.7	28.65	0.16%
CHINA - Shanghai	3,203.9	-10.56	-0.33%
PHILIP - PSEi	7,115.1	-19.27	-0.27%
INDONESIA - IDX	7,011.7	-37.91	-0.54%

Board Meetings

Scrip	Day	Agenda	Time
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



Descon Engineering Wins Large Turnkey Project from AkzoNobel Pakistan

DOL | Positive

Descon Engineering Limited (Descon) has been awarded a large turnkey project by AkzoNobel Pakistan Limited (ANPL), Pakistan's leading paint and coatings company. (Propakistani) | [Click for more info.](#)

Pakistan Steel Mills Accumulated Rs. 67 Billion Losses in 6 Months

Economy | Neutral

Pakistan Steel Mills (PSM) accumulated an overall loss of Rs. 67.167 billion in merely six months of 2020 despite laying off 5000 employees who received a golden handshake, according to officials of the Ministry of Industries and Production. (Propakistani) | [Click for more info.](#)

Tight energy market pushes Pakistan towards Afghan coal: report

Cement, Power | Neutral

Rising oil and gas prices in the international market as well as supply chain disruptions created by the ongoing Russia-Ukraine conflict have pushed Pakistan to look for alternatives as the country struggles to buy fuel on the spot market. (BR) | [Click for more info.](#)

Political News

Elahi begins quest to occupy Punjab CM's office, save PM

Less than 24 hours after Prime Minister Imran Khan announced Chaudhry Parvez Elahi as the Pakistan Tehreek-i-Insaf's (PTI) nominee for the Punjab chief minister after incumbent Usman Buzdar was asked to resign, the Punjab Assembly speaker sprung into action on Tuesday to muster as much support as possible for his election to the new office. (Dawn) | [Click for more info.](#)

International News

Stocks Rise as Yields Drop With Ukraine Talks Eyed: Markets Wrap

Stocks in Asia outside of Japan rose Wednesday as investors weighed prospects for a de-escalation in the war in Ukraine that sent Treasury yields lower. Oil pared gains. (Bloomberg) | [Click for more info.](#)

Oil drops 2% amid Russia-Ukraine peace talks, China lockdowns

Oil prices ended 2% lower on Tuesday as talks progressed between Russia and Ukraine to end their weeks-long conflict, though Moscow negotiators said a promise to scale down some military operations did not represent a ceasefire. (Reuters) | [Click for more info.](#)



Disclaimer

This report has been prepared by Aba Ali Habib Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Aba Ali Habib Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Aba Ali Habib Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents.

In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Aba Ali Habib Securities' Research Department and do not necessarily reflect those of the company or its directors. Aba Ali Habib as a firm may have business relationships, including investment- banking relationships, with the companies referred to in this report. Aba Ali Habib Securities or any of its officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the subject company, may have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company, may serve or may have served in the past as a director or officer of the subject company, may have received compensation from the subject company for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from the subject company for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the subject company.

All rights reserved by Aba Ali Habib Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Aba Ali Habib Securities. Action could be taken for unauthorized reproduction, distribution or publication.

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.

Analyst Certification ^{AC}

The research Analyst(s) hereby certify that the views about the company/companies and the security/securities discussed in this report accurately reflect his or her or their personal views and that s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

Muhammad Usman - Research Analyst
usman@abaalihabib.com

SALES TEAM

Zaheer Ahmed - Head of Institutional Sales
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Salman Ahmed - Head of Retail Sales
(021) 32412491

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Office (PSX Building)

Room # 419, 419 A & 421, 4th Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi
Contact: 021-32429665
Cell: [+92 3312766771](tel:+923312766771)



https://twitter.com/Aba_Ali_Habib



<https://www.facebook.com/aah162>



<https://www.linkedin.com/company/aba-ali-habib-securities/>