

Market Summary						
Index Level (% Change)	06-Jul	1d Δ	1m Δ	3m Δ	6m Δ	12m Δ
KSE 30	15,660	0.2%	-0.5%	-6.5%	-12.3%	-17.6%
KSE 100	41,160	0.1%	-0.4%	-6.3%	-9.3%	-13.1%
KSE All Share	28,320	0.1%	-0.5%	-6.0%	-9.0%	-12.8%

Equities	Avg. Volume(mn shares)			Avg. Value (PKR mn)		
	1d	1m Avg.	6m Avg.	1d	1m Avg.	6m Avg.
KSE 30	21	62	60	1,448	3,834	4,054
KSE 100	42	97	100	1,971	4,654	5,032
KSE All Share	98	213	232	2,456	6,214	6,986

Portfolio Inv (USD mn)						
	06-Jul	1m	3m	6m	12m	CYTD
FIPI Net	0.8	(7.6)	(19.8)	(55.8)	(289.4)	(45.9)
LIPI Net	(0.8)	7.6	19.8	55.8	289.4	45.9
Ind.	(0.7)	21.0	72.7	90.1	152.8	88.3
Banks/DFIs	(0.7)	9.0	39.3	65.1	114.8	84.8
Co's	0.4	16.0	31.0	48.3	106.9	53.1
M.Funds	0.1	(9.3)	(65.8)	(97.2)	(134.7)	(119.1)
Brokers	0.2	(3.5)	(4.7)	(7.1)	(17.5)	(9.7)
Others	0.2	3.6	13.1	20.4	59.6	18.7
Ins.	(0.3)	(28.0)	(64.3)	(63.0)	4.1	(69.3)
NBFC	(0.0)	(1.2)	(1.3)	(0.8)	3.4	(0.9)

Sector wise FIPI LIPI (USD mn)						
	FIPI	Ind.	Banks	M.Funds	Ins.	Other
Gross Buy	1.7	12.1	0.3	0.9	0.0	4.7
Gross Sell	(0.9)	(12.8)	(0.9)	(0.8)	(0.3)	(3.9)
All other Sectors	0.1	(1.3)	(0.1)	(0.2)	(0.0)	1.5
Cement	(0.0)	0.3	(0.5)	0.2	0.0	0.0
Commercial Banks	(0.0)	0.3	(0.0)	0.0	(0.1)	(0.2)
Fertilizer	0.3	0.2	0.1	(0.1)	0.0	(0.5)
Food and Personal Care	0.1	0.0	(0.0)	0.1	(0.2)	(0.0)
E&P Companies	0.1	0.1	(0.1)	(0.0)	(0.0)	(0.0)
OMC	0.0	(0.1)	(0.0)	0.1	(0.0)	(0.0)
Power Generation	0.0	(0.0)	0.0	0.0	(0.0)	0.0
Technology and Comm.	0.1	(0.2)	(0.0)	0.1	(0.0)	0.0
Textile Composite	0.0	0.1	(0.0)	(0.0)	(0.0)	(0.0)
Total	0.8	(0.7)	(0.7)	0.1	(0.3)	0.8

Commodities						
	US\$	1d	1m	3m	6m	12m
WTI (bbl)	99.0	0.5%	-17.1%	2.9%	27.2%	37.1%
Brent (bbl)	101.2	0.5%	-16.0%	0.2%	25.3%	37.9%
Arab Light (bbl)	111.1	0.0%	-8.1%	0.0%	36.9%	45.8%
Coal (m.tons)	348.5	0.0%	6.8%	24.4%	151.1%	196.6%
Urea (m.tons)	690.0	0.0%	0.0%	-31.0%	-28.1%	35.3%
DAP (m.tons)	810.0	0.0%	3.8%	-19.8%	8.0%	31.7%
PVC (*m.tons)	1,200.0	0.0%	-9.1%	-17.8%	-14.3%	-7.7%
Ethylene (pounds)	1,055.0	0.0%	-8.7%	-26.5%	4.5%	14.7%
Gold (t oz.)	1,746.1	0.4%	-5.7%	-9.3%	-3.6%	-3.2%
Cotton (lb)	90.7	2.4%	-24.3%	-20.8%	-3.8%	14.5%
Copper (lb)	349.5	2.6%	-21.4%	-26.3%	-20.5%	-18.8%
Steel (tons)	923.0	0.0%	-19.8%	-39.1%	-35.3%	-48.3%
Skim Milk Powder (US\$/mt)	4,062.6	-3.7%	-3.3%	-14.2%	6.9%	25.4%
Rubber (kg)	160.0	-0.1%	-3.7%	-9.3%	-9.0%	-2.0%
Iron (mt)	112.4	0.0%	-23.0%	-29.8%	-9.5%	-48.5%

Foreign Exchange						
	Rate	1d	1m	3m	6m	12m
PKR/USD	204.91	0.0%	1.0%	10.4%	15.9%	29.3%
PKR/GBP	247.53	0.0%	-1.9%	1.5%	3.7%	12.4%
PKR/EUR	211.92	0.0%	-1.6%	4.3%	5.6%	12.5%
PKR/JPY	1.54	0.0%	1.3%	2.1%	0.3%	6.9%

Interest rates (change in bps)						
	Rate %	1d Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1 YR	15.5	2.0	(1.0)	293.0	410.0	774.0
PKRV 3 YR	13.9	(4.0)	9.0	143.0	244.0	490.0
PKRV 5 YR	13.4	(3.0)	63.0	110.0	194.0	393.0
PKRV 10 YR	13.2	(8.0)	41.0	107.0	154.0	321.0

Board Meetings						
Company	Date	Time	Company	Date	Time	
Worldcall Telecom (WTL)	16-Jul-22	3:00 PM				
Fauji Fertilizer B in Qasim (FFBL)	25-Jul-22	10:30 AM				
Unilever Pakistan Foods (UPFL)	26-Aug-22	2:30 PM				

Regional markets						
	Rate	1d Δ	1m Δ	3m Δ	6m Δ	12m Δ
SHCOMP- China**	3,372	0.5%	4.2%	2.7%	-6.2%	-5.1%
SENSEX- India*	54,101	0.7%	-2.8%	-9.2%	-10.2%	2.0%
NIKKEI- Japan**	26,486	0.0%	-5.1%	-3.2%	-9.7%	-6.6%
DJIA- USA*	31,038	0.0%	-5.7%	-10.0%	-14.7%	-10.5%
Heng seng- HK**	21,499	-0.4%	-0.7%	-2.6%	-6.1%	-23.1%

* Reading as of last day closing

** Real time reading

Source: Bloomberg, PSX, NCCPL, Next Research

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International

Oil slides 2% to 12-week low on fears of global recession (Reuters): Oil prices slid about 2% to a 12-week low in volatile trade on Wednesday, extending the prior session's heavy losses as investors grew more worried energy demand would take a hit in a potential global recession. Looking ahead, analysts polled by Reuters forecast U.S. crude inventories fell about 1.0 million barrels last week. A drop in crude stockpiles could support prices. Brent futures for September delivery fell \$2.08, or 2.0%, to settle at \$100.69 a barrel. U.S. West Texas Intermediate (WTI) crude fell 97 cents, or 1.0%, to settle at \$98.53. Both benchmarks closed at their lowest since April 11, in technically oversold territory for a second straight day. **(Neutral)**

Economy

IMF explains how country can realise its export potential (BR): The International Monetary Fund (IMF) Resident Representative, Esther Perez Ruiz has said that Pakistan needs proactive policies – exchange rate flexibility, efficient allocation of resources, elimination of untargeted subsidies, and creating a conducive business environment in the country to realise the export potential. Speaking at the launch, “Trade Connectivity” book with the support of Friedrich Naumann Foundation (FNF) Pakistan by the Economic Advisory Group (EAG) and Policy Research Institute of Market Economy (PRIME), she said that according to her professional and personal experience, trade really makes a difference for people and help the country overcome the external vulnerabilities as that case with her own country. The IMF resident representative stated that Spain's integration with the EU in 80s and 90s was a political aspiration for the country, which led to a massive economic transformation and helped overcome external vulnerabilities in that country. **(Neutral)**

Fiscal year 2022-23; Foreign assistance estimates revised upward to Rs5.5trn (BR): The government has revised upward the estimated foreign assistance to Rs5.503 trillion by around 74 percent from the initial budgeted Rs3.166 trillion for the current fiscal year 2022-23, after incorporating the estimated assistance of Rs558 billion from the International Monetary Fund (IMF), Rs558 billion from Saudi Arabia (time deposit), and Rs744 billion of SAFE China deposit. The original budget that the government tabled in the National Assembly on June 10 showed foreign assistance of Rs3.166 trillion for 2022-23 including Rs1.389 trillion (44 per cent) from foreign commercial banks against Rs2.747 trillion budgeted for the fiscal year 2021-22. However, the budget documents tabled on June 10, had not included the assistance from IMF, Saudi Arabia (time deposit), and China SAFE deposit. After the revision, the external resources of Rs5.503 trillion projected for 2022-23 are greater by more than 200 per cent from the initial Rs2.7 trillion budgeted for 2021-22. **(Neutral)**

THE RUPEE; PKR falls further (BR): The rupee fell for the second consecutive session against the US dollar, closing near the 208 level in the inter-bank market on Wednesday. As per the State Bank of Pakistan (SBP), the local currency settled at 207.99, a depreciation of Rs1.05 or 0.50%, against the greenback. On Tuesday, the rupee closed at 206.94 after a depreciation of Rs2.38 or 1.15% against the US dollar. The fall comes as analysts maintain that Punjab government's latest measure to provide free electricity to households consuming up to 100 units has irked sentiment as the development could derail progress made with the International Monetary Fund (IMF) that has reiterated its stance on energy subsidies. Brushing aside those concerns, Finance Minister Miftah Ismail on Tuesday said that IMF should not be worried about Punjab government's move. Speaking on Aaj News programme, 'Faisla Aap Ka', the finance minister said that it is a "good subsidy". Miftah explained that usage of funds by provinces is out of the IMF's scope. "I have given the money to provinces. What they do with that money is their concern," he said. **(Negative)**

Sector / Company

Banks having Rs500bn asset size must implement IFRS 9 by Jan'23: SBP (Mettis): State Bank of Pakistan (SBP) on Tuesday announced the effective date of implementation of the International Financial Reporting Standards 9 (IFRS 9) for banks having asset size of Rs500 billion or above from January 1, 2023. According to the circular issued by SBP, the banks having asset size of Rs500 billion or above as per their Annual Financial Statements of December 31, 2021, the effective date of implementation starts from January 1, 2023. The same implementation date is applicable for all Development Finance Institutions (DFIs). **(Neutral)**



Country's oil production down 3pc YoY (BR): The oil production in Pakistan declined by 3 percent on year-on-year basis to 26.8 million barrels during FY22. The oil production in the country during the fourth quarter of FY22 is down by 6 percent against a jump of 17 percent in the same quarter in FY21. This is largely due to decline in production from Nashpa, Adhi, and Makori East oil fields, and no addition of any sizable oil field, Mehroz Khan at Topline Securities said. On QoQ basis, the decline in oil production was due to annual turnaround at Meyal, Jhandial and Pariwali. During FY22, Pakistan gas production has come down by 2 percent on YoY to 33,800mmcf which is largely in line with last 5-year average production decline. The gas production in the fourth quarter of FY22 contracted by 2 percent on YoY due to their association with lower oil production, and lower offtakes due to annual turnaround and maintenance, Mehroz said. **(Neutral)**

Lifeline consumers spared; PD proposes massive increase in gas prices (BR): The Petroleum Division has reportedly proposed a massive increase in price of natural gas across-the-board except lifeline consumers with reduction in slabs from seven to five, to be effective from July 1, 2022, sources close to the petroleum minister told Business Recorder. Two public sector gas utility companies, ie, Sui Southern Gas Company Ltd (SSGCL) and Sui Northern Gas Pipelines Ltd (SNGPL) under license from Oil & Gas Regulatory Authority (Ogra) are engaged in purchase, transmission, distribution and sale of gas to various categories of consumers in the country, excluding consumers located on dedicated networks. Ogra is empowered to determine annual revenue requirements of the two companies, on the basis of petitions filed by these companies, in accordance with the respective license conditions, Natural Gas Tariff Rules 2002 and Section 8 of the OGRA Ordinance 2002. **(Neutral)**

Use of water for farming; Cost of hydel projects should be borne by provinces: Nepra (BR): The National Electric Power Regulatory Authority (Nepra) on Wednesday asserted that the cost of hydel projects should be borne by those consumers (provinces) who use water for agriculture purposes and not electricity consumers. This assertion was made by Chairman, Nepra, Tauseef H Farooqi at a public hearing, held on a petition of Water and Power Development Authority (Wapda) in which the latter sought modification in its generation licence for allocation of more electricity for its auxiliary consumption. The Authority comprising, Chairman, Member Sindh and Member KP, raised serious questions on the performance of hydel projects with respect to power generation at a time when the entire country is facing outages of 10-15 hours and consumers are paying electricity cost of over Rs30 per unit. **(Neutral)**

