

Market Summary

Index Level (% Change)	17-Jun	1d Δ	1m Δ	3m Δ	6m Δ	12m Δ
KSE 30	15,648	0.5%	-1.5%	-2.0%	-6.9%	-17.1%
KSE 100	41,055	0.4%	-2.0%	-2.1%	-4.0%	-12.6%
KSE All Share	28,164	0.2%	-1.7%	-2.4%	-4.2%	-12.5%

Equities	Avg. Volume(mn shares)			Avg. Value (PKR mn)		
	1d	1m Avg.	6m Avg.	1d	1m Avg.	6m Avg.
KSE 30	36	66	60	5,987	3,878	4,184
KSE 100	56	100	99	7,206	4,769	5,192
KSE All Share	120	220	237	9,058	6,310	7,232

Portfolio Inv (USD mn)

	17-Jun	1m	3m	6m	12m	CYTD
FIPI Net	(1.0)	(11.4)	(44.6)	(68.3)	(309.2)	(45.8)
LIPI Net	1.0	11.4	44.6	68.3	309.2	45.8
Ind.	2.1	20.5	71.4	75.6	163.8	74.9
Banks/DFIs	(0.4)	2.9	44.5	57.6	117.9	78.1
Co's	0.3	27.6	29.4	67.5	128.8	52.5
M.Funds	0.1	(16.0)	(62.6)	(88.4)	(140.7)	(114.4)
Brokers	0.4	(3.5)	(7.2)	(8.7)	(21.9)	(11.4)
Others	0.0	3.4	11.8	14.2	60.9	14.7
Ins.	(1.4)	(22.6)	(41.9)	(49.2)	(4.0)	(48.1)
NBFC	(0.1)	(0.9)	(0.6)	(0.3)	4.3	(0.4)

Sector wise FIPI LIPI (USD mn)	FIPI	Ind.	Banks	M.Funds	Ins.	Other
Gross Buy	5.0	34.8	2.9	2.9	0.7	10.0
Gross Sell	(6.0)	(32.7)	(3.4)	(2.8)	(2.1)	(9.3)
All other Sectors	1.1	(0.1)	(1.0)	(0.2)	(0.1)	0.3
Cement	0.1	(0.2)	0.7	0.2	(0.5)	(0.3)
Commercial Banks	(0.4)	0.6	(0.0)	(0.1)	0.1	(0.2)
Fertilizer	(1.4)	1.4	0.0	0.3	(0.5)	0.3
Food and Personal Care	(0.0)	(0.1)	(0.0)	0.1	(0.0)	(0.0)
E&P Companies	(0.4)	0.4	(0.7)	0.4	0.0	0.3
OMC	0.0	(0.2)	0.0	(0.1)	(0.0)	0.2
Power Generation	0.0	(0.2)	0.0	(0.1)	0.1	0.2
Technology and Comm.	0.0	0.4	0.5	(0.4)	(0.4)	(0.1)
Textile Composite	(0.0)	0.0	0.1	(0.1)	(0.0)	(0.0)
Total	(1.0)	2.1	(0.4)	0.1	(1.4)	0.7

Commodities

	US\$	1d	1m	3m	6m	12m
WTI (bbl)	109.1	-0.4%	-3.6%	4.2%	54.0%	52.3%
Brent (bbl)	112.9	-0.2%	0.3%	4.6%	53.6%	53.6%
Arab Light (bbl)	122.0	0.0%	1.4%	7.9%	62.4%	67.7%
Coal (m.tons)	326.7	0.0%	-3.1%	-1.0%	129.0%	186.3%
Urea (m.tons)	690.0	0.0%	0.0%	-31.0%	-28.1%	53.3%
DAP (m.tons)	810.0	0.0%	-5.8%	-17.3%	8.0%	30.9%
PVC (*m.tons)	1,320.0	0.0%	-2.2%	-8.3%	-10.2%	-2.9%
Ethylene (pounds)	1,155.0	0.0%	0.0%	-14.8%	12.1%	37.5%
Gold (t oz.)	1,844.2	0.3%	-0.1%	-4.0%	2.6%	4.5%
Cotton (lb)	118.3	0.0%	-5.5%	12.4%	31.4%	50.9%
Copper (lb)	402.2	-0.2%	-6.0%	-14.8%	-5.9%	-3.7%
Steel (tons)	1,126.0	0.0%	-18.7%	-0.7%	-31.6%	-32.2%
Skim Milk Powder (US\$/mt)	4,239.8	-2.1%	0.9%	-7.9%	13.8%	20.6%
Rubber (kg)	160.5	-0.6%	-1.9%	-6.9%	-5.6%	0.2%
Iron (mt)	135.7	0.0%	1.5%	-9.9%	21.5%	-36.7%

Foreign Exchange

	Rate	1d	1m	3m	6m	12m
PKR/USD	207.86	0.0%	3.8%	15.3%	16.9%	32.5%
PKR/GBP	256.70	0.0%	2.8%	8.2%	7.8%	18.5%
PKR/EUR	219.63	0.0%	3.9%	10.1%	8.7%	18.0%
PKR/JPY	1.55	0.0%	-0.7%	2.4%	-0.4%	9.2%

Interest rates (change in bps)

	Rate %	1d Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1 YR	15.6	0.0	93.0	352.0	423.0	793.0
PKRV 3 YR	13.7	0.0	17.0	186.0	217.0	467.0
PKRV 5 YR	13.0	0.0	14.0	123.0	142.0	355.0
PKRV 10 YR	12.9	0.0	2.0	117.0	113.0	295.0

Board Meetings

Company	Date	Time	Company	Date	Time

Regional markets

	Rate	1d Δ	1m Δ	3m Δ	6m Δ	12m Δ
SHCOMP- China**	3,318	0.0%	5.4%	2.0%	-8.7%	-5.9%
SENSEX- India*	51,470	0.2%	-5.3%	-11.0%	-9.7%	-1.7%
NIKKEI- Japan**	25,680	0.0%	-4.0%	-4.3%	-10.0%	-11.3%
DJIA- USA*	29,889	0.0%	-4.4%	-14.0%	-15.5%	-10.2%
Heng seng- HK**	21,130	0.3%	2.0%	-1.3%	-8.9%	-26.6%

* Reading as of last day closing

** Real time reading

Source: Bloomberg, PSX, NCCPL, Next Research

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International

Oil Steadies as Traders Weigh Outlook for Demand, Fed's Path (Bloomberg): Oil steadied in Asia -- after plunging almost 7% on Friday -- as traders weighed prospects for higher near-term demand against concerns that aggressive US monetary tightening will lead to a recession. West Texas Intermediate traded above \$109 a barrel after tumbling by the most since early April last week as escalating worries about the pace at which the Federal Reserve is raising rates rattled financial markets. At the weekend, US Energy Secretary Jennifer Granholm warned drivers of a "continued upward pull on demand," and the likelihood of sustained high gasoline prices. **(Neutral)**

Economy

Rupee touches fresh record low at 208.75 (Tribune): Pakistani currency maintained its free fall for the sixth consecutive working day, as it lost 0.53% to a new record low at Rs208.75 against the US dollar in the inter-bank market on Friday amid the worsening country's capacity to make international payments for imports and repay foreign debt. The currency crossed Rs209 for a brief period early morning, but very quickly recovered below Rs209 and remained at around that level through the rest of the day. It had closed at Rs207.67 against the greenback on Thursday. Cumulatively, it has plunged 32.50% (or Rs51.21) in the past one year compared to Rs157.54 on June 30, 2021, according to the central bank data. The latest drop in the rupee came after the country's foreign exchange reserves depleted to a 34-month low below \$9 billion. The reserves are insufficient for six weeks of imports. **(Negative)**

Foreign investment contracts 29% (Tribune): Evaluating the risks of investment losses due to the persisting political and economic uncertainty in Pakistan, foreign investors were hesitant as the flow of investment into different sectors of the economy remained sluggish. Foreign direct investment (FDI) in Pakistan shrank 29% to \$141.2 million in May 2022 compared to \$199.2 million in the same month of last year, the central bank reported on Friday. Cumulatively, in the first 11 months (July-May) of current fiscal year, the FDI inflows dropped 5% to \$1.59 billion compared to \$1.67 billion in the corresponding period of previous year. Norway emerged as the largest investor with capital injection of \$26.6 million in May, followed by the world's largest and second largest economies, ie the US and China, which invested \$17.6 million and \$17.3 million respectively. Foreign investors largely injected equity into their ongoing projects in different sectors which included communication, power and financial business, as they waited for a suitable time to initiate new projects in the country. **(Negative)**

Budgetary borrowing almost doubles (Dawn): Despite a massive increase in revenue collection, the government's budgetary borrowing increased by over 186 per cent in the first 11 months of the outgoing fiscal year. The latest data issued by the State Bank of Pakistan showed that the federal government's budgetary borrowing soared to Rs2,488.5 billion during 11MFY22 against Rs868.4bn in the same period of last year. The tax collection by the Federal Board of Revenue (FBR) also swelled to Rs5.349 trillion in 11MFY22. Compared with Rs4.164tr in the corresponding period of 2020-21, a growth of 28.5pc in the July-May period. However, the collection fell short of the projected target by Rs18 billion. According to an official report during the first 10 months, the FBR exceeded its revenue target by 5.2pc. Despite massive tax relief, including zero sales tax on petroleum and some other essential items, the tax authorities managed to collect higher revenue. **(Negative)**

Weekly inflation jumps by 3.38% (MG): The Weekly Sensitive Price Indicator (SPI) for the Combined Group increased by 3.38% during the week ended Jun 16, 2022 while the SPI increased by 27.82% compared to the corresponding period from last year. According to data released by the Pakistan Bureau of Statistics (PBS) the Combined Index was at 189.07 compared to 182.88 on Jun 09, 2022 while the index was recorded at 147.92 a year ago, on Jun 17, 2021. Out of the 51 monitored items, the average price of 36 items increased, 6 items decreased whereas 9 items registered no change during the week. The weekly SPI percentage change by income groups showed that SPI increased across all quantiles ranging between 2.85% and 3.45%. The Lowest Income Group witnessed a weekly increase of 2.85% while the highest income group recorded an increase of 3.1%. On a yearly basis, analysis of SPI change across different income segments showed that SPI increased across all quantiles ranging between 22.15% and 29.65%. **(Negative)**

Sector / Company

Gas tariffs now under govt focus (BR): Finance Minister Dr. Miftah Ismail has directed Petroleum Division to come up with proposals for revision in gas tariffs aimed at rationalization of subsidies between LNG price and indigenous gas price, sources close to Secretary Petroleum told Business Recorder. These directions were issued at a recent meeting of the Economic Coordination Committee (ECC) of the Cabinet when a summary of Petroleum Division titled "liquidity requirement of PSO and PLL for import of LNG and petroleum products" came under discussion. Petroleum Division, sources said, briefed the ECC about the case, seeking supplementary allocation/ TSG of Rs.36 billion for the month of June 2022 under the head of Petroleum Division. It was further noted that the allocated amount shall be released to SNGPL against its pending claims in respect of cost of RLNG diversion to domestic sector for setting off the payables of PSO and PLL against RLNG supply. **(Neutral)**

SNGP to add newly discovered gas to grid within FY23 (The News): The Sui Northern Gas Pipelines Ltd (SNGPL) on Friday said it would connect new gas fields, discovered near North Waziristan and Lakki Marwat areas of Khyber Pakhtunkhwa, to the system within the next fiscal year, which would help fill demand-supply gap. The Board of Directors of SNGPL in their meeting, dated June 16, 2022, approved the project to lay a 295km-long pipeline from the new gas fields to the state-owned company's transmission network injection point. The estimated cost of the project is Rs23.4 billion, while it is expected to be completed within FY2022-23. According to a statement, pursuant to the discovery of new gas fields, the operators of fields have approached SNGPL for laying infrastructure/pipeline for injection of this gas into the company's transmission system/grid. These gas fields are estimated to produce around 50-70 million cubic feet per day (MMCFD), which will help bridge the supply and demand gap in the country, the announcement added. **(Positive)**

Pakistan LNG imports surge 86.9% to \$4.28 billion from July to May 2022 (Augaf): Pakistan's LNG imports surge 86.9% to \$4.28 billion during the period July to May 2022, according to data published by Pakistan Bureau of Statistics. Whereas, total petroleum import bill surged by 99.14 per cent to \$19.67 billion in the July-May period compared to \$9.88 billion in the corresponding period last year owing to higher international prices. The country's overall import bill increased by 44.51 percent to \$72.29 billion in 11MFY22 against \$50.02 billion in the corresponding period last year. The share of the petroleum group in total import bill also rose to 27.22 percent in 11MFY22. The steady increase in import bill of petroleum products is triggering trade deficit and pose a threat of exerting pressures on the external side of the government. Data released by the Pakistan Bureau of Statistics showed that the import bill of petroleum products increased by over 126.17 percent to \$10.02 billion in 11MFY22 from \$4.31 billion over the corresponding period of last year. Further breakup showed that the import of petroleum crude went up by 74.7 percent in value and 2.0 percent in quantity. Crude oil imports rose to \$4.75 billion during the period under review while those of liquefied natural gas increased by 86.29 percent in value to \$4.28 billion. Liquefied petroleum gas imports jumped by 43.50 percent in value to \$606 million in 11MFY22. **(Neutral)**

FCA for May 22; CPPA-G wants Rs8/unit tariff raise for Discos (BR): Central Power Purchasing Agency- Guaranteed (CPPA-G) has sought an increase of Rs 8 per unit in Discos' tariffs for May 2022 under monthly Fuel Charges Adjustment (FCA), showing 134 per cent increase in generation cost to Rs 13.8969 per unit from reference cost of Rs 5.9322 per unit. National Electric Power Regulator Authority (Nepa) will hold a public hearing on June 27, 2022 on CPPA-G's request of adjustment in Discos' tariff. The main reason, according to CPPA-G for the proposed increase in FCA was higher generation from expensive fuels and previous adjustments. The impact of approved increase will be passed on all categories of consumers of Discos except lifeline consumers. It will also affect, KE consumers, to the extent of 1100 MW being purchased from national grid. According to data submitted to Nepa, in May 2022, hydel generation was 3,590.82 GWh constituting 24.50 per cent. Power generation from coal-fired power plants was 2,018.49 Gwh in May 2022, 13.77 per cent of total generation at a price of Rs 18 per unit. **(Negative)**

Swap premiums fall as banks face dollar dearth (The News): Banks are facing a scarcity of foreign currency, making it harder for them to provide dollars to importers for making payments, resulting in low or negative swap premiums, as the foreign exchange reserves deplete fast in the wake of dried external financing, analysts said. The dollar liquidity crunch in the interbank currency market is exerting pressure on the rupee as the central bank has not been supplying dollars to the market to pay for import bills and the hefty imports, including oil, is being fully met by the market. "Banks are going through a liquidity crisis as their nostros have been running short of dollars. They've been engaged in buy-sell (buy ready, sell forward) to build up their nostros which in turn have depressed forward swaps so much so that they've turned negative," said Komal Mansoor, the head of research at Tresmark. Pakistan's central bank's forex reserves have tumbled \$7.62 billion since January 2022. They now stand at \$8.98 billion, barely enough for 1.32 months of imports. The reserves have been dwindling since a \$6 billion International Monetary Fund bailout package stalled. **(Negative)**

Power tariff to be raised in three phases (BR): The federal government has decided to pass on Rs7.91 per unit determined by Nepa in three phases, along with Rs0.20 per unit hike on account of subsidy rationalization phase-II, well-placed sources in Power Division told Business Recorder. The Power Division presented two options before the Economic Coordination Committee (ECC) of the Cabinet, however, during the meeting, some of the members floated a third option, the sources added. "The ECC discussed that another option is also possible in order to avoid immediate price shock to consumers. The tariff may be passed in three phases, Rs3.5/unit in July, Rs3.5/unit in August and remaining Rs 0.91/unit may be passed on to the consumers in the month of October 2022," the sources maintained. The Power Division shared that the total tariff differential subsidy requirement on this proposal would be around Rs 243 billion. ECC inquired about notification of subsidy reform phase-I approved by Cabinet in the month of December 2021. Power Division shared that NEPRA had issued the determination in March 2022 which was pending for notification in official gazette. The ECC directed Power Division to notify the subsidy reform phase-I notification with effect from July 1, 2022 along with annual rebasing. **(Negative)**