



April 23,
2022

Bourse loses massive 1,049 points over the week as investors fear IMF deadlock

KSE-100 index saw meagre dip of 99.60 points in the Friday's session and closed the benchmark at 45,553.02 points. Local equities witnessed five bearish session and no bullish session throughout the week as market witnessed bearish sentiments stemming from deadlock with IMF attributable to stringent conditions put forward by IMF, coupled with the week long depreciation of PKR against the greenback. PKR appreciated against greenback on Friday by 0.14% DoD and closed at PKR 186.70/\$ in the interbank market, shaped market's volatile track.

During the week benchmark index loses significant 2.25% or 1,049 points on cumulative basis, while the average daily traded value in benchmark remained at PKR 5.5bn with average daily volume of 106.6mn shares.

Several factors influenced the bourse over the week which includes 1) In the first auction of treasury bills under the new government, cut-off yields jumped by up to 70 basis points, making the returns significantly higher than the interest rate and inflation. 2) The IMF has put five major demands before the Shehbaz Sharif government for slashing down the primary deficit by Rs1,300 billion through withdrawal of fuel subsidy of Rs150 billion on monthly basis and taking additional taxation measures for reviving the stalled Fund programme. 3) The government aims to raise Rs5.30 trillion through auction of Market Treasury Bills (MTBs), Pakistan Investment Bonds (PIBs), and Sukuk in April-June 2022 to meet its financing needs, State Bank of Pakistan. 4) The country's imports during July-March 2021-22 totalled \$58.877 billion (provisional) as against \$39.489 billion during the corresponding period of last year showing an increase of 49.10 percent.

Amongst the market participants' foreigners remained net seller throughout the week amounting to USD -0.97mn, largely backed by foreign corporations amounting to USD -2.16mn. Whereas local investors remained net buyers amounting to USD 0.97mn, primarily contributed by the individuals (USD 7.03mn), followed by companies (USD 0.87mn).

News of the week:

T-bill yields jump by up to 70bps

Economy | Negative

In the first auction of treasury bills under the new government, cut-off yields jumped by up to 70 basis points, making the returns significantly higher than the interest rate and inflation. (Dawn) | [Click for more info.](#)

IMF puts five demands before Shehbaz Sharif govt

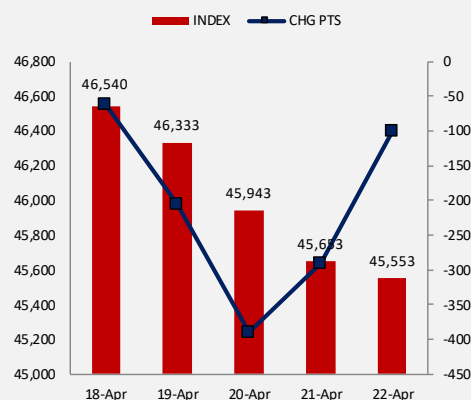
Economy | Negative

According to the minister, the IMF has put five major demands before the Shehbaz Sharif government for slashing down the primary deficit by Rs1,300 billion through withdrawal of fuel subsidy of Rs150 billion on monthly basis and taking additional taxation measures for reviving the stalled Fund programme. The minister also hoped that China would roll over \$2.4 billion in commercial loans soon and Islamabad was also expecting to get a rollover of safe deposits of \$2 billion in May and July 2022. (The News) | [Click for more info.](#)

KSE-100	L-WEEK	C-WEEK	CHNG	% CHNG
INDEX	46,602	45,553	-1,049	-2.25%
WEEK HIGH	46,785	46,969	184	0.39%
WEEK LOW	44,445	45,501	1,056	2.38%
VOLUME (MN)	942	533	-409	-43.40%
VALUE US\$ (MN)	217	147	-70	-32.22%
AVERAGE	46,361	46,004	-356	-0.77%
MKT CAP (PKR)	1.89	1.83	-0.05	-2.78%
FIPI NET (US\$ MN)	1.29	-0.97	0.32	N/A

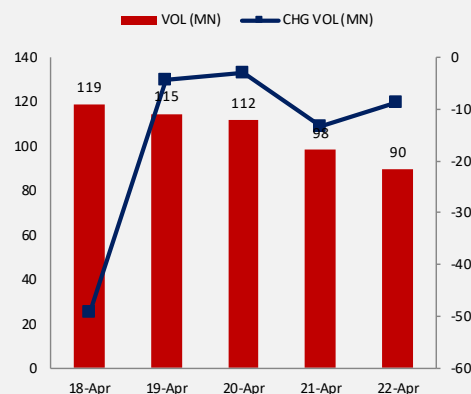
Source: PSX

KSE-100 INDEX



Data Source: PSX

KSE-100 INDEX VOLUME



Data Source: PSX

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REP-055



SBP's reserves up \$36m

Economy | Positive

The State Bank of Pakistan's (SBP) foreign exchange reserves increased by \$36 million during the last week. According to a weekly report issued on Thursday, SBP's foreign exchange reserves surged to \$ 10.886 billion as of April 16, 2022 compared to \$10.849 billion April 8, 2022. During the week under review, net foreign reserves held by commercial banks were \$6.159.3 billion, down \$19.2 million. (BR) | [Click for more info.](#)

Jul-Mar imports soar 49.10pc to \$58.877bn YoY

Economy | Negative

The country's imports during July-March 2021-22 totalled \$58.877 billion (provisional) as against \$39.489 billion during the corresponding period of last year showing an increase of 49.10 percent. The imports in March 2022 were \$6.425 billion (provisional) as compared to \$5.853 billion in February 2022 showing an increase of 9.77 percent and increased by 14.10 percent as compared to \$5.631 billion in March 2021. (BR) | [Click for more info.](#)

Govt to raise Rs5.30tn in Q4 via treasury auctions

Economy | Negative

The government aims to raise Rs5.30 trillion through auction of Market Treasury Bills (MTBs), Pakistan Investment Bonds (PIBs), and Sukuk in April-June 2022 to meet its financing needs, State Bank of Pakistan (SBP) said on Friday. (The News) | [Click for more info.](#)

Oil & Gas

Rs11.73 billion for oil subsidy payment approved

OMCs | Positive

An amount of Rs11.73 billion has been authorized for clearing oil marketing companies (OMCs) and refineries' price differential claims (PDCs) for March 2022 against selling fuels at rates capped the ousted PTI-led regime had capped for until budget. (The News) | [Click for more info.](#)

Refineries throughput increases 6.34% in February: OCAC

Refineries | Positive

Refineries throughput witnessed an increase of 6.34 percent during the month of February 2022 as compared to the corresponding month of last year (February 2021), OCAC reported. The petroleum products that contributed in positive growth in production included jet fuel, the output of which increased by 27.29 percent. (Augaf) | [Click for more info.](#)

Autos

Kia Announces its 3rd Major Price Hike This Year for Best-Selling Cars

LUCK | Positive

Lucky Motor Corporation Limited (LMCL) was praised for its ability to maintain vehicle prices in 2020 and 2021. Sadly, the devaluation of local currency and increase in freight charges have seemingly overpowered the Korean automaker. (Propakistani) | [Click for more info.](#)

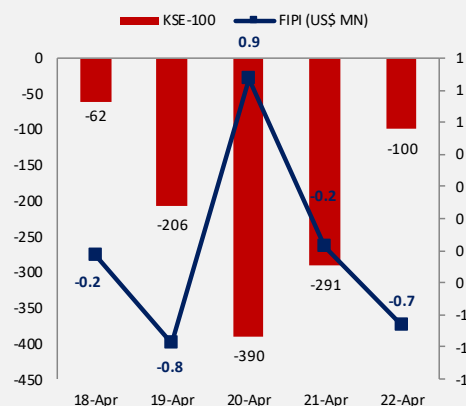
Fertilizer

\$5.3bn import substitution likely; Fertilizer industry providing urea at 84pc discount: Engro CFO

Fertilizer | Neutral

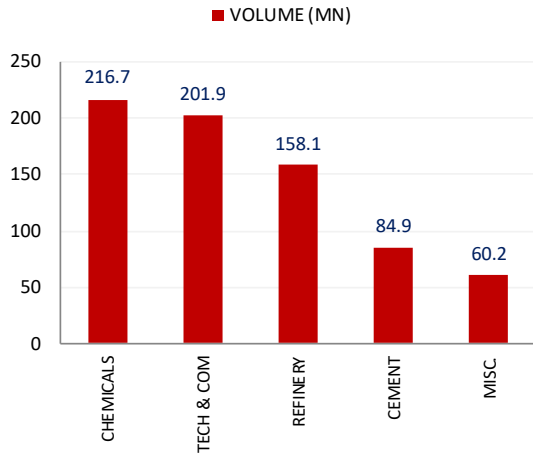
The local fertilizer industry is providing urea at around 84 percent discount, equivalent to Rs 9,823 per bag, and is expected to enable import substitution of \$ 5.3 billion in 2022. (BR) | [Click for more info.](#)

KSE-100 RETURN & FIPI FLOWS

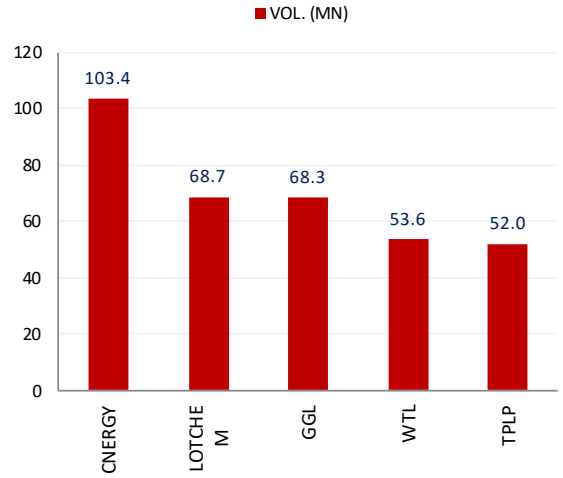




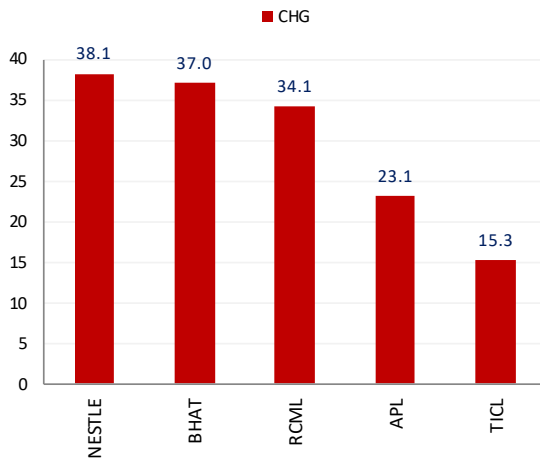
TOP 5 SECTORS OF THE WEEK



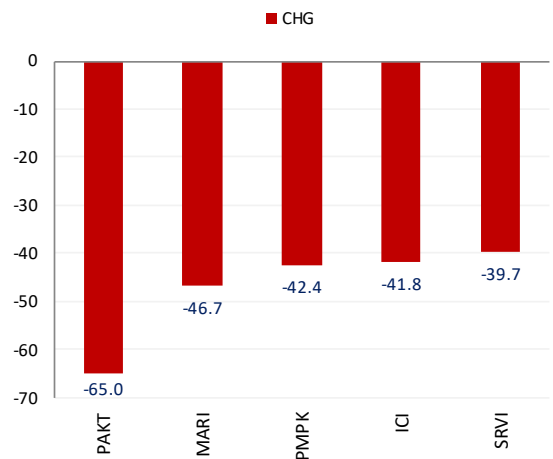
TOP 5 VOLUME LEADERS OF THE WEEK



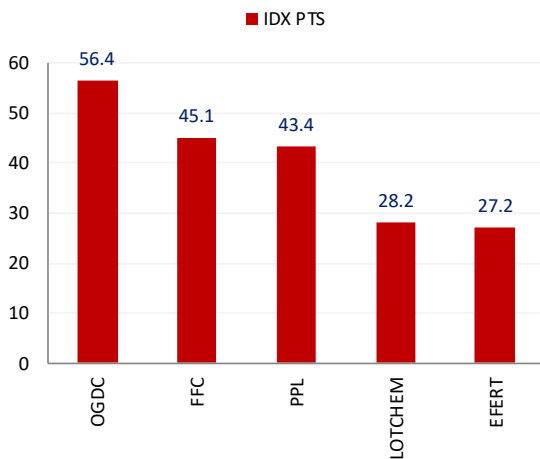
TOP 5 PRICE GAINERS OF THE WEEK



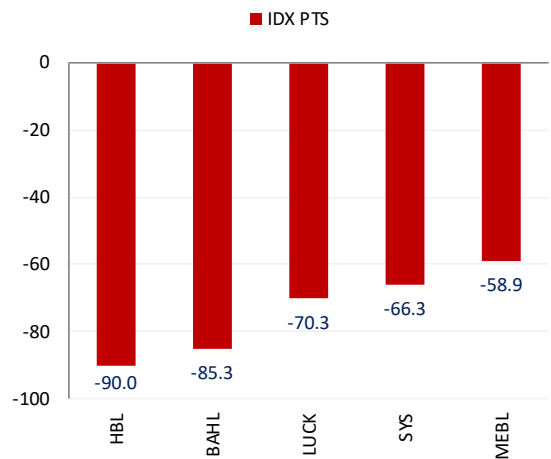
TOP 5 PRICE LOSERS OF THE WEEK



TOP 5 PARTICIPANTS OF THE WEEK (+ive)



TOP 5 PARTICIPANTS OF THE WEEK (-ive)

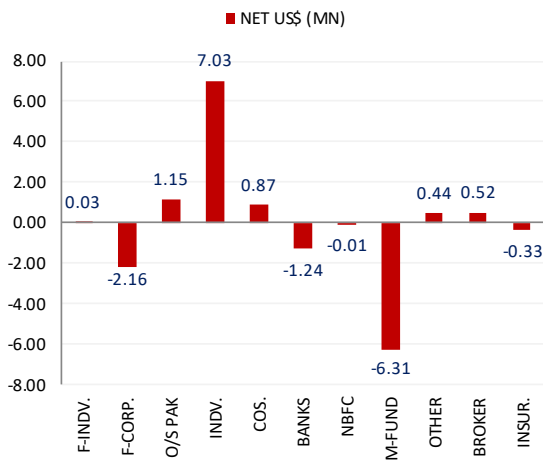




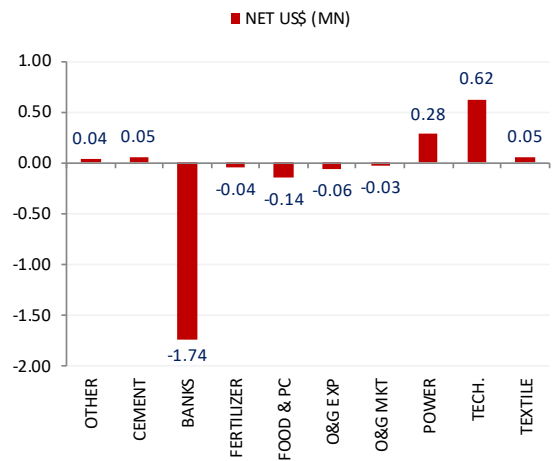
Foreign & Local Portfolio Investments

SECTOR	F-INDV	F-CORP	O/S PAK	NET US\$	INDV.	COS.	BANKS	NBFC	M-FUND	OTHER	BROKER	INSUR
OTHER	0.03	-0.11	0.12	0.04	1.04	2.00	0.14	-0.01	-3.20	-0.19	0.49	-0.31
CEMENT	0.00	-0.36	0.41	0.05	1.42	-0.14	0.24	0.02	-1.81	-0.02	0.08	0.16
BANKS	0.00	-1.98	0.24	-1.74	2.71	-2.06	1.34	0.00	0.02	-0.07	-0.59	0.39
FERTILIZER	0.08	-0.23	0.11	-0.04	1.03	1.64	-3.26	0.00	-0.43	0.70	0.23	0.14
FOOD & PC	-0.07	0.00	-0.07	-0.14	-0.06	0.01	0.01	0.00	-0.18	0.10	0.33	-0.07
O&G EXP	0.00	0.05	-0.11	-0.06	-0.74	-0.60	0.30	-0.02	1.29	0.22	0.22	-0.61
O&G MKT	0.00	-0.04	0.01	-0.03	0.20	-0.18	0.19	0.00	-0.12	0.01	-0.05	-0.03
POWER	0.00	-0.05	0.32	0.28	0.15	0.08	0.07	0.00	-0.51	0.00	-0.06	0.00
TECH.	0.00	0.57	0.05	0.62	0.77	0.18	-0.45	0.00	-0.57	-0.30	-0.18	-0.07
TEXTILE	0.00	0.00	0.06	0.05	0.51	-0.05	0.19	0.00	-0.79	-0.02	0.04	0.07
NET US\$	0.035	-2.16	1.15	-0.97	7.03	0.87	-1.24	-0.01	-6.31	0.44	0.52	-0.33

PORTFOLIO INVESTMENT BY CLIENT



PORTFOLIO INVESTMENT BY SECTORS





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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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