



April 7,  
2022

## Economy

### ADB cuts Pakistan's growth rate to 4pc

#### Economy | Neutral

The Asian Development Bank (ADB) on Wednesday forecast Pakistan's economic growth rate to slow down to 4 per cent this year from 5.6pc in FY21 owing to tighter fiscal and monetary policies and Russia-Ukraine war fallout. (Dawn) | [Click for more info.](#)

### Caretaker setup empowered to procure new loans

#### Economy | Neutral

A caretaker setup is empowered to procure new external loans but not to impose new taxes when the national assembly stands dissolved; however, it is authorised to release funds to meet the budgeted expenditure though not for any additional funds for any purpose. This was stated by high level sources in the Economic Affairs Division (EAD) and Finance Division. (BR) | [Click for more info.](#)

### SBP raises Rs679.89bn via T-bills auction, yields soar up to 80bps

#### Economy | Neutral

The cut-off yields on treasury bills were increased by up to 80 basis points in the auction conducted by the State Bank of Pakistan (SBP) on Wednesday. The government raised Rs679.89 billion through the auction of three, six, and 12-month T-bills while the target was Rs600bn. The cut-off yields for 3, 6, and 12 months saw an increase of 80, 75, and 60 basis points to stand at 12.80%, 13.25%, and 13.30%, respectively. (Mettis) | [Click for more info.](#)

### PKR slumps to record low of 186.13/USD

#### Economy | Negative

Along with political turmoil, the rising economic challenges including a decline in foreign exchange reserves and delay in the IMF program have created a strong spell of depreciation around the Pakistani rupee (PKR) as the currency closed the day's trade at PKR 186.13 per USD, witnessing a slash of 90 paise in the interbank market. (Mettis) | [Click for more info.](#)

## Oil & Gas

### SBP eases credit rules for banks to facilitate oil imports

#### OMCs | Positive

State Bank of Pakistan (SBP) has eased rules allowing banks to raise the credit limits of some liquidity-challenged oil marketing companies (OMCs) to ensure smooth import and availability of petroleum products in the country. (The News) | [Click for more info.](#)

### Govt asks refineries to raise FO production for power generation

#### Refineries | Neutral

Government has asked local refineries to increase furnace oil (FO) production for generation of power from it in view of challenges posed to LNG supplies in the country. (The News) | [Click for more info.](#)

## Power

### Partial clearance of dues; Govt approves Rs182bn for GPPs

#### IPPs | Positive

The government has approved payment of over Rs 182 billion to clear a part of payment to Government Power Plants (GPPs) of PAEC, Wapda and National Power Parks Management Company Pvt. Limited (NPPMCL) as per payment mechanism already approved for IPPs. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,141.9	30,147.8	5.9	0.0%
KSE100	43,928.1	44,111.1	183.0	0.4%
KSE30	16,753.3	16,841.3	88.0	0.5%
KMI30	70,731.4	71,277.6	546.2	0.8%

### Top Five Gainers

	Open	Close	Chg.	%
UPFL	23,755.0	24,500.0	745.0	3.1%
SFL	768.0	825.6	57.6	7.5%
SAPL	894.9	939.0	44.1	4.9%
SCL	269.8	290.0	20.2	7.5%
SUTM	232.5	246.0	13.5	5.8%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TREET	31.8	32.7	0.9	13.43
TELE	14.2	14.6	0.3	11.97
EPCL	72.6	75.2	2.5	5.56
KEL	2.9	2.9	0.0	5.27
GGL	15.9	16.2	0.3	4.51

### 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	1.98	-0.97	1.01
<b>Net</b>	<b>2.58</b>	<b>-3.10</b>	<b>-0.52</b>
<b>LIPI</b>			
Individuals	19.62	-16.85	2.77
Companies	1.36	-1.29	0.08
Comm. Banks	0.69	-0.75	-0.06
NBFC	0.07	-0.05	0.02
Mutual Funds	0.74	-2.31	-1.57
Other	0.75	-0.70	0.05
Brokers Proprietary	3.99	-3.86	0.13
Insurance	0.52	-1.42	-0.90
<b>Net</b>	<b>27.75</b>	<b>-27.23</b>	<b>0.52</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	96.23	-5.6%
Brent oil	USD/bbl.	101.07	-5.2%
Gold	USD/t oz.	1925.26	0.1%
Silver	USD/t oz.	24.46	0.5%
Coal	USD/ton	280.05	5.9%
Steel Scrap (LME)	USD/ton	640.00	0.0%
Steel Rebar (LME)	USD/ton	942.00	0.0%
USD/PKR	Interbank	186.13	0.5%

News Source: Local / Int'l Newspapers and websites

Research Team

[research@abaalihabib.com](mailto:research@abaalihabib.com)

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

REP-055



## Autos

**FTO's judgement; LTO Karachi, carmaker agree on refund mechanism**

**Autos | Positive**

The Large Taxpayer Office (LTO) Karachi and a leading car manufacturer have agreed on a mechanism for implementation of the Federal Tax Ombudsman (FTO)'s judgment to refund the amount of sales tax collected in excess of 12.5 percent from the consumers/ middle-income buyers of motor vehicles. (BR) | [Click for more info.](#)

## Cement

**Cement exports; Manufacturers, revenue collection, FX reserves affected badly by decline**

**Cement | Negative**

Steep decline in cement exports is hurting not only the cement manufacturers but also the government's revenue collection and foreign exchange. There is an immense need to formulate industry-friendly policies to catch-up our cement sales in international markets and increase indigenous consumption of the commodity. The data shows that exports despatches suffered massive decline by 63.77 percent as the volumes reduced from 815,120 tons in March 2021 to 295,321 tons in March 2022. (BR) | [Click for more info.](#)

## Miscellaneous

**Pakistan Textile Exports increased 26 percent to USD 14.26 billion YoY in 9MFY22**

**Textile | Positive**

As per data shared by APTMA, textile exports increased by 22 percent YoY during March 2022 to USD 1.65 billion. (Augaf) | [Click for more info.](#)

**Oxygen gas, related items exempted from duty**

**PAKOXY | Positive**

The Federal Board of Revenue (FBR) has exempted Customs duty on the import of oxygen gas, oxygen gas cylinders and oxygen cryogenic tanks up to June 30, 2022. (BR) | [Click for more info.](#)

**Steel products' values fixed for sales tax assessment**

**Steel | Neutral**

The Federal Board of Revenue (FBR) has fixed minimum value of steel products for assessment of sales tax. (Dawn) | [Click for more info.](#)

**SBP receives 20 applications for digital bank licences**

**Banks | Neutral**

The State Bank of Pakistan (SBP) has received 20 applications for digital bank licenses as it concluded the process as per its announced deadline of March 31, 2022. (The News) | [Click for more info.](#)

## International News

**Stocks, U.S. Futures Hit by Fed Fallout; Bonds Up: Markets Wrap**

Stocks and U.S. equity futures fell Thursday after the Federal Reserve outlined plans to pare its balance sheet by more than \$1 trillion a year while hiking interest rates in a campaign to curb elevated inflation. (Bloomberg) | [Click for more info.](#)

**Oil slumps to three-week low after Fed minutes, big IEA reserve release announcement**

Oil futures fell sharply on Wednesday after large consuming nations said they would release oil from reserves to counter tightening supply and hawkish minutes from the U.S. central bank that bolstered the dollar. (Reuters) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	44,111.1	183.02	0.42%
KSA - Tadawul	13,256.0	49.08	0.37%
CHINA - Shanghai	3,283.4	0.71	0.02%
US - S&P 500	4,481.2	-43.97	-0.97%
INDONESIA - IDX	7,104.2	-44.08	-0.62%
PHILP - PSEi	7,109.3	-46.81	-0.65%
Taiwan - TWII	17,522.5	-103.09	-0.58%
US - Dow 30	34,496.5	-144.67	-0.42%
HK - Hang Seng	22,080.5	-421.79	-1.87%
INDIA - SENSEX	59,610.4	-566.09	-0.94%

### Board Meetings

Scrip	Day	Agenda	Time
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



## 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 <sup>AC</sup>

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](mailto:Zahid@abaalihabib.com)  
(021) 32425022

### RESEARCH TEAM

**Contact:** (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst  
[zubair@abaalihabib.com](mailto:zubair@abaalihabib.com)

Ayesha Abid – Research Analyst  
[ayesha.abid@abaalihabib.com](mailto:ayesha.abid@abaalihabib.com)

Muhammad Usman - Research Analyst  
[usman@abaalihabib.com](mailto:usman@abaalihabib.com)

### SALES TEAM

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

Salman Ahmed - Head of Retail Sales  
(021) 32412491

Syed Khalid Ahmed - Equity Trader  
[Syedkhalid@abaalihabib.com](mailto:Syedkhalid@abaalihabib.com)  
(021) 32429664

Muhammad Faisal - Equity Trader  
[faisal@abaalihabib.com](mailto:faisal@abaalihabib.com)  
(021) 32464835

### Office (PSX Building)

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



[https://twitter.com/Aba\\_Ali\\_Habib](https://twitter.com/Aba_Ali_Habib)



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



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