WEEKLY REVIEW

PAKISTAN EQUITIES

July 29, 2022

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Research Entity Notification No.: REP-116
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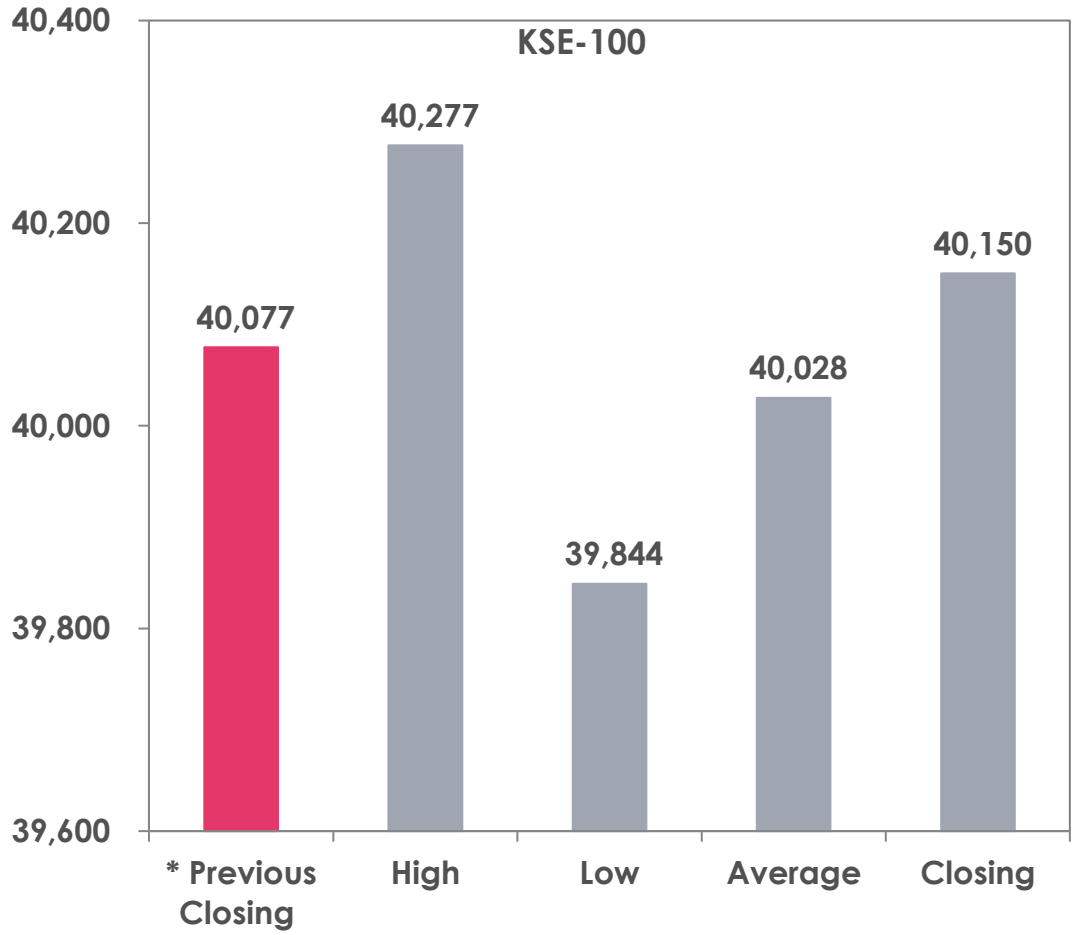
PSX Indices

KSE100 gain 0.2% w/w

PSX Indices	Level	w/w
KSE100	40,150	0.2%
KSE30	15,232	0.1%
KSEALL	27,796	0.3%
KMI30	65,446	-0.6%
KMIALL	20,294	-0.2%
OGTi	11,059	1.2%
BKTi	10,435	1.5%

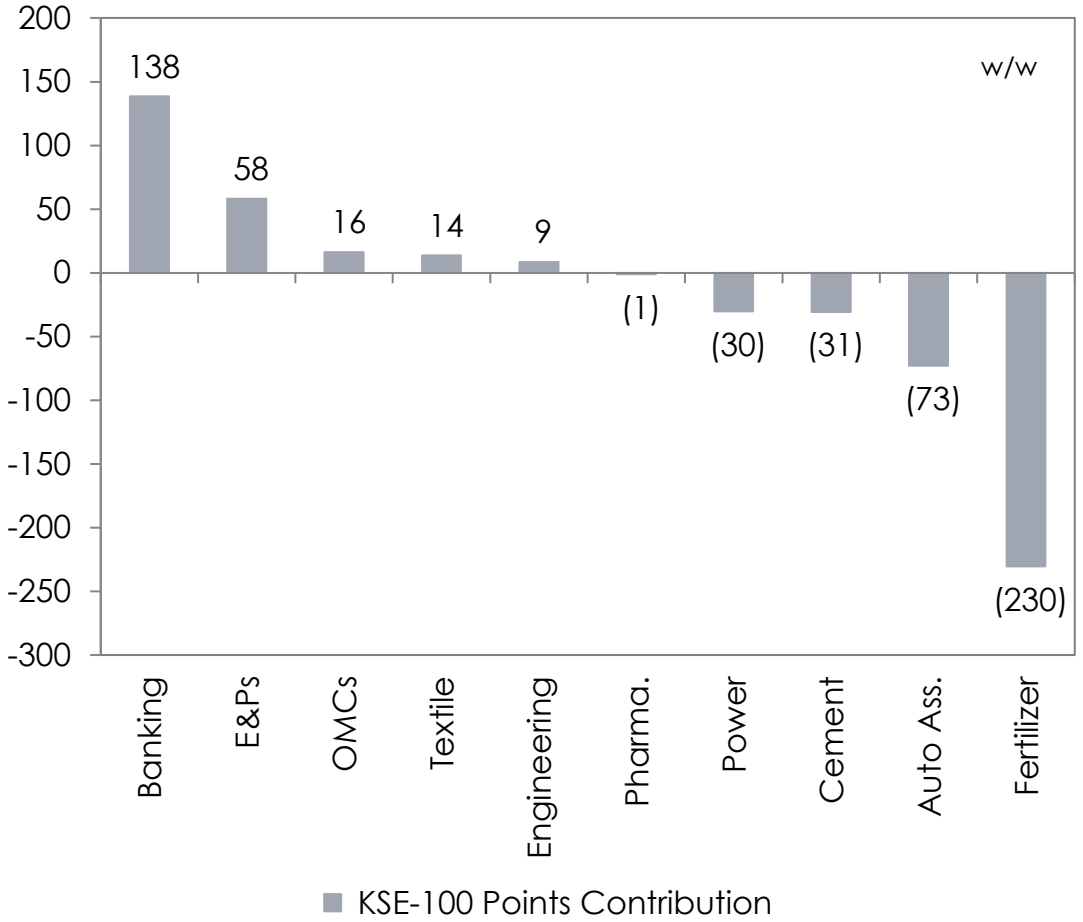


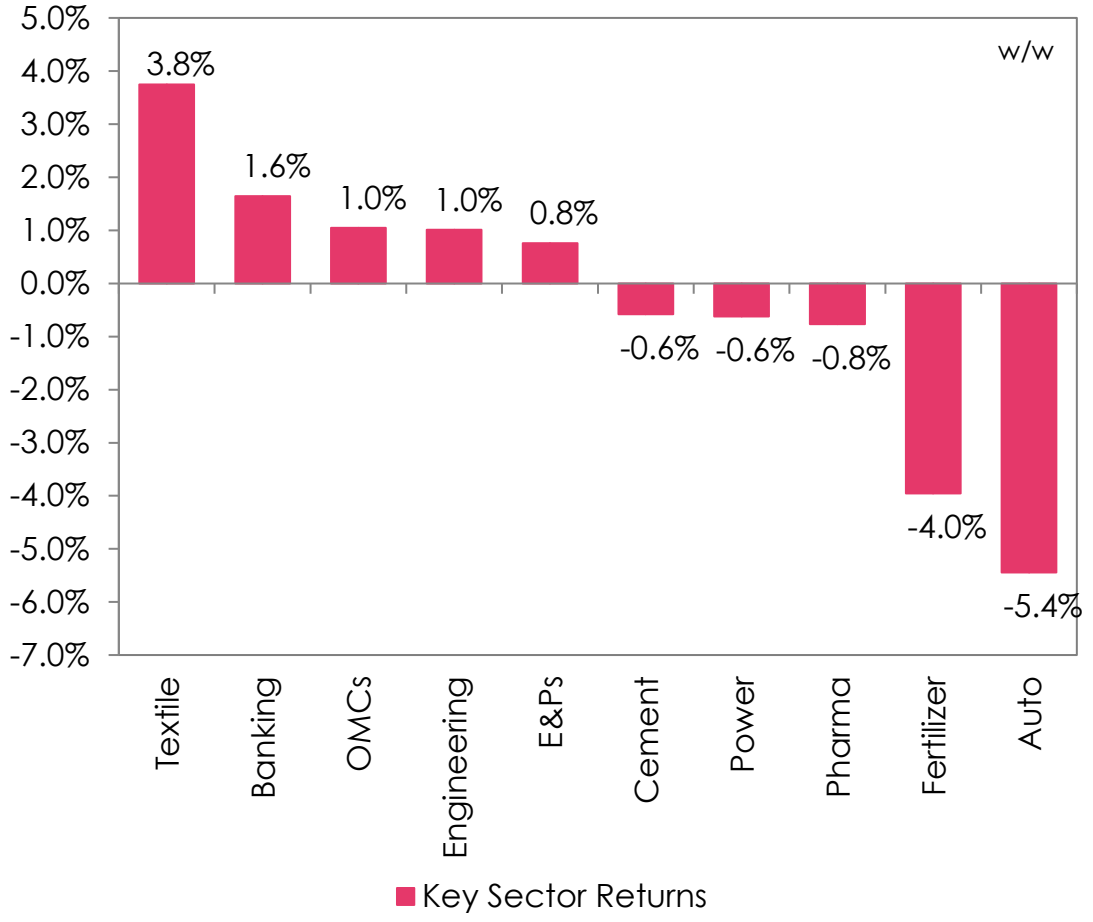
** Last week closing*

Source: PSX , Next Research

Banking sector added 138 points to KSE100 Index

Auto lost 5.4% w/w





** Cash dividends are not adjusted*

Source: PSX , Next Research

Top 10 positive contributors added 415 points to KSE100 Index

Top 10 negative contributors took 366 points from KSE100 Index

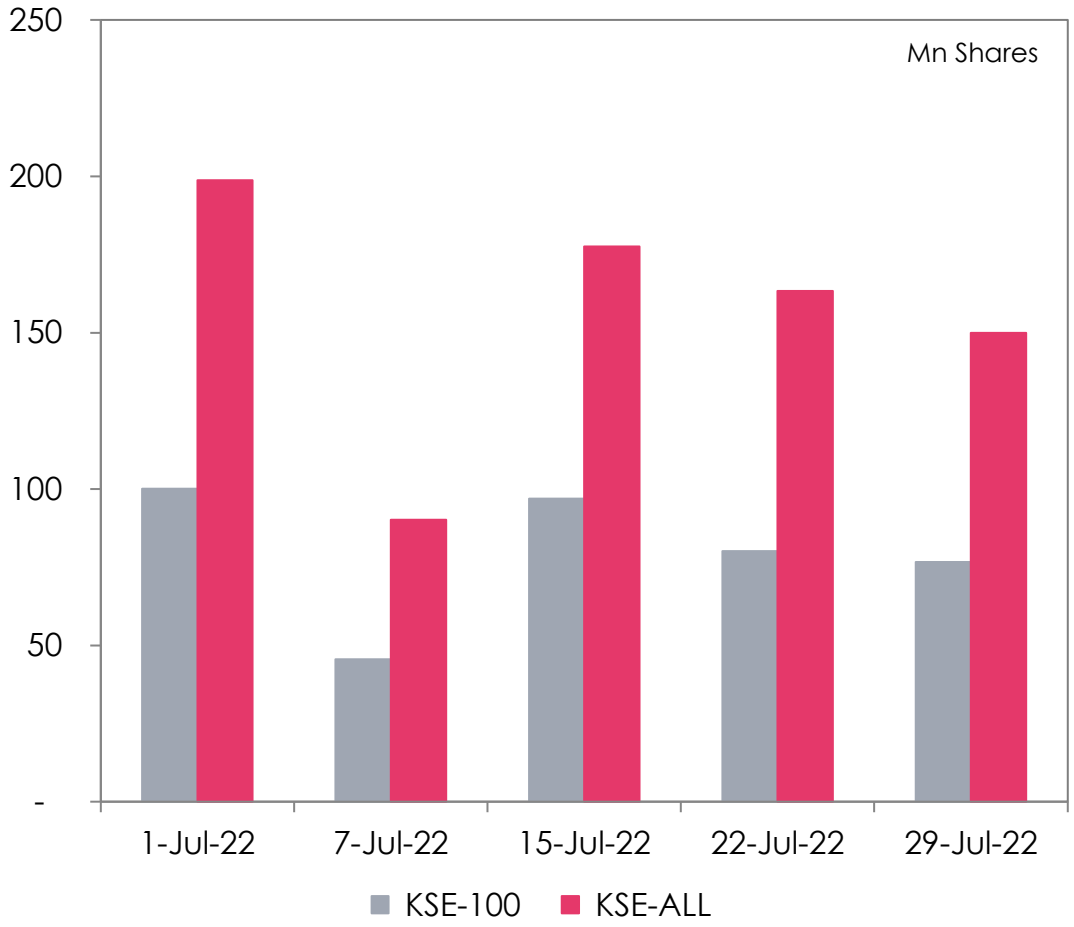
Top 10 Positive Contributors	Index Points
TRG	132.40
LOTCHEM	51.13
POL	46.87
BAFL	46.17
HBL	29.82
SYS	28.03
FABL	23.09
MCB	22.72
MEBL	19.72
AVN	14.90

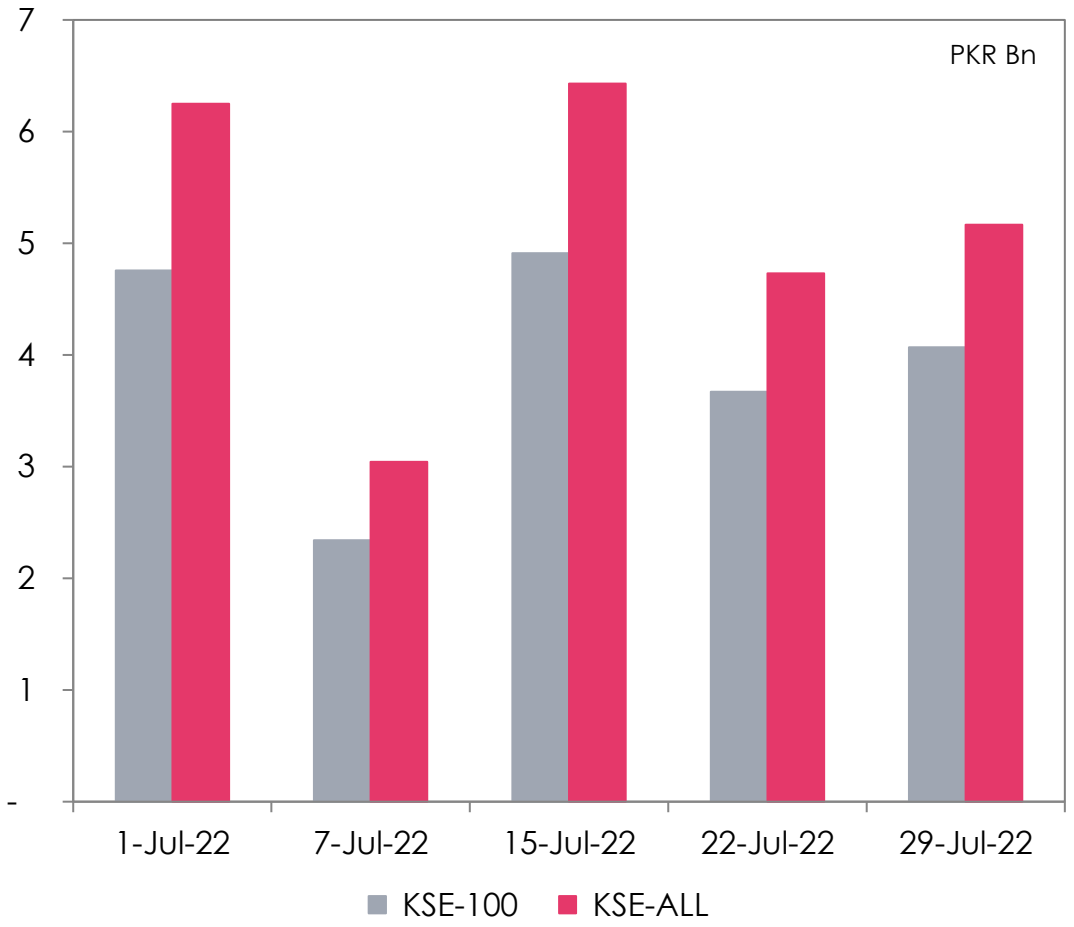
Top 10 Negative Contributors	Index Points
EFERT	(88.29)
ENGRO	(84.40)
INDU	(45.32)
FFC	(43.82)
THALL	(26.91)
HUBC	(23.33)
LUCK	(20.10)
DGKC	(15.93)
MTL	(9.13)
PSMC	(9.00)

Source: PSX , Next Research

Average volume down 8% w/w

Average value traded up 9% w/w

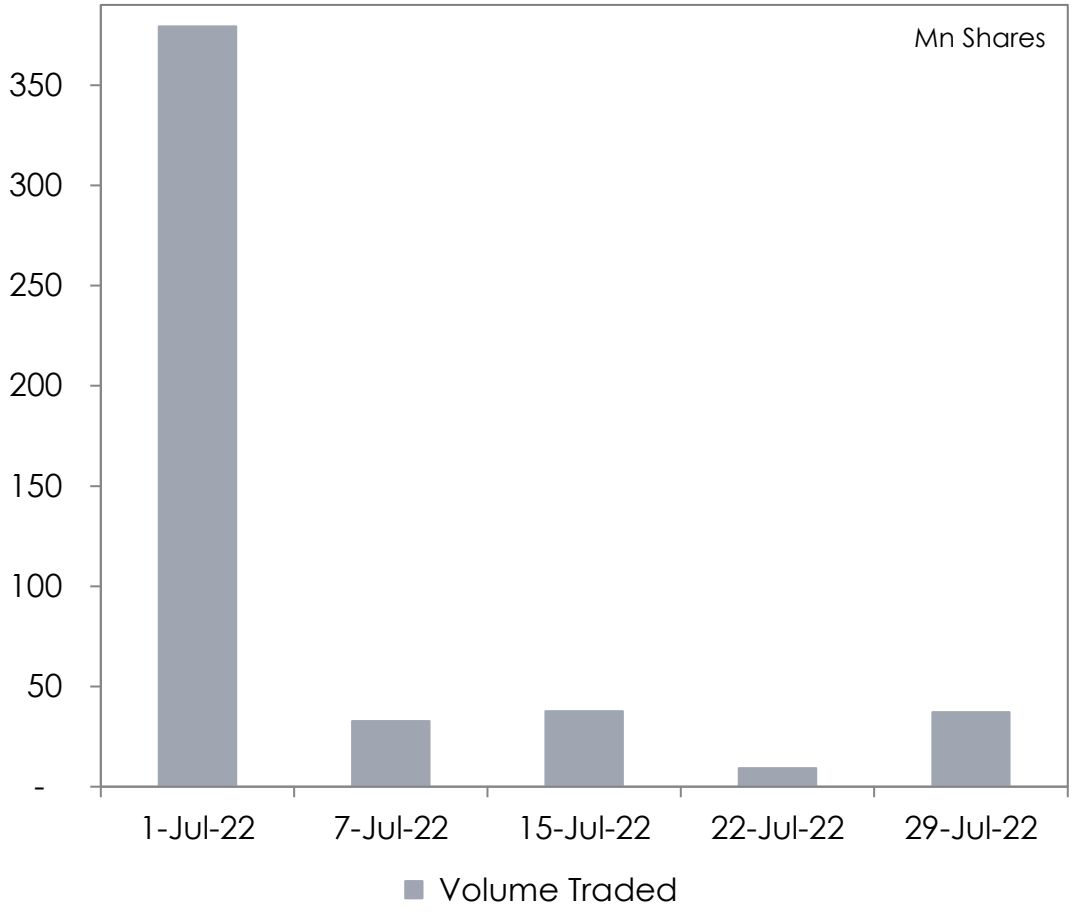


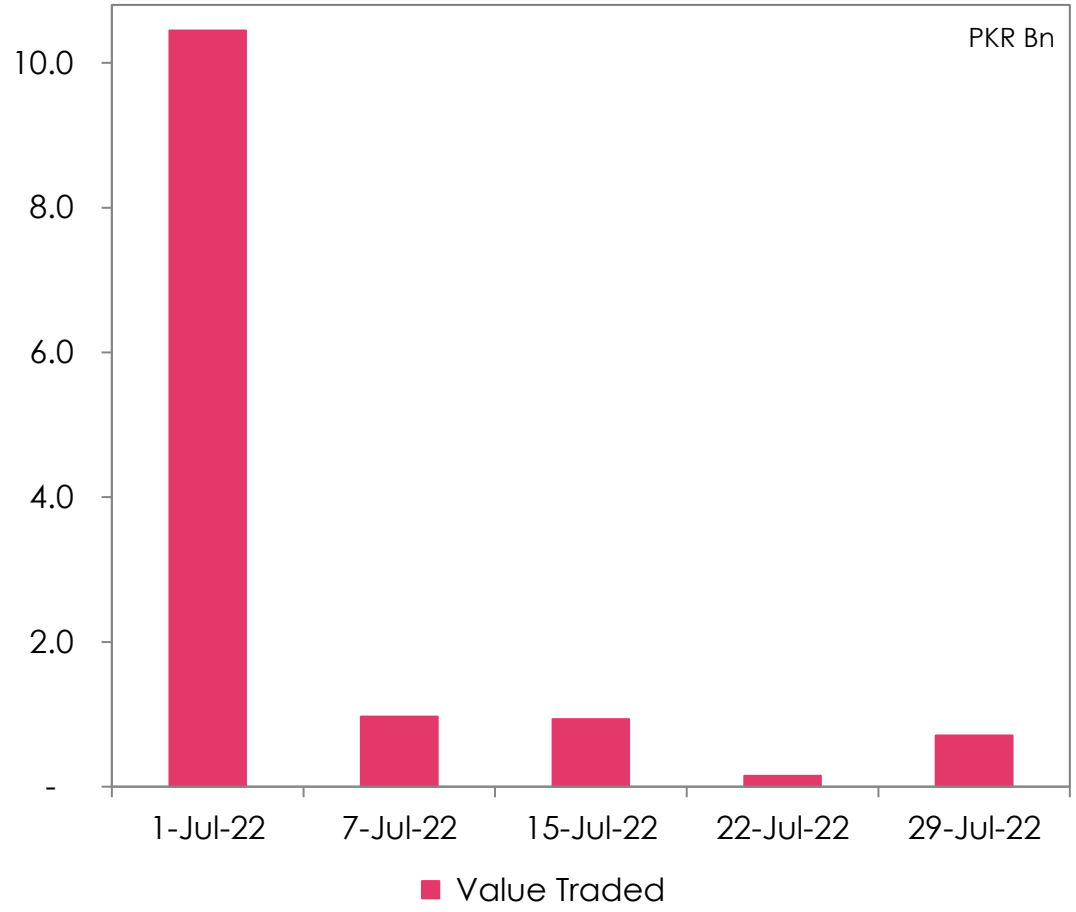


Source: PSX , Next Research

Off-market volume was 37mn shares during the week

Off-market value traded was PKR0.7bn during the week

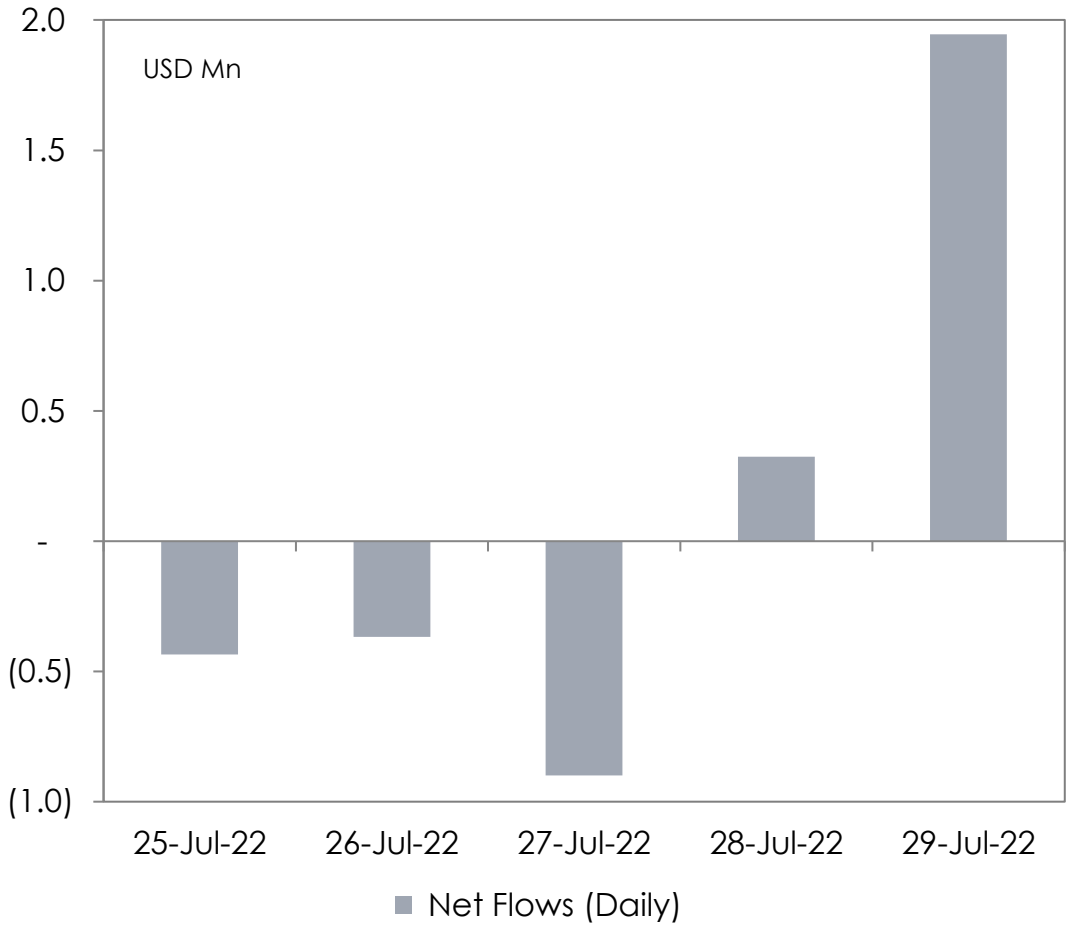


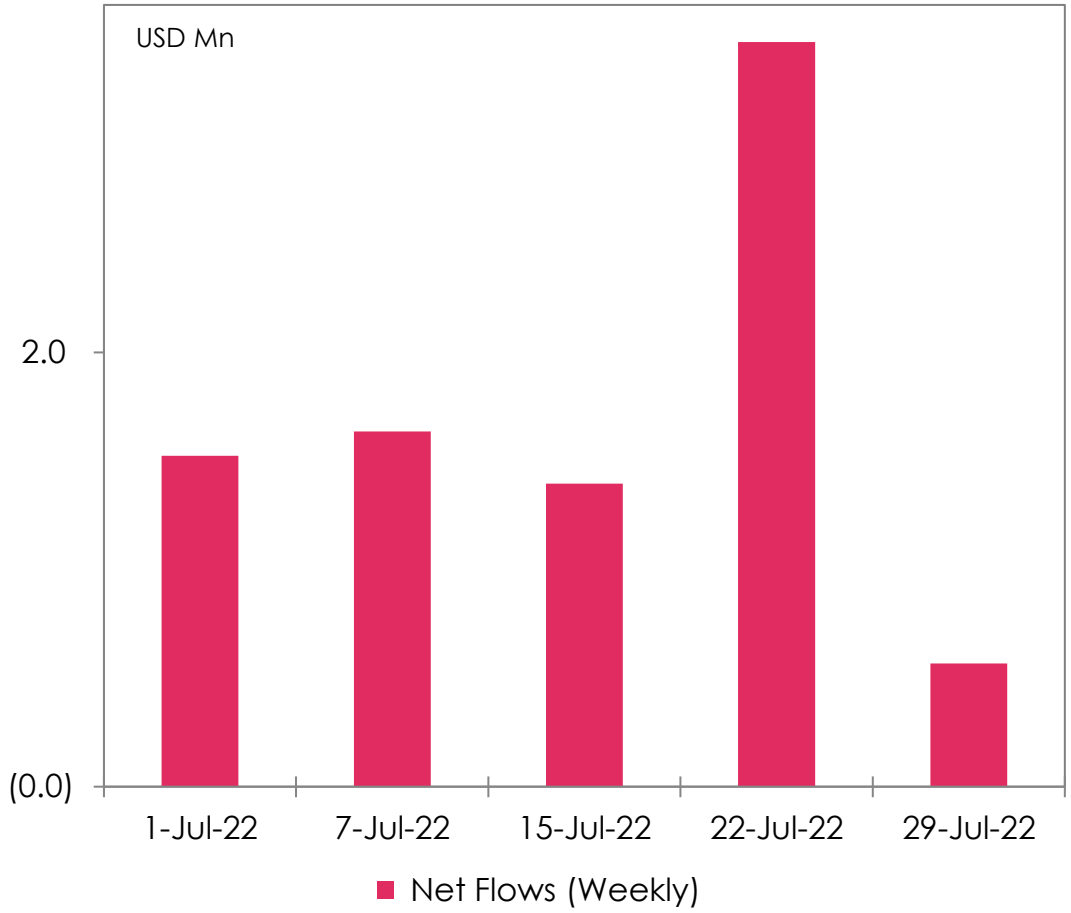


Source: PSX , Next Research

Foreigners were buyer during the week

Foreign buying stood at USD0.6mn during the week





Source: NCCPL , Next Research

Individuals were the largest net sellers

Banks emerged as the largest net buyers

Weekly Net Flows (USD Mn)	FIPI	Individuals	Banks	Companies	M. Funds	Brokers	Others	Insurance	NBFC
All other Sectors	(1.3)	(0.0)	2.4	(0.1)	(0.5)	(0.3)	0.3	(0.5)	(0.0)
Cement	(1.0)	0.6	(0.0)	0.1	0.2	0.1	(0.1)	0.2	(0.0)
Commercial Banks	(1.5)	0.1	0.1	2.2	(0.1)	(0.1)	(0.0)	(0.6)	(0.0)
Fertilizer	0.3	(0.6)	0.5	(0.3)	(0.1)	0.1	(0.1)	0.1	0.0
Consumers	0.0	0.2	0.0	(0.2)	0.1	(0.1)	(0.0)	(0.0)	(0.0)
Oil and Gas Exploration	0.4	1.0	(0.3)	0.9	(1.0)	(0.1)	(0.3)	(0.7)	0.0
Oil and Gas Marketing	0.2	(0.4)	0.3	0.1	0.0	(0.1)	(0.0)	0.0	0.0
Power	(0.2)	0.2	0.1	(0.0)	(0.1)	0.0	(0.0)	0.0	0.0
Technology & Communication	3.0	(2.4)	(0.2)	(0.8)	0.9	(0.4)	(0.1)	0.0	(0.0)
Textile Composite	0.6	(0.7)	0.4	0.5	(0.1)	(0.3)	(0.1)	(0.3)	(0.0)
Total	**0.6**	**(2.0)**	**3.3**	**2.4**	**(0.7)**	**(1.2)**	**(0.5)**	**(1.8)**	**(0.0)**

Source: NCCPL , Next Research

Major News

S&P downgrades outlook on Pakistan's long-term ratings to 'negative'

- **S&P downgrades outlook on Pakistan's long-term ratings to 'negative' (Dawn):** After Moody's and Fitch, the S&P Global Ratings on Thursday revised the outlook on Pakistan's long-term ratings to negative from stable. (Friday)
- **Rupee closes near 240 against US dollar (BR):** Pressure due to import payments and the government's reported inability to intervene resulted in the rupee falling further against the US dollar on Thursday with the local currency closing near 240, another record low in the inter-bank market on Thursday. (Friday)
- **Critical level: SBP-held foreign exchange reserves down $754mn, now stand at $8.58bn (BR):** Foreign exchange reserves held by the State Bank of Pakistan (SBP) declined a further $754 million, clocking in at $8.58 billion during the week ended July 22, 2022, a fall attributed "mainly to external debt and other payments". (Friday)
- **Govt to sell SOEs' shares to friendly countries with buyback option (Dawn):** Miftah Ismail said the govt was amending the laws to enable the sale of shares of listed state-owned entities with a buyback option to friendly countries on a G2G basis & help bridge a part of $4bn financing gap estimated by the IMF for the current FY. (Thursday)
- **T-bill yields remain unchanged (The News):** The government raised Rs1.0 trillion through an auction of the Market Treasury Bill, while the yields on all papers stayed flat. The raised amount was higher than the pre-auction target of Rs650 billion. (Thursday)
- **Current account deficit jumps to 4-year high in FY22 (The News):** he current account deficit surged to a 4-year high of $17.4 billion in the last fiscal year of 2021-22, data from the central bank showed on Wednesday, as the soaring cost of energy imports widens the shortfall. (Thursday)
- **$5bn medium-term target eyed; Pakistan (BR):** Pakistan and Turkiye are all set to sign the long-awaited agreement on trade in goods during the forthcoming visit of Turkish Minister for Trade within a couple of weeks, aimed at achieving strategic goal of bilateral trade of $5 billion in the medium-term. (Thursday)
- **Fitch, Moody's expect Pakistan to get $1.2bn from IMF (The News):** Pakistan is expected to secure $1.2 billion from the International Monetary Fund, which may help ease pressure on the nation's currency and bonds, according to Fitch Ratings and Moody's Investor Service. (Thursday)
- **Power supply to export sectors at low rates: More funding contingent on IMF's consent, ECC told (BR):** The Finance Division has conveyed to the ECC of the Cabinet that additional funding requirement for providing electricity at concessionary rates to the export-oriented sectors would be contingent to the IMF consent. (Wednesday)
- **China keen to explore Pakistan's dairy sector for mutual benefits (The News):** Cooperation between China and Pakistan on dairy industry and multifarious demands for high-quality dairy products in China would provide a contemporary path of development for Pakistan's domestic dairy sector. (Wednesday)
- **ICI Pakistan plans to acquire 75pc stake in Lotte Chemical (The News):** ICI Pakistan Ltd., a company held by Lucky Cement, has announced intention to acquire approximately 75.01 percent shares of Lotte Chemical Pakistan Limited, a chemical company, a notification revealed on Monday. (Tuesday)
- **MPMG scheme: conditional lending allowed (BR):** The federal government has conditionally allowed banks and financial institutions to disburse financing under Mera Pakistan Mera Ghar (MPMG) housing finance scheme for approved cases. (Tuesday)
- **Pakistan to receive IMF tranche by August end: Miftah Ismail (MG):** Finance Minister on Monday said that Pakistan is expected to receive the next tranche of IMF by end of August after IMF's board meeting on Aug 24. (Tuesday)
- **Country likely to buy Iranian LPG in PKR (BR):** Pakistan is likely to strike a deal with Iran for purchase of Liquefied Petroleum Gas (LPG) in Pak Rupees as Tehran is already considering Pakistan's proposal, well informed sources in Commerce Ministry told Business Recorder. (Monday)
- **Pakistan not among most vulnerable countries: SBP (BR):** Acting Governor SBP said that economically Pakistan is not among the most vulnerable countries in the world & the capable team of the central bank is engaged with global institutions to overcome the present adversities in the international economic environment. (Monday)

Commodities

WTI increases 4.3% WoW

Commodity	Unit	08-Jul-22	15-Jul-22	22-Jul-22	29-Jul-22
WTI	bbl	98	95	95	99
Brent	bbl	113	109	103	108
Arab Light	bbl	112	108	109	112
Coal	MT	352	344	337	335
Natural Gas	mmbtu	6.0	7.0	8.3	8.2
PVC	MT	1,150	1,100	1,050	1,050
Ethylene	MT	1,035	1,005	1,035	1,035
PTA	MT	965	820	870	870
Urea	MT	690	580	500	500
DAP	MT	810	800	780	780

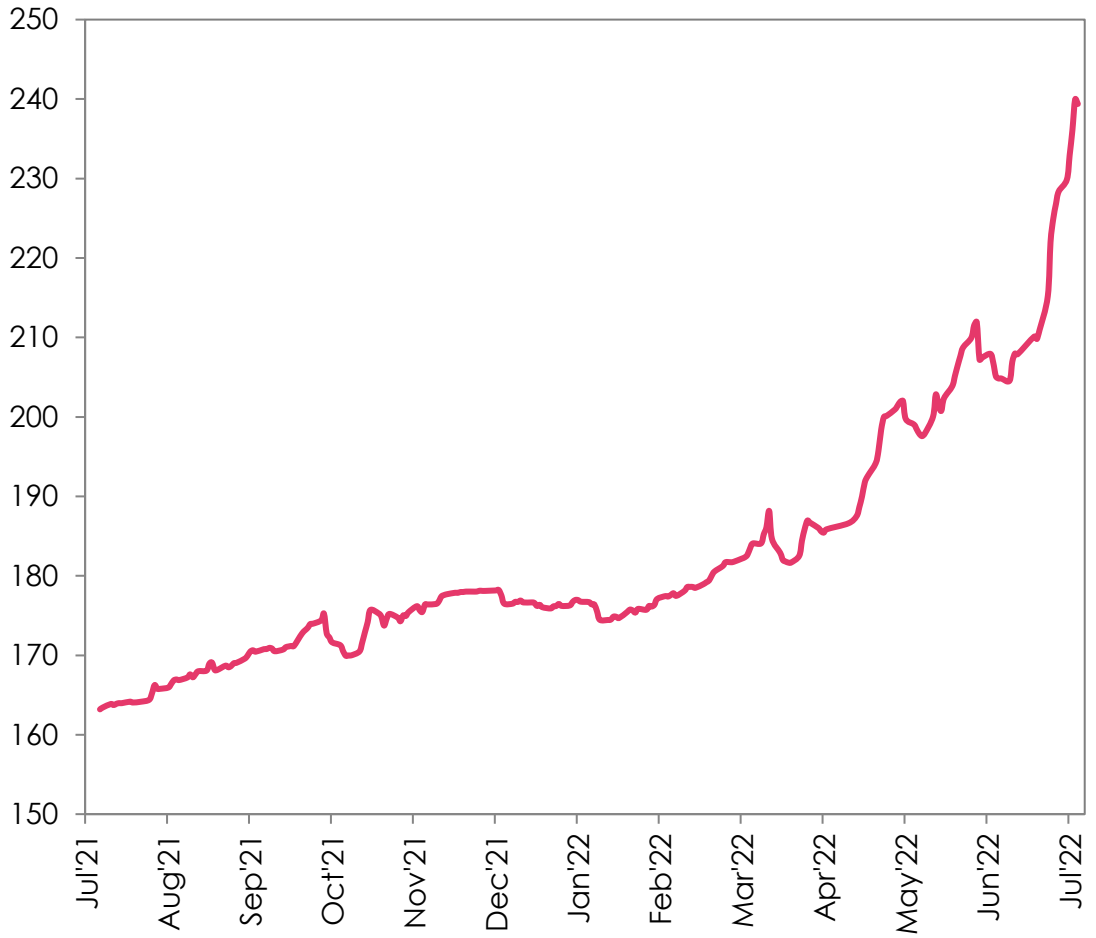
Commodity	Unit	08-Jul-22	15-Jul-22	22-Jul-22	29-Jul-22
Cotton	lb	96	89	91	97
Gold	Ounce	1,742	1,708	1,728	1,761
Silver	Ounce	19	19	19	20
Aluminum	MT	2,437	2,343	2,476	2,456
Copper	lb	3.5	3.2	3.3	3.5
Iron Ore	MT	114	104	105	107
CRC	MT	735	711	645	658
HRC	MT	657	640	590	588
Skim Milk	MT	4,220	4,220	3,785	3,785
Rubber	KG	161	156	156	159

Source: Bloomberg , Next Research

Currencies

PKR depreciated against USD

Currency	30-Jun-22	7-Jul-22	15-Jul-22	22-Jul-22	29-Jul-22
PKR / USD	204.85	207.91	210.95	228.38	239.37
PKR / EUR	213.81	212.07	211.58	231.97	244.81
PKR / GBP	248.78	248.97	249.64	273.28	292.29
PKR / JPY	1.50	1.53	1.52	1.66	1.80
PKR / CAD	158.65	159.91	160.81	177.51	187.10
PKR / AUD	140.90	141.83	141.92	150.10	168.10

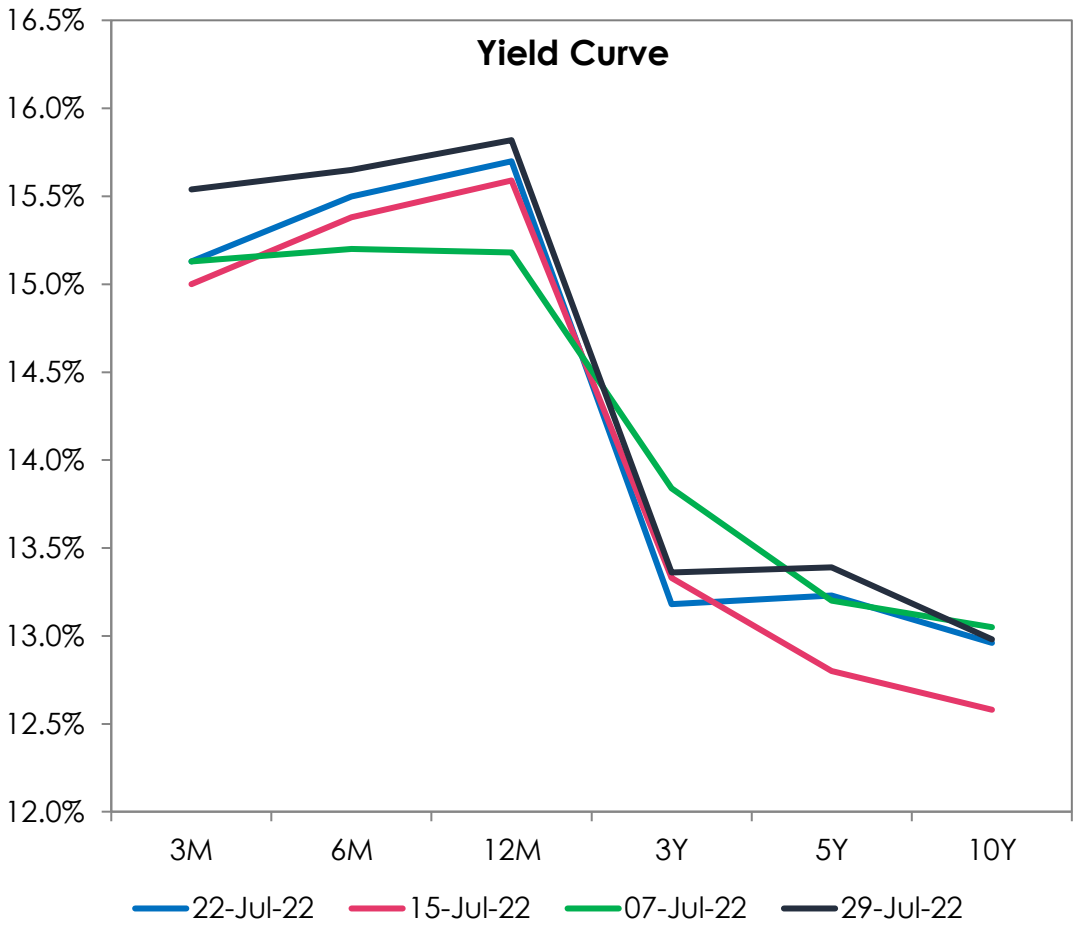


Source: SBP , Next Research

Economic Indicators

Monetary aggregates

	Apr-22	May-22	Jun-22	Jul-22*
Discount Rate	13.3%	14.8%	14.8%	15.0%
Policy Rate	12.3%	13.8%	13.8%	14.0%
6M KIBOR	14.8%	14.7%	15.4%	15.8%
CPI	13.4%	13.8%	21.3%	n/a
CPI – NFNE Urban	9.1%	9.7%	11.5%	n/a
M2 – Growth YoY	14.2%	14.8%	10.4%	n/a
CIC – Growth YoY	15.9%	10.4%	10.6%	n/a
NDA – Banking Growth YoY	19.4%	21.0%	16.9%	n/a
NFA – Banking Growth YoY	-230.2%	-276.9%	-198.9%	n/a
Private Sector Credit Growth YoY	22.2%	23.1%	18.9%	n/a
Govt. Borrowing W/ SBP Growth YoY	0.4%	17.7%	-3.7%	n/a



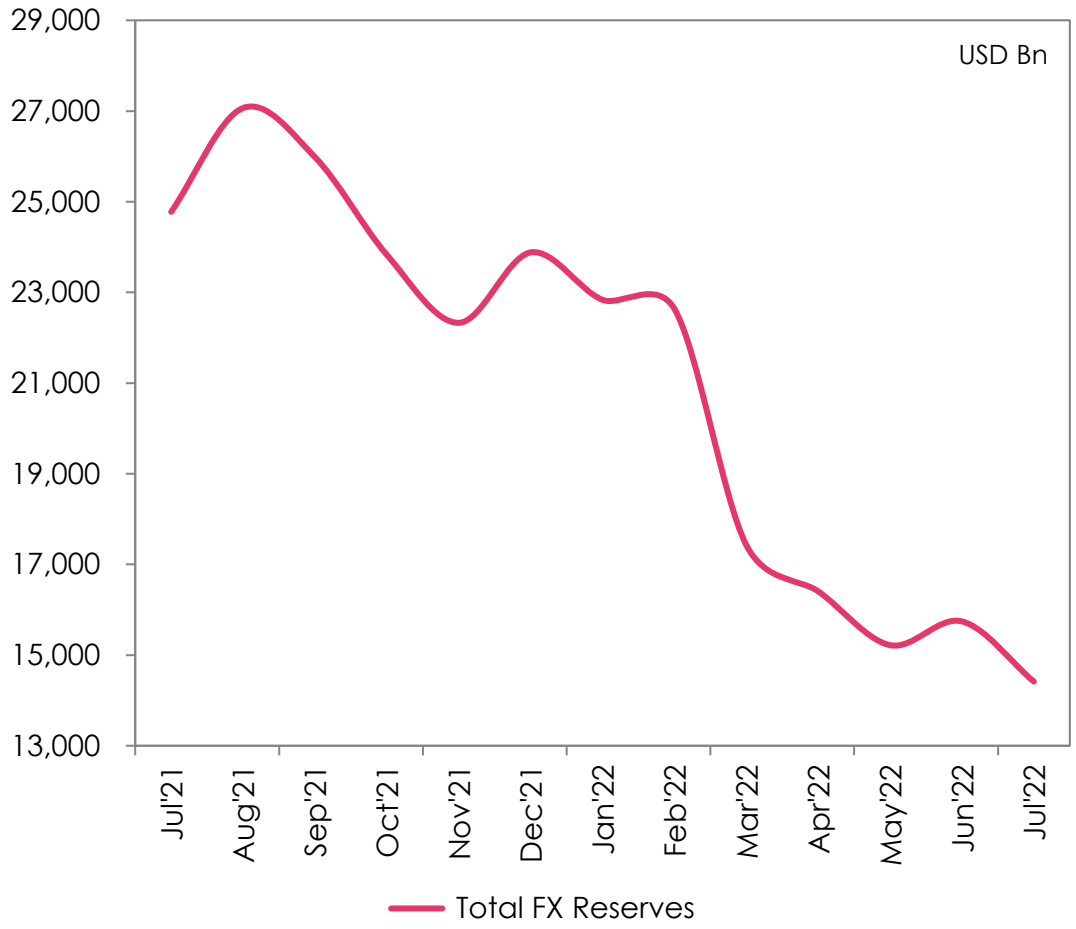
Latest Number Available

Source: SBP, PBS, Next Research

Economic Indicators

External account

USD Million	Mar-22	Apr-22	May-22	Jun-22
Current Account	-1,015	-618	-1,430	-2,275
Financial Account	-3,618	-194	-206	-2,780
Balance of Payment	-4,609	-708	-1,130	-634
FDI	24	171	107	-237
Remittances	2,810	3,125	2,333	2,761
Commodities Exports – SBP	3,071	3,150	2,482	3,118
Commodities Imports – SBP	6,247	5,997	5,559	7,038
Trade Balance – SBP	-3,176	-2,847	-3,077	-3,920
Exports – PBS	2,782	2,897	2,626	2,918
Imports – PBS	6,425	6,679	6,777	7,880
Trade Balance – PBS	-3,643	-3,782	-4,151	-4,962



Source: SBP, PBS, Next Research

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Annexure

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