



April 9,  
2022

## Bourse plunged 708 points over the week as political circumstances cool off

KSE-100 index saw steep addition of 657.75 points in the Friday's session and closed the benchmark at 44,444.58 points. Local equities witnessed two bearish session and three bullish session throughout the week as market took mixed sentiments from the constitutional crisis regarding political atmosphere, coupled with the emergency meeting called by SBP to hike policy rate by 250 bps to counter rising inflation. Moreover, PKR after a week long of depreciation also appreciated against greenback on Friday by 1.90% DoD and closed at PKR 184.68/\$ in the interbank market, derived the investors' mixed confidence.

During the week benchmark index plummets by significant 1.57% or 708 points on cumulative basis, while the average daily traded value in benchmark remained at PKR 3.81bn with average daily volume of 67.78mn shares.

Several factors influenced the bourse over the week which includes 1) The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) in its emergency meeting, decided to increase the key policy rate by 250 basis points (bps) to 12.25 percent to address the risks to inflation and external stability. 2) 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. 3) The US dollar crushed the local currency once again on Thursday as it was traded as high as Rs190 in the interbank market but finally closed with an appreciation of Rs2.05. 4) 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.

Amongst the market participants' foreigners remained net seller throughout the week amounting to USD -3.78mn, largely backed by foreign corporations amounting to USD -5.59mn. Whereas local investors remained net buyers amounting to USD 3.78mn, primarily contributed by the individuals (USD 14.83mn), followed by others (USD 0.64mn).

### News of the week:

**Inflation and external stability; Policy rate hiked to 12.25pc at MPC emergency meeting**

**Economy | Neutral**

The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) in its emergency meeting, held on Thursday, decided to increase the key policy rate by 250 basis points (bps) to 12.25 percent to address the risks to inflation and external stability. (BR) | [Click for more info.](#)

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

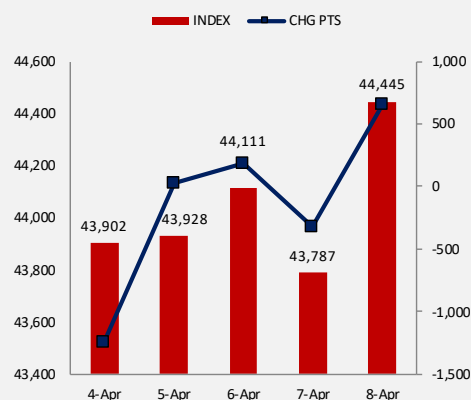
**Economy | Neutral**

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.](#)

KSE-100	L-WEEK	C-WEEK	CHNG	% CHNG
INDEX	45,152	44,445	-708	-1.57%
WEEK HIGH	45,396	45,152	-244	-0.54%
WEEK LOW	43,291	43,750	459	1.06%
VOLUME (MN)	572	339	-233	-40.70%
VALUE US\$ (MN)	144	103	-41	-28.20%
AVERAGE	44,558	44,035	-524	-1.18%
MKT CAP (PKR)	1.83	1.80	-0.03	-1.59%
FIPI NET (US\$ MN)	-15.55	-3.78	-19.33	N/A

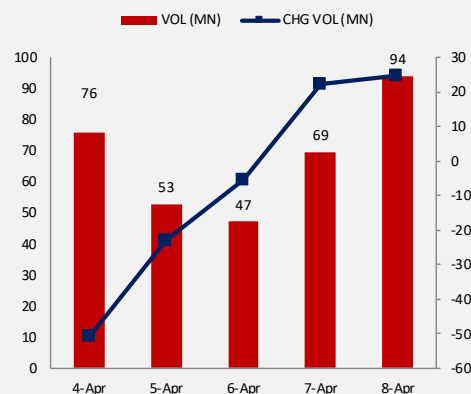
Source: PSX

#### KSE-100 INDEX



Data Source: PSX

#### KSE-100 INDEX VOLUME



Data Source: PSX



## US dollar crushes rupee to cross 188

Economy | **Negative**

The US dollar crushed the local currency once again on Thursday as it was traded as high as Rs190 in the interbank market but finally closed with an appreciation of Rs2.05. Currency dealers in the interbank market said the importers were facing difficulties in buying dollars from banks. The closing price was Rs188.18, according to the State Bank of Pakistan (SBP). (Dawn) | [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.](#)

## Autos

Assemblers suspend advance booking of vehicles

Autos | **Negative**

Amid uncertain political and economic outlook, local assemblers have started suspending the advance booking of vehicles citing volatile exchange rate and other issues. (Dawn) | [Click for more info.](#)

## High car prices likely to shrink sales volumes in next fiscal

Autos | **Neutral**

The car sales volume increased by around 50 percent in the first nine months of the financial year 2022, but industry experts see auto volumes coming down in the next fiscal amid increasing car prices and hike in interest rates. (The News) | [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.](#)

## Oil & Gas

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

Oil | **Negative**

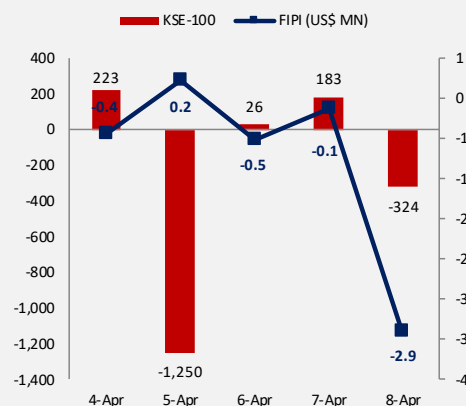
The prime minister's relief package of 28th February 2022 envisaging Rs 10 per litre cut in petrol and diesel prices for the next four months is financially unsustainable and is projected to cost Rs 63 billion every fortnight (subsidy and in lost revenue). (BR) | [Click for more info.](#)

Pakistan to import 32.7 million barrels oil under SFD programme

NRL | **Positive**

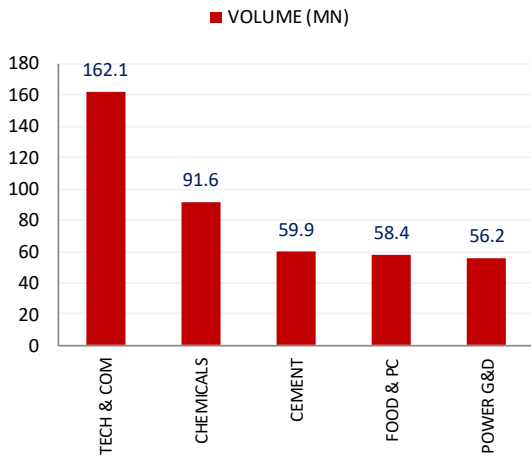
Pakistan will import around 32.7 million barrels of crude oil, during the year 2022, under an agreement signed with the Saudi Fund for Development (SFD) to meet its needs of petroleum products on deferred payment. (The News) | [Click for more info.](#)

### KSE-100 RETURN & FIPI FLOWS

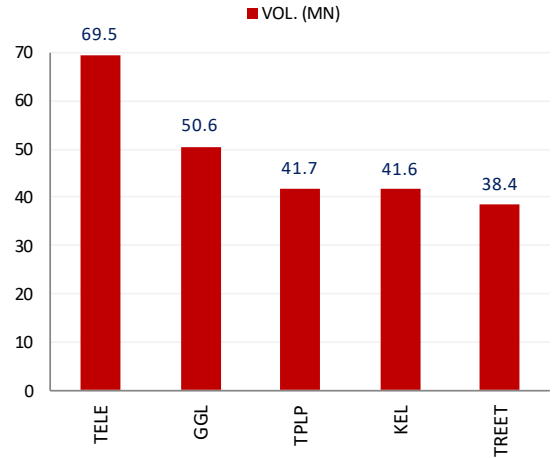




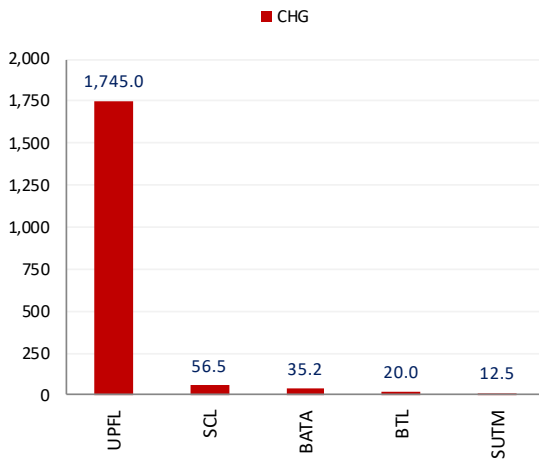
## TOP 5 SECTORS OF THE WEEK



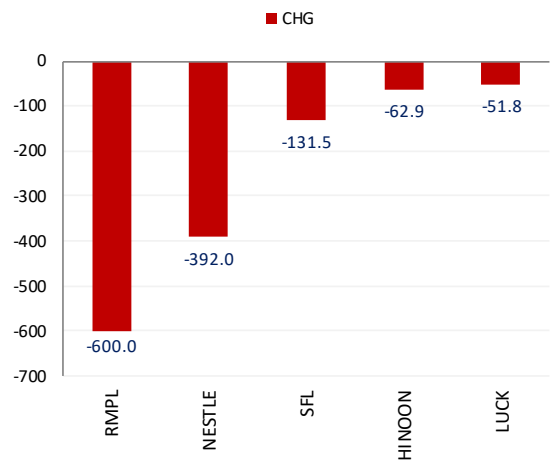
## TOP 5 VOLUME LEADERS OF THE WEEK



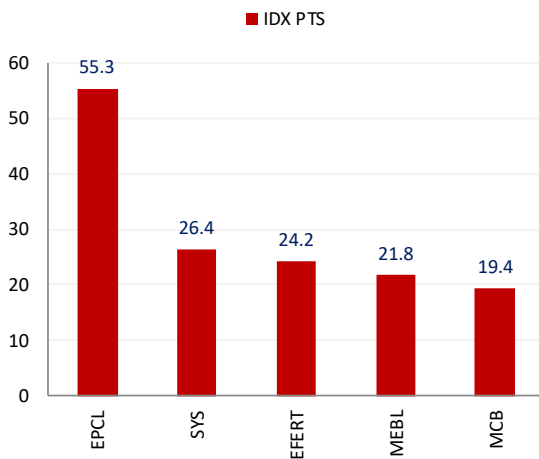
## TOP 5 PRICE GAINERS OF THE WEEK



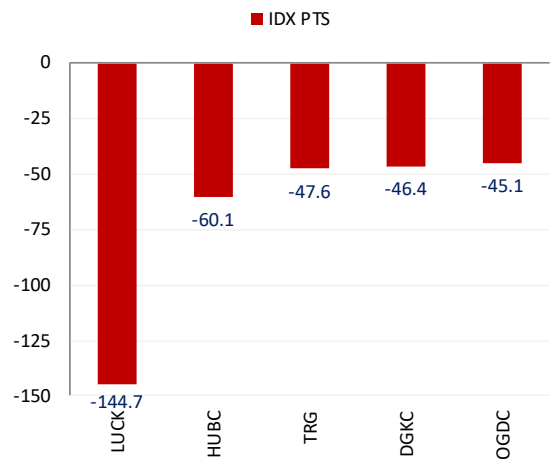
## TOP 5 PRICE LOSERS OF THE WEEK



## TOP 5 PARTICIPANTS OF THE WEEK (+ive)



## TOP 5 PARTICIPANTS OF THE WEEK (-ive)

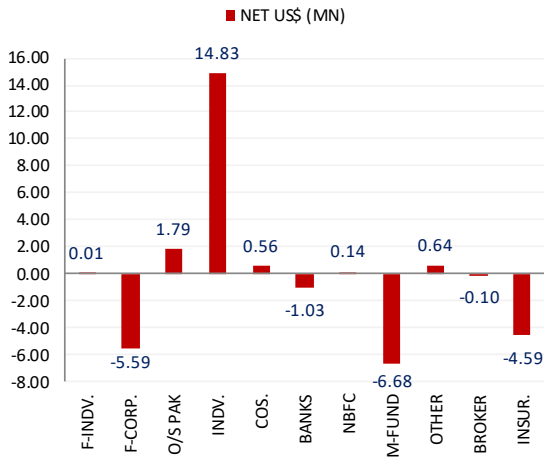




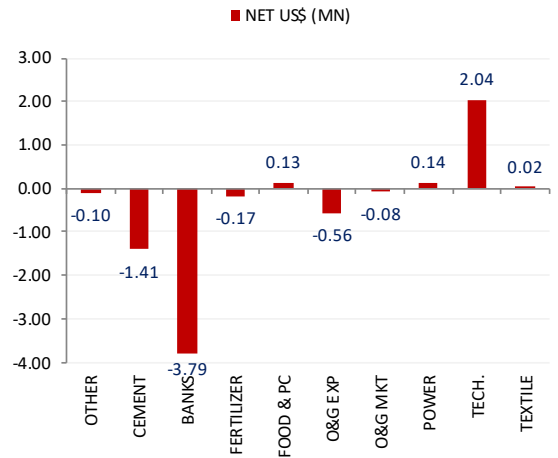
## Foreign & Local Portfolio Investments

SECTOR	F-INDV	F-CORP	O/S PAK	NET US\$	INDV.	COS.	BANKS	NBFC	M-FUND	OTHER	BROKER	INSUR
OTHER	-0.03	-0.66	0.59	<b>-0.10</b>	5.59	-0.03	-0.60	-0.02	-2.68	0.00	0.10	-2.24
CEMENT	0.00	-1.38	-0.03	<b>-1.41</b>	4.44	0.53	-1.48	0.01	-1.28	0.30	-0.16	-0.95
BANKS	0.00	-4.10	0.31	<b>-3.79</b>	-0.27	0.91	1.46	0.07	0.69	0.47	0.12	0.35
FERTILIZER	0.00	-0.27	0.10	<b>-0.17</b>	0.94	0.03	0.49	0.02	-0.46	-0.23	-0.11	-0.52
FOOD & PC	0.00	0.00	0.13	<b>0.13</b>	-0.01	0.01	0.00	0.00	0.04	0.03	0.04	-0.24
O&G EXP	0.00	-0.83	0.27	<b>-0.56</b>	2.23	0.23	-0.44	0.01	-0.23	-0.32	-0.01	-0.91
O&G MKT	0.00	-0.11	0.03	<b>-0.08</b>	0.90	-0.30	-0.54	0.03	0.14	0.02	-0.01	-0.16
POWER	0.00	-0.07	0.21	<b>0.14</b>	0.21	0.15	-0.22	0.00	-0.69	0.45	-0.01	-0.02
TECH.	0.03	1.85	0.15	<b>2.04</b>	0.47	-0.56	0.06	0.01	-2.54	0.11	-0.20	0.61
TEXTILE	0.00	-0.01	0.03	<b>0.02</b>	0.33	-0.40	0.23	0.01	0.35	-0.18	0.15	-0.51
<b>NET US\$</b>	<b>0.013</b>	<b>-5.59</b>	<b>1.79</b>	<b>-3.78</b>	<b>14.83</b>	<b>0.56</b>	<b>-1.03</b>	<b>0.14</b>	<b>-6.68</b>	<b>0.64</b>	<b>-0.10</b>	<b>-4.59</b>

PORTFOLIO INVESTMENT BY CLIENT



PORTFOLIO INVESTMENT BY SECTORS





## 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

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

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