

April 6,  
2022

## Economy

**Sahulat Account simplifies access of investors to Stock Market**

**Capital Market | Positive**

Investors can invest on Pakistan Stock Exchange (PSX) through the highly simplified Sahulat Account. The Sahulat Account provides exceptional ease of account opening for investors whereby they can open a Sahulat Account by only submitting their CNIC/ SNIC and start investing up to an amount of Rs 800,000/- (Mettis) | [Click for more info.](#)

**Political vacuum makes IMF noncommittal on next tranche**

**Economy | Negative**

In the wake of heightening political temperature in Pakistan, the IMF-sponsored \$6 billion programme has turned into a stalled mode, with no possibility for approval of the next tranche within the ongoing month. (The News) | [Click for more info.](#)

**Second phase of CPEC; Chinese shelve investment plans due to political uncertainty**

**Economy | Negative**

Chinese investors have reportedly put billions of dollar investment on ice, planned for second phase of China Pakistan Economic Corridor (CPEC), due to political uncertainty in Pakistan, well informed sources told. (BR) | [Click for more info.](#)

**Economy faces growth challenges amid global price spike**

**Economy | Negative**

With expenditures overshooting for interest payments, vaccines and subsidies in 2021-22, the Ministry of Finance on Tuesday highlighted a series of challenges to growth prospects including international commodity prices and global economic slowdown, leading to inflationary pressures over the remaining period of the current fiscal year. (Dawn) | [Click for more info.](#)

**Debt stocks jump 10pc to Rs42.76trn in 8 months**

**Economy | Negative**

The federal government's total debt (domestic and external) stocks rose by 10 percent during the first eight months of this fiscal year. According to the State Bank of Pakistan (SBP), the central government's domestic and external debt stocks surged to Rs 42.762 trillion at the end of February 2022 compared to Rs 38.7 trillion in June 2021, depicting an increase of Rs 4.623 trillion. (BR) | [Click for more info.](#)

**Rebasing to boost economy's size to Rs63.9tn**

**Economy | Negative**

The existing size of the country's economy will increase to around Rs63.9 trillion from the earlier projection of Rs53.8 trillion for this fiscal year courtesy of rebased national accounts. This revision brings the fiscal deficit down at Rs3.74 trillion or 5.8 percent of GDP by June 30, 2022, compared to 6.3 percent estimated earlier. (The News) | [Click for more info.](#)

**PKR loses further 1.1 rupees against USD**

**Economy | Negative**

Enduring a free fall owing to the ongoing political unrest, the Pakistani rupee (PKR) depreciated by 1.1 rupees against the US dollar in today's interbank session as the currency closed the day's trade at PKR 185.23, compared to the previous closing of PKR 184.09 per USD. (Mettis) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,129.3	30,141.9	12.6	0.0%
KSE100	43,902.1	43,928.1	26.0	0.1%
KSE30	16,736.7	16,753.3	16.5	0.1%
KMI30	70,763.4	70,731.4	-32.0	0.0%

### Top Five Gainers

	Open	Close	Chg.	%
BTL	460.0	494.5	34.5	7.5%
SIEM	595.0	622.0	27.0	4.5%
SCL	251.0	269.8	18.8	7.5%
MTL	863.0	875.1	12.0	1.4%
PAKT	1,060.0	1,070.0	10.0	0.9%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TELE	13.9	14.2	0.4	12.91
TPLP	19.3	18.9	-0.4	6.71
EPCL	67.6	72.6	5.1	6.52
GGL	16.1	15.9	-0.2	6.04
KEL	2.9	2.9	0.0	5.71

### 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	2.42	-1.23	1.19
<b>Net</b>	<b>2.87</b>	<b>-2.65</b>	<b>0.22</b>
<b>LIPI</b>			
Individuals	21.43	-18.37	3.06
Companies	1.08	-1.71	-0.63
Comm. Banks	0.54	-1.07	-0.53
NBFC	0.01	-0.01	0.00
Mutual Funds	1.14	-2.69	-1.55
Other	1.34	-1.12	0.21
Brokers Proprietary	3.90	-3.95	-0.05
Insurance	0.42	-1.15	-0.73
<b>Net</b>	<b>29.86</b>	<b>-30.07</b>	<b>-0.22</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	101.96	-1.3%
Brent oil	USD/bbl.	106.64	-1.3%
Gold	USD/t oz.	1923.50	-0.5%
Silver	USD/t oz.	24.33	-0.8%
Coal	USD/ton	264.35	5.7%
Steel Scrap (LME)	USD/ton	640.00	0.0%
Steel Rebar (LME)	USD/ton	942.00	0.0%
USD/PKR	Interbank	185.23	0.6%

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

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**REP-055**



## Oil & Gas

### Cut in prices of petrol, diesel; PM's relief package termed 'unsustainable'

**Oil | Negative**

The prime minister's relief package of 28th February 2022 envisaging Rs 10 per litre cut in petrol and diesel prices for the next four months is financially unsustainable and is projected to cost Rs 63 billion every fortnight (subsidy and in lost revenue). (BR) | [Click for more info.](#)

### Pakistan to import 32.7 million barrels oil under SFD programme

**NRL | Positive**

Pakistan will import around 32.7 million barrels of crude oil, during the year 2022, under an agreement signed with the Saudi Fund for Development (SFD) to meet its needs of petroleum products on deferred payment. (The News) | [Click for more info.](#)

### April LPG price up Rs13/kg

**BPL | Positive**

The Oil and Gas Regulatory Authority (Ogra) has increased the price of Liquefied Petroleum Gas (LPG) by Rs13 per kg for April. The domestic and commercial cylinders have been set as Rs2,916 and Rs11,220 respectively following a raise of Rs157 per domestic cylinder and Rs606 per commercial cylinder. (BR) | [Click for more info.](#)

## Power

### NPCC alerts govt; Fuel paucity may severely hit power plant operations

**Power | Negative**

While ringing bells on shortage of fuel stocks, National Power Control Centre (NPCC) has cautioned the government that operations of power plants will cease if immediate measures are not taken to make required fuel available. (BR) | [Click for more info.](#)

### KE urges PD to expedite process of verification, release of pending TDCs

**KEL | Negative**

Karachi Electric (KE) has urged Power Division to expedite process of verification and release of pending Tariff Differential Claims (TDCs) as the power utility is already facing working capital issues. (BR) | [Click for more info.](#)

## Autos

### Kia Suspends Bookings for Its Best-Selling Vehicles

**LUCK | Negative**

Lucky Motor Corporation Limited (LMCL) is caught between a rock and a hard place, based on its decision to increase the price of Carnival GLS+ and suspend bookings for its best-selling vehicles. (Propakistani) | [Click for more info.](#)

### Auto vendors grill assemblers for not sharing profits

**Autos | Neutral**

Auto vendors said the profitability of assemblers has increased tremendously, but they are not sharing their profits with the vendor industry. As assemblers continue to frequently jack up prices, both stakeholders — customers and vendors — are the first losers due to soaring car pricing and late deliveries over which they have no any control. (Dawn) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	22,502.3	42.70	0.19%
KSA - Tadawul	13,206.9	41.54	0.32%
INDONESIA - IDX	7,148.3	32.08	0.45%
CHINA - Shanghai	3,282.7	30.52	0.94%
PAK (KSE-100)	43,928.1	26.04	0.06%
PHILP - PSEi	7,156.1	-7.14	-0.10%
US - S&P 500	4,525.1	-57.52	-1.26%
Taiwan - TWII	17,625.6	-67.88	-0.38%
US - Dow 30	34,641.2	-280.70	-0.80%
INDIA - SENSEX	60,176.5	-435.24	-0.72%

### Board Meetings

Scrip	Day	Agenda	Time
PAKRI	Wednesday	ANN A/c - 31Dec21	11:00 AM
FATIMA	Thursday	ANN A/c - 31Dec21	11:00 AM
FPJM	Friday	ANN A/c - 31Dec21	12:00 PM
PRIC	Friday	ANN A/c - 31Dec21	2:00 PM
EFERT	Thursday	1Q A/c - 31Dec21	10:30 AM
CWSM	Thursday	1Q A/c - 31Dec21	11:00 AM
FCCL	Tuesday	3Q A/c - 31Dec21	11:00 AM
UPFL	Tuesday	1Q A/c - 31Dec21	2:30 PM

Source: PSX



## Miscellaneous

### Five locally-produced; steel goods Minimum value of supply increased

Steel | Neutral

The Federal Board of Revenue (FBR) has increased the minimum value of supply of five locally-produced steel goods, which would raise the incidence of sales tax on these products. (BR) | [Click for more info.](#)

### Services export jumps 18pc

Economy | Positive

Export of services grew 18.17 per cent in the first eight months of the current fiscal year from a year ago, according to the latest data released by the Pakistan Bureau of Statistics (PBS). In absolute terms, the value of export of services reached \$4.49 billion between July-February from \$3.80bn over the corresponding months of last year. (Dawn) | [Click for more info.](#)

### Bill Gates looks to strengthen ties between Pakistan, his foundation on 'issues of shared interests'

Economy | Neutral

Microsoft co-founder Bill Gates wrote a letter to President Dr Arif Alvi on Tuesday, thanking him for "warmly welcoming" the billionaire philanthropist on his first-ever visit to Pakistan in February and saying that his foundation looked forward to "deepening" its relationship with the Pakistan government to tackle issues of "shared interests". (Dawn) | [Click for more info.](#)

## Political News

### Russia comes to PM's 'rescue'; US held responsible for political chaos

Russian foreign ministry spoke for the first time since Prime Minister Imran Khan accused the United States of backing a move to oust him and said that all the developments before and after Pakistan PM's Russia visit point to the fact that United States decided to "punish disobedient" Imran Khan for not cancelling his February visit to the country. (BR) | [Click for more info.](#)

### 'Threat letter': SC urged to summon intelligence chiefs

The Supreme Court has been asked to summon intelligence chiefs and to hear them in-camera on the "threat letter." (BR) | [Click for more info.](#)

### ECP looking for ways to hold elections in 90 days

Following the announcement by Prime Minister Imran Khan of general elections in 90 days, the Election Commission of Pakistan, which is already functioning with three members including the chief election commissioner, is looking for ways to make it possible. (Th News) | [Click for more info.](#)

## International News

### Stocks, Bonds Drop as Hawkish Fed Dents Sentiment: Markets Wrap

An Asia-Pacific share index fell over 1%, dragged down by Japan and also Hong Kong -- as the latter reopened after a holiday. U.S and European futures slipped, following a drop in Wall Street shares led by the technology sector. (Bloomberg) | [Click for more info.](#)

### Oil eases on pandemic worries, strong U.S. dollar

Oil prices eased in volatile trade on Tuesday, pressured by a rising U.S. dollar and growing worries that new coronavirus cases could slow demand but losses were limited by supply concerns due to sanctions on Russia for alleged war crimes. (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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