



March 26,
2022

Bourse adds 521 points over the week as macro uncertainty remains

KSE-100 index adds skimpy 28.59 points in the Friday's session and closed the benchmark at 43,551.14 points. Local equities witnessed two bearish session and three bullish session throughout the week as market took mixed sentiments from the volatility that persists owing to political uncertainty prevailing in the country, coupled with the volatility witnessed in the overshooting international commodity prices. Furthermore, PKR also depreciated against greenback on Friday by 0.03% DoD and closed at PKR 181.78/\$ in the interbank market, also dented the investors' confidence.

During the week benchmark index rises sharply by significant 1.21% or 521 points on cumulative basis, while the average daily traded value in benchmark remained at PKR 3.91bn with average daily volume of 65.46mn shares.

Several factors influenced the bourse over the week which includes 1) State Bank of Pakistan's (SBP) received bids worth of Rs893 billion; however, Rs598 billion was raised against the target of Rs800 billion and maturity of Rs793 billion. The cut-off yield on three-month T-bills increased 55 basis points (bps) to 12 percent. 2) Finance Minister Shaukat Tarin on Tuesday said that China has agreed to rollover \$4.2 billion debt that was maturing this week, providing a major financial relief to the government. 3) The rupee sank to yet another record low against the dollar on Friday as it closed at 181.78, down 0.03 per cent from a day ago. 4) The country's current account deficit (CAD) shrank by 78.46 per cent to \$545 million in February from a whopping \$2.531 billion in January mainly on account of a sharp decline in the imports.

Amongst the market participants' foreigners remained net seller throughout the week amounting to USD -4.12mn, largely backed by foreign corporations amounting to USD -5.16mn. Whereas local investors remained net buyers amounting to USD 4.12mn, primarily contributed by the individuals (USD 2.63mn), followed by insurance (USD 1.86mn) and others (USD 0.66mn).

News of the week:

Barrick to restart Reko Diq project in deal ending dispute with Pakistan Economy | Positive

Pakistan has reached an out-of-court deal with a foreign firm that has agreed to waive \$11 billion in penalties and revive a mining project stalled since 2011, officials said on Sunday. After a decade-long legal battle, Pakistani officials announced the out-of-court settlement with Barrick Gold on Sunday. "The agreement has nullified the award of around \$11 billion on us and secondly Barrick and its partners will invest \$10 billion," Finance Minister Shaukat Tarin said during a press conference. "It will benefit Pakistan and Balochistan for the next 100 years," he added. (Dawn) | [Click for more info.](#)

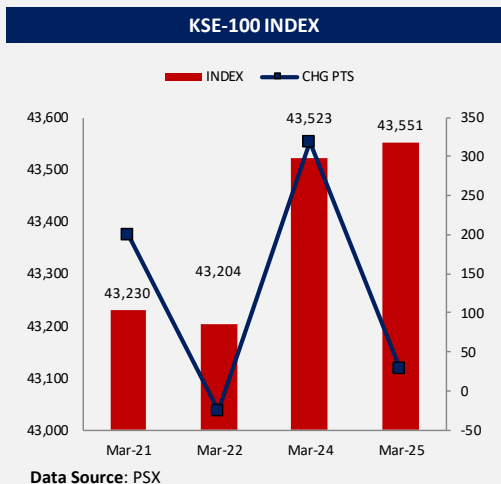
IMF asks for changes to personal income tax Economy | Neutral

Economy | Neutral

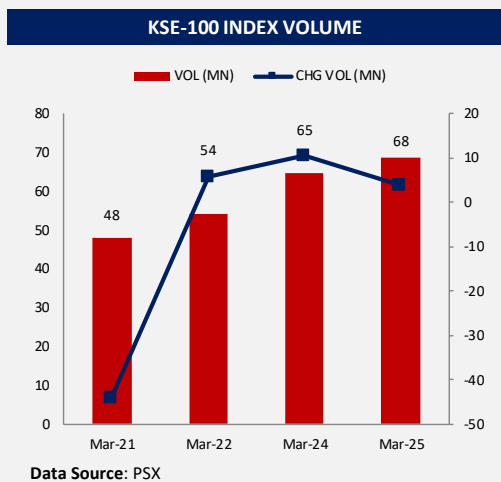
A staff mission of the IMF held a first round of discussions with tax officials last week and raised the issue of reforms in the PIT to raise maximum revenue, especially from salary incomes. Last year, the government did not accept the same demand of the Fund. (Dawn) | [Click for more info.](#)

KSE-100	L-WEEK	C-WEEK	CHNG	% CHNG
INDEX	43,030	43,551	521	1.21%
WEEK HIGH	44,284	43,686	-598	-1.35%
WEEK LOW	42,988	42,936	-52	-0.12%
VOLUME (MN)	309	235	-74	-23.84%
VALUE US\$ (MN)	94	78	-16	-16.67%
AVERAGE	43,580	43,377	-203	-0.47%
MKT CAP (PKR)	1.74	1.76	0.02	1.03%
FIPI NET (US\$ MN)	-2.29	-4.12	-6.41	N/A

Source: PSX



Data Source: PSX



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REP-055



Govt fails to convince IMF over amnesty scheme

Economy | **Negative**

The International Monetary Fund (IMF) is not convinced with the government's justifications for a recently announced amnesty scheme and has doubts over the financial impact and financing sources of the prime minister's relief package on electricity and petroleum prices. (Dawn) | [Click for more info.](#)

Govt gets financial relief as China rolls over \$4.2b debt

Economy | **Positive**

Finance Minister Shaukat Tarin on Tuesday said that China has agreed to rollover \$4.2 billion debt that was maturing this week, providing a major financial relief to the government. (ET) | [Click for more info.](#)

Oil & Gas

OGDCL and PPL to hold 16.67% share in \$10 Billion Reko Diq project

OGDC, PPL | **Positive**

As per the terms of the new agreement, the Reko Diq project shall be revived and developed by Barrick gold in partnership with Pakistani entities. The new project company shall be owned 50% by Barrick Gold. The remaining 50% shareholding shall be owned by Pakistan, divided equally between Federal Government and the provincial government of Balochistan. Federal Government's 25% shareholding shall be divided equally amongst three state-owned-entities (SOEs) of the Federal Government, namely Oil & Gas Development Corporation Limited (OGDCL), Pakistan Petroleum Limited (PPL) and Government Holdings Pakistan Limited (GHPL). (Aufaf) | [Click for more info.](#)

Power

Rs5 reduction in power tariff notified

Power | **Positive**

The National Electric Power Regulatory Authority (Nepra) on Friday allowed the Power Division to notify Rs5 per unit reduction in electricity rates for domestic and commercial consumers announced by Prime Minister Imran Khan on Feb 28. (Dawn) | [Click for more info.](#)

Cement

Cement sector to benefit from \$180mn financing pact signed with ISDB for Mohmand Dam Project

Cement | **Positive**

Pakistan and Islamic Development Bank (IsDB) Monday signed three Framework Agreements amounting to US\$ 180 million to provide financing for the Mohmand Dam Hydropower Project (MDHP). (Augaf) | [Click for more info.](#)

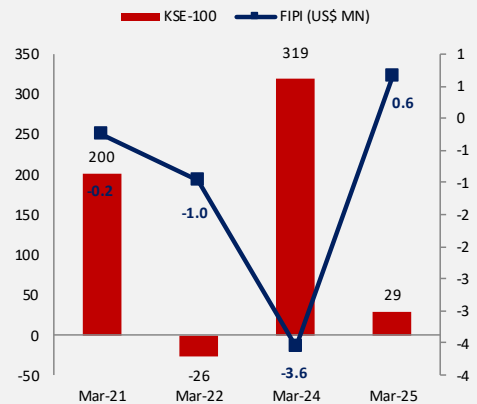
Autos

Carmakers set to jump on price hike bandwagon

INDU | **Positive**

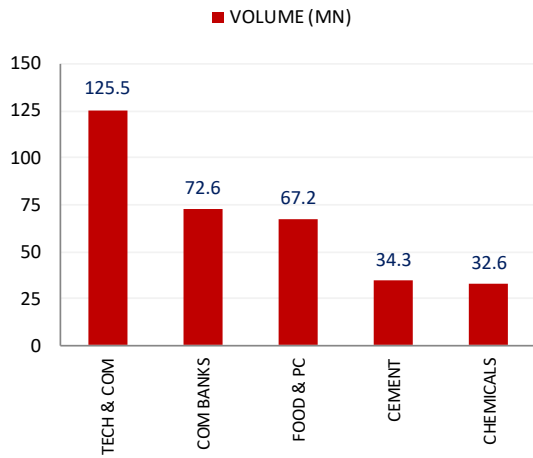
More carmakers are seen jumping on the bandwagon after two major sector players ratcheted up prices, citing cost pressures and adverse rupee-dollar parity, which may have ushered in a new spell of hikes from the industry, sources said on Wednesday. Analysts expect the car prices to increase by up to 15 percent. (The News) | [Click for more info.](#)

KSE-100 RETURN & FIPI FLOWS

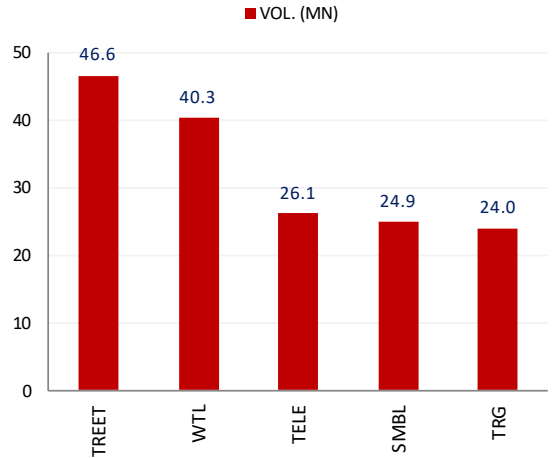




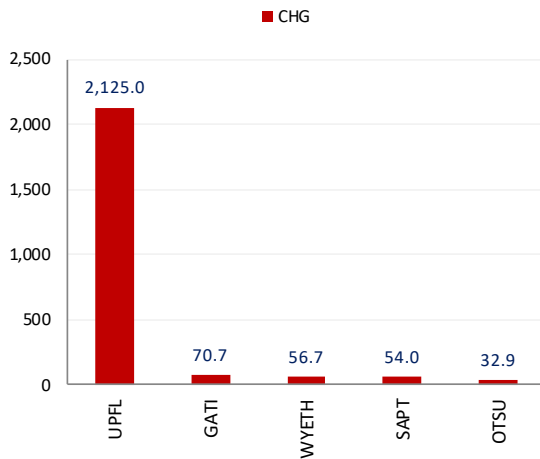
TOP 5 SECTORS OF THE WEEK



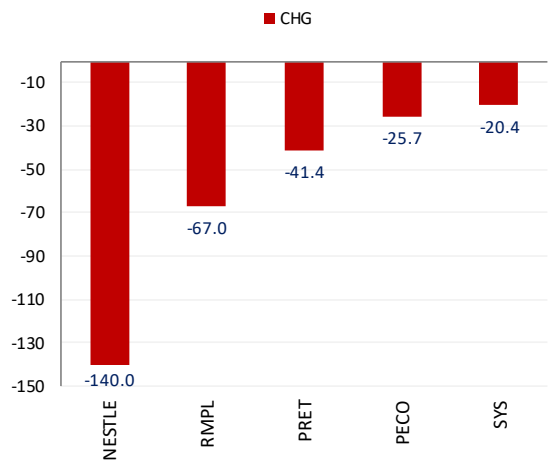
TOP 5 VOLUME LEADERS OF THE WEEK



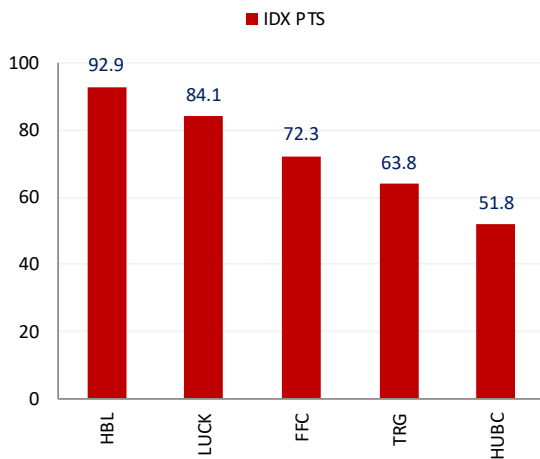
TOP 5 PRICE GAINERS OF THE WEEK



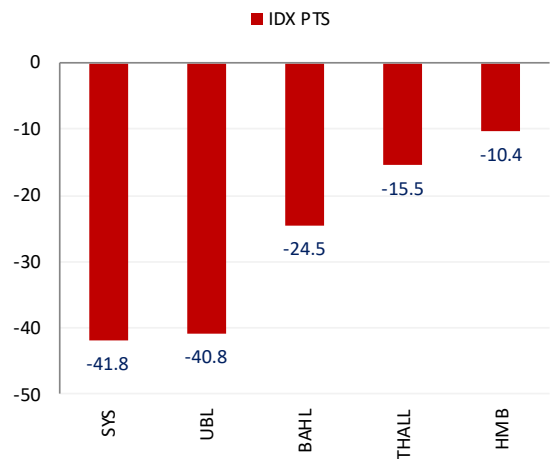
TOP 5 PRICE LOSERS OF THE WEEK



TOP 5 PARTICIPANTS OF THE WEEK (+ive)



TOP 5 PARTICIPANTS OF THE WEEK (-ive)

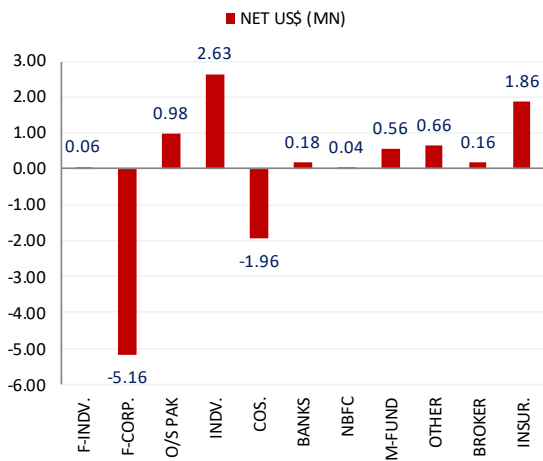




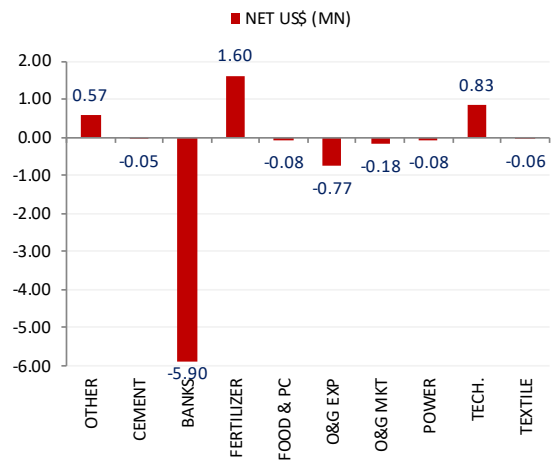
Foreign & Local Portfolio Investments

SECTOR	F-INDV	F-CORP	O/S PAK	NET US\$	INDV.	COS.	BANKS	NBFC	M-FUND	OTHER	BROKER	INSUR
OTHER	0.06	0.08	0.43	0.57	-0.61	-0.02	0.00	-0.02	-0.42	0.47	0.21	-0.17
CEMENT	0.00	-0.17	0.12	-0.05	0.59	-0.79	0.14	0.00	0.08	-0.03	0.06	-0.01
BANKS	0.00	-6.27	0.38	-5.90	1.08	-0.41	3.24	0.05	1.03	0.09	0.05	0.77
FERTILIZER	0.06	1.42	0.12	1.60	-0.47	1.38	-4.77	0.00	0.58	-0.06	0.23	1.51
FOOD & PC	0.00	0.00	-0.08	-0.08	0.47	0.03	0.02	0.00	-0.14	0.18	-0.23	-0.25
O&G EXP	0.00	-1.12	0.35	-0.77	0.89	0.15	0.04	0.00	-0.27	-0.02	-0.03	0.01
O&G MKT	-0.06	-0.19	0.06	-0.18	0.40	-0.05	-0.25	0.00	-0.25	-0.02	0.34	0.00
POWER	0.00	-0.11	0.04	-0.08	0.20	0.05	0.24	0.00	-0.28	-0.01	-0.04	-0.08
TECH.	0.00	1.22	-0.38	0.83	0.07	-2.28	1.40	0.00	0.08	0.07	-0.27	0.11
TEXTILE	0.00	-0.02	-0.04	-0.06	0.01	-0.02	0.13	0.00	0.15	0.00	-0.16	-0.04
NET US\$	0.056	-5.16	0.98	-4.12	2.63	-1.96	0.18	0.04	0.56	0.66	0.16	1.86

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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