

Market Summary

Index Level	08-Jun	1d Δ	1m Δ	3m Δ	6m Δ	12m Δ
KSE 30	15,877	0.2%	-7.4%	-4.8%	-6.6%	-18.9%
KSE 100	41,553	0.0%	-7.3%	-3.1%	-5.2%	-13.7%
KSE All Share	28,536	-0.1%	-6.4%	-3.8%	-4.9%	-12.6%

Volume (mn shares)

	1d	1m Avg.	6m Avg.	1d	1m Avg.	6m Avg.
KSE 30	49	71	60	2,862	4,036	4,276
KSE 100	73	109	102	3,643	5,028	5,315
KSE All Share	151	236	240	3,434	6,692	7,394

Value (PKR mn)

	1d	1m Avg.	6m Avg.	1d	1m Avg.	6m Avg.
KSE 30	49	71	60	2,862	4,036	4,276
KSE 100	73	109	102	3,643	5,028	5,315
KSE All Share	151	236	240	3,434	6,692	7,394

Portfolio investment (USD mn)

	08-Jun	1m	3m	6m	12m	CYTD
FIPI Net	(4.0)	(13.9)	(44.3)	(66.7)	(314.0)	(42.2)
LIPI Net	4.0	13.9	44.3	66.7	314.0	42.2
Ind.	1.7	11.3	64.0	82.2	185.1	68.9
Banks/DFIs	0.4	19.5	44.9	62.8	119.6	76.2
Co's	3.4	13.9	24.4	47.6	106.5	40.4
M.Funds	(0.9)	(19.7)	(65.4)	(96.1)	(129.3)	(110.7)
Brokers	(0.9)	2.2	(5.0)	(4.9)	(24.6)	(7.1)
Others	0.3	2.8	16.8	15.7	60.2	15.5
Ins.	(0.0)	(15.3)	(35.4)	(41.0)	(8.6)	(41.3)
NBFC	(0.0)	(0.8)	0.1	0.4	5.2	0.2

Sector wise FIPI LIPI (USD mr)

	FIPI	Ind.	Banks	M.Funds	Ins.	Other
Gross Buy	2.1	20.5	1.6	1.4	0.2	10.4
Gross Sell	(6.1)	(18.8)	(1.3)	(2.3)	(0.3)	(7.5)
All other Sectors	(2.6)	0.1	(0.1)	(0.7)	0.1	3.2
Cement	(1.6)	0.6	0.8	(0.4)	0.1	0.5
Commercial Banks	0.0	0.2	(0.0)	(0.2)	0.0	(0.0)
Fertilizer	(0.0)	0.3	(0.3)	0.1	0.0	0.0
Food and Personal Care	0.0	0.5	0.0	0.0	(0.0)	(0.5)
E&P Companies	(0.0)	0.2	0.1	(0.1)	(0.1)	0.1
OMC	0.0	(0.2)	(0.0)	0.2	(0.0)	0.1
Power Generation	0.1	0.1	(0.1)	(0.1)	(0.0)	(0.1)
Technology and Comm.	0.2	(0.1)	(0.0)	(0.3)	0.0	0.2
Textile Composite	(0.0)	0.0	0.0	0.0	(0.0)	(0.1)
Total	(4.0)	1.7	0.4	(0.9)	(0.0)	2.8

Commodities

	US\$	1d Δ	1m Δ	3m Δ	6m Δ	12m Δ
WTI (bbl)	122.4	0.3%	22.7%	12.6%	69.2%	75.0%
Brent (bbl)	124.0	0.3%	21.0%	11.6%	63.5%	71.7%
Arab Light (bbl)	122.7	0.0%	12.6%	-8.7%	60.5%	70.1%
Coal (ton)	322.0	0.0%	3.3%	-24.4%	141.2%	178.5%
Urea (ton)	690.0	0.0%	-4.8%	19.0%	-28.1%	74.7%
DAP (ton)	780.0	0.0%	-10.3%	-12.8%	4.0%	32.2%
PVC (*ton)	1,320.0	0.0%	-8.3%	-6.4%	-14.8%	-2.9%
Ethylene (lb)	1,155.0	0.0%	-7.2%	-8.7%	11.6%	19.1%
Gold (t oz)	1,855.2	0.1%	0.9%	-6.9%	4.1%	-1.8%
Cotton (lb)	122.0	-0.4%	-1.8%	20.0%	35.9%	53.0%
Copper (lb)	443.1	-0.5%	6.6%	-2.9%	1.3%	-2.5%
Steel (ton)	1,150.0	0.0%	-15.6%	5.5%	-28.8%	-30.3%
Skim Milk Powder (ton)	4,239.8	-2.1%	-0.4%	-8.0%	13.8%	17.8%
Rubber (kg)	169.7	1.9%	6.5%	-5.9%	-1.4%	3.0%
Iron (ton)	145.3	0.0%	10.2%	-7.8%	36.1%	-30.9%

Foreign Exchange

	Rate	1d	1m	3m	6m	12m
PKR/USD	201.76	0.0%	7.2%	13.0%	14.8%	29.6%
PKR/GBP	251.00	0.0%	7.9%	6.4%	7.0%	14.2%
PKR/EUR	214.83	0.0%	8.0%	9.1%	7.6%	13.2%
PKR/JPY	1.49	0.0%	3.2%	-3.4%	-4.2%	5.2%

Interest rates (change in bps)

	Rate %	1d Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1YR	15.7	22.0	107.0	449.0	421.0	807.0
PKRV 3YR	13.6	(12.0)	48.0	227.0	173.0	468.0
PKRV 5YR	13.0	16.0	26.0	164.0	110.0	364.0
PKRV 10YR	12.9	15.0	6.0	166.0	94.0	300.0

Board Meetings

Company	Date	Time	Company	Date	Time
United Distributors (UDPL)	9-Jun-22	3:00 PM	Service Ind. (SRVI)	10-Jun-22	11:00 AM
Adamjee Insurance (AICL)	9-Jun-22	2:30 PM	Pakistan Cables (PCAL)	10-Jun-22	9:00 AM
Mitchells Fruit (MFFL)	10-Jun-22	3:00 PM	Olympia Mills (OML)	30-Jun-22	11:00 AM

Regional markets

	Rate	1d Δ	1m Δ	3m Δ	6m Δ	12m Δ
SHCOMP - China**	3,248	-0.5%	8.1%	-0.3%	-10.7%	-9.6%
SENSEX - India*	54,656	-0.4%	0.3%	0.0%	-6.8%	5.2%
NIKKEI - Japan**	28,300	7.9%	7.5%	14.5%	-1.9%	-1.9%
DJIA - USA*	32,911	0.0%	2.1%	-1.1%	-8.0%	-4.5%
Heng seng - HK**	21,948	-0.3%	9.7%	6.4%	-8.5%	-23.6%

* Reading as of last day closing

** Real time reading

Source: Bloomberg, PSX, NCCPL, Next Research

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International

Oil jumps to 13-week high on rising U.S. gasoline demand (Reuters): Oil prices jumped over 2% to a 13-week high on Wednesday as U.S. demand for gasoline keeps rising despite record pump prices, while expectations that China's oil demand will increase faced growing supply concerns in several countries, including Iran. Iran said it was removing two International Atomic Energy Agency surveillance cameras at a uranium enrichment facility as the board of the United Nations' nuclear watchdog passed a resolution criticizing Iran for failing to fully explain uranium traces at undeclared sites. Brent futures rose \$3.01, or 2.5%, to settle at \$123.58 a barrel, while U.S. West Texas Intermediate (WTI) crude rose \$2.70, or 2.3%, to end at \$122.11. **(Negative)**

Economy

Coalition govt to present Rs9.5tr budget on Friday (PT): Prime Minister Shahbaz Sharif led coalition government will present Rs9.5 trillion budget for fiscal year 2022-23 on Friday. As per the details, finance minister will present the budget in National Assembly. The total outlay of budget would be around Rs9.5 trillion including Rs8.79 trillion current expenditures and Rs800 billion for Public Sector Development Program (PSDP). Out of Rs800 billion PSDP, the government has allocated Rs2.2 trillion for 160 new schemes on the recommendation of coalition partners in next year PSDP. Sources said that government has proposed to allocate Rs4 trillion for debt servicing including Rs3.5 trillion for interest payments on loans and Rs500 billion for interest payments on external loans. In addition, sources said that government has also proposed to allocate Rs1.6 trillion for defense budget for the next fiscal year. Sources said that government has decided to allocate Rs530 billion for payment of pension to retired government servants while it has also proposed to allocate Rs550 billion for running the civil government for the next fiscal year. Meanwhile, the government is allocating Rs1,232 billion for grants and transfers, Rs578 billion for subsidies and Rs398 billion for other expenditures for the next fiscal year. Sources said that government has decided to set Rs7.25 trillion tax revenue target and Rs1.5 trillion for non-tax revenue for the next fiscal year. On the other hand, the FBR on the instruction of IMF has decided to impose new taxes worth Rs1,100 billion besides withdrawing sales tax exemptions. **(Neutral)**

5pc growth target set but govt says will try for 6pc (BR): The National Economic Council (NEC) has approved the Annual Plan and macroeconomic framework for 2022-23 with five percent GDP growth for the next fiscal year and the Public Sector Development Programme (PSDP) worth Rs2.1384 trillion – including Rs800 billion federal and Rs1,384 billion provincial. The meeting presided over by Prime Minister Shehbaz Sharif was presented by the Ministry of Planning a review of the Annual Plan for the year 2021-22 to the NEC and gave a detailed briefing on the targets for the year 2022-23. The council approves annual targets for the fiscal year 2022-23 of five per cent GDP growth for the next fiscal year with efforts to increase it to six per cent. The growth target for the agriculture sector was set at 3.9 per cent, industry at 5.9 per cent, and services sector at 5.1 per cent. The broad-based revival of the LSM is projected to sustain growth at 7.4 percent during 2022-23. **(Neutral)**

Staff-level pact with IMF expected by next week (BR): Federal Minister for Finance and Revenue Miftah Ismail on Wednesday expressed the hope that Pakistan would reach a staff-level agreement with the International Monetary Fund (IMF) by next week which will help strengthen the Pak rupee and the economy. "Our talks with IMF are underway. The federal budget 2022-23 will be presented on June 10 after which we are hoping to enter into an agreement with the Fund by next week. The Board meeting and other formalities will continue later but it will bring calmness to the market and strength the economy," Miftah said during a zoom conversation with editors and senior journalists Monday. **(Neutral)**

Government's push to boost Pakistan's finance growth: Fitch (The News): Fitch Ratings said Pakistan's Islamic finance industry is expected to continue its growth trajectory over the medium term, driven by strong government push and steadily rising public demand for Islamic products. "However, the industry faces key challenges that could slow its growth such as the still-developing Islamic finance regulatory framework," the rating agency said in a research report. In April 2022, the Federal Shariat Court of Pakistan (FSC) stated in a decision that 'riba' or interest is prohibited in Islam, including relating to banking transactions. The FSC directed the government to adopt sharia-compliant modes while borrowing from domestic or foreign sources in the future. **(Neutral)**

Sector / Company

Hascol Petroleum one step away from suspension (Augaf): Pakistan Stock Exchange informed to all concerned that M/s. Hascol Petroleum Limited ("HASCOL"), already quoted in the Defaulters' Segment on account of non-compliance, has failed to hold its Annual General Meeting and submit Annual Audited Accounts for the year ended December 31, 2021. The said non-compliances attract action under PSX Regulations, reproduced hereunder: A listed company may be placed in the Defaulters' Segment if It has failed to hold its one Annual General Meeting as per law; Upon placement of such company on the Defaulters' Segment. However, if such company fails to hold its Annual General Meeting for two consecutive years, trading in shares of the company shall be suspended by the Exchange and the company shall be given 90 days to rectify the non-compliance, failing which, the Exchange shall initiate further actions against the company commencing from Regulation. **(Negative)**

Local oil, gas output drops in July-May (The News): The production of oil and gas dropped 2.5 percent and 3.7 percent respectively in the first eleven months of this fiscal year, The News learnt on Wednesday, mainly owing to eroding reserves and suspension of pumping at some fields for yearly overhaul. According to the data obtained by The News, indigenous crude oil output fell to average 73,668 barrels per day in July-May of current fiscal year compared to the average 75,548 barrels per day the country produced in the same months of the last year. The production of oil reduced to 24.31 million tonnes in the first eleven months of the current fiscal compared to 24.93 million tonnes in the corresponding months of last fiscal year. On the other hand, the production of gas also declined to average 3,383 mmcf in the period under review against average 3,540 mmcf in the same months of the last fiscal. "The annual turnaround and natural decline in oil and gas reserves is the main reason for the drop in production in the country," said Iqbal Javaid, analyst at Arif Habib Limited. **(Negative)**

SNGPL restores gas supplies to captive power plants (The News): The government on Wednesday restored gas supply of captive power consumers, following a week's suspension due to diversion of the fuel to thermal power generation units. Following hectic lobbying by the textile industry, Sui Northern Gas Pipelines Ltd (SNGPL) resumed gas supply to textile captive power consumers from 6pm, Wednesday. Accordingly, gas equal to 50 percent allowable daily consumption quota of average consumption (September to November 2021) of captive power plants has been restored. On June 2, 2022, natural gas supply was stopped to all captive power plants till further order. The industrial sector that was exempted from gas cuts, suffered a direct hit due to the abrupt curtailing of supplies to captive power plants. Earlier, gas quota of export-oriented industrial sector had been reduced to one-third, which invited severe criticism from the textile sector. **(Positive)**

K-Electric to carry out minimum of 3 hours load shedding with no exception (Augaf): Amid rising temperatures driving a surge in electricity demand, K-Electric announced a revision in its load-shed plan to manage the ongoing power shortfall in the city. As per the revised policy, 3 hours of loadshed will be undertaken in low loss areas within KE's service territory. Talking about the ongoing regime, spokesperson KE further added "This revised plan will provide a relief of 1-2 hours to areas which are already impacted by load-shed." **(Negative)**

Moody's downgrades 5 Pakistani banks' outlook to negative from stable, affirms B3 ratings (BR): Moody's Investors Service (Moody's) on Wednesday affirmed the B3 long-term deposit ratings of five Pakistani banks: Allied Bank Limited (ABL), Habib Bank Ltd. (HBL), MCB Bank Limited (MCB), National Bank of Pakistan (NBP) and United Bank Ltd. (UBL), but changed the outlook on the banks' long-term deposit ratings to negative from stable. The ratings agency also downgraded the long-term foreign currency Counterparty Risk Ratings of ABL, MCB and UBL to B3 from B2; these ratings are now constrained by government of Pakistan's foreign currency country ceiling, which was lowered to B3 from B2. "Today's rating actions follow Moody's decision to change the Government of Pakistan's B3 ratings to negative from stable on 2 June 2022, and also lower the country's local and foreign currency country ceilings to B1 and B3, from Ba3 and B2, respectively," it stated. On June 3, Moody's also revised Pakistan Water and Power Development Authority (Wapda)'s outlook to negative from stable. **(Negative)**