

Market Summary						
Index Level (% Change)	02-Aug	1d Δ	1m Δ	3m Δ	6m Δ	12m Δ
KSE 30	15,248	0.4%	-3.9%	-11.9%	-14.5%	-19.7%
KSE 100	40,192	0.3%	-3.5%	-11.2%	-11.4%	-15.3%
KSE All Share	27,898	0.2%	-2.5%	-9.3%	-10.0%	-13.9%

Equities	Avg. Volume(mn shares)			Avg. Value (PKR mn)		
	1d	1m Avg.	6m Avg.	1d	1m Avg.	6m Avg.
KSE 30	60	55	60	3,548	3,618	3,873
KSE 100	79	89	96	4,168	4,465	4,811
KSE All Share	218	182	217	6,326	5,874	6,553

Portfolio inv (USD mn)						
	02-Aug	1m	3m	6m	12m	CYTD
FIPI Net	(0.1)	7.6	(12.6)	(42.0)	(264.0)	(39.9)
LIPI Net	0.1	(7.6)	12.6	42.0	264.0	39.9
Ind.	0.2	7.4	39.7	89.2	155.6	94.2
Banks/DFIs	0.4	7.1	43.6	57.3	110.6	88.6
Co's	0.1	4.4	26.4	39.0	105.6	55.1
M.Funds	(0.5)	(13.7)	(47.0)	(84.8)	(137.7)	(130.1)
Brokers	0.1	(3.9)	(6.3)	(8.8)	(16.3)	(10.8)
Others	0.0	2.4	12.7	21.1	56.7	19.8
Ins.	(0.3)	(11.6)	(54.3)	(69.7)	(13.2)	(75.6)
NBFC	0.0	0.2	(2.2)	(1.3)	2.7	(1.2)

Sector wise FIPI LIPI (USD mn)	FIPI	Ind.	Banks	M.Funds	Ins.	Other
Gross Buy	1.9	26.5	0.8	1.3	0.0	8.9
Gross Sell	(2.1)	(26.3)	(0.4)	(1.8)	(0.3)	(8.6)
All other Sectors	0.0	0.2	(0.0)	(0.1)	0.0	(0.1)
Cement	(0.1)	(0.2)	0.0	0.2	0.0	0.1
Commercial Banks	(0.1)	0.3	0.2	(0.4)	0.0	(0.0)
Fertilizer	0.0	(0.3)	0.2	0.1	0.0	0.0
Food and Personal Care	(0.0)	0.0	0.0	0.0	(0.0)	(0.0)
E&P Companies	(0.1)	0.1	0.0	(0.1)	0.0	0.1
OMC	0.1	(0.2)	0.1	0.0	0.0	0.0
Power Generation	(0.0)	0.0	0.0	(0.0)	0.0	(0.0)
Technology and Comm.	0.0	0.1	0.0	0.1	0.0	(0.3)
Textile Composite	(0.0)	0.1	(0.0)	(0.1)	(0.3)	0.4
Total	(0.1)	0.2	0.4	(0.5)	(0.3)	0.3

Commodities						
	US\$	1d	1m	3m	6m	12m
WTI (bbl)	94.1	-0.4%	-13.2%	-8.1%	6.7%	33.3%
Brent (bbl)	100.1	-0.4%	-11.8%	-4.6%	12.3%	38.3%
Arab Light (bbl)	110.2	0.0%	-6.7%	1.5%	21.0%	47.6%
Coal (m.tons)	320.4	0.0%	-6.8%	16.4%	85.9%	141.3%
Urea (m.tons)	545.0	0.0%	-21.0%	-24.8%	-37.3%	12.4%
DAP (m.tons)	780.0	0.0%	-3.7%	-17.9%	15.6%	26.8%
PVC (*m.tons)	1,000.0	0.0%	-16.7%	-30.6%	-25.9%	-23.1%
Ethylene (pounds)	1,005.0	0.0%	-4.7%	-20.6%	-2.0%	0.5%
Gold (t oz.)	1,769.4	0.5%	-2.1%	-5.3%	-1.8%	-2.3%
Cotton (lb)	95.4	0.6%	-2.1%	-24.4%	-6.8%	17.5%
Copper (lb)	349.9	-0.6%	-2.9%	-18.4%	-20.8%	-19.7%
Steel (tons)	823.0	0.0%	-11.5%	-39.9%	-30.3%	-55.3%
Skim Milk Powder (US\$/mt)	3,523.6	-6.9%	-20.1%	-21.7%	-11.6%	17.3%
Rubber (kg)	152.4	-0.4%	-7.2%	-7.1%	-12.7%	-9.6%
Iron (mt)	113.4	0.0%	-1.0%	-21.3%	-18.3%	-37.4%

Foreign Exchange						
	Rate	1d	1m	3m	6m	12m
PKR/USD	237.30	0.0%	16.1%	27.9%	34.2%	45.0%
PKR/GBP	290.87	0.0%	17.1%	24.8%	22.8%	27.0%
PKR/EUR	243.30	0.0%	13.7%	24.0%	23.5%	24.5%
PKR/JPY	1.82	0.0%	20.1%	27.0%	18.4%	20.5%

Interest rates (change in bps)						
	Rate %	1d Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1 YR	15.8	(2.0)	50.0	125.0	503.0	810.0
PKRV 3 YR	13.2	(12.0)	(21.0)	(4.0)	246.0	440.0
PKRV 5 YR	13.2	(10.0)	30.0	63.0	237.0	383.0
PKRV 10 YR	12.9	(1.0)	(1.0)	(3.0)	182.0	296.0

Board Meetings					
Company	Date	Time	Company	Date	Time
United Bank Ltd (UBL)	3-Aug-22	9:30 AM	Archroma Pak (ARPL)	27-Aug-22	12:00 PM
Lucky Cement (LUCK)	5-Aug-22	11:30 AM	Siemens Eng (SIEM)	27-Aug-22	3:00 PM
Unilever Foods (UPFL)	26-Aug-22	2:30 PM	Kot Addu Pow (KAPCO)	31-Aug-22	10:30 AM

Regional markets						
	Rate	1d Δ	1m Δ	3m Δ	6m Δ	12m Δ
SHCOMP- China**	3,199	0.4%	-5.6%	5.0%	-4.8%	-7.2%
SENSEX- India*	58,242	0.2%	10.1%	2.2%	-1.1%	8.2%
NIKKEI- Japan**	27,737	0.0%	6.9%	3.4%	2.4%	0.3%
DJIA- USA*	32,396	0.0%	4.2%	-2.2%	-8.5%	-7.7%
Heng seng- HK**	19,811	0.6%	-9.4%	-6.1%	-16.8%	-24.4%

\* Reading as of last day closing

\*\* Real time reading

Source: Bloomberg, PSX, NCCPL, Next Research

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## International

**Oil edges up ahead of OPEC meeting despite recession worries (Reuters):** Oil futures edged up less than 1% on Tuesday ahead of a meeting of OPEC+ producers this week that may not lead to a further boost in crude supply amid concerns a possible global recession could limit energy demand. Additional reporting by Muyu Xu in Singapore and Alex Lawler in London; Editing by Marguerita Choy, Mark Potter and David Gregorio. **(Neutral)**

## Economy


**Govt may sell off 5 to 10 MHz spectrum (The News):** The government is exploring options to sell off 5 to 10 megahertz (MHz) spectrum in an auction in order to fetch \$150 to \$300 million into the national kitty. Now two options are under consideration: either to sell off the remaining spectrum auction in the 2100 band in the range of 5 to 10 MHz at the last base price or convene Auction Advisory Committee (AAC) meeting and assign Pakistan Telecommunication Authority (PTA) to hire a new consultant to accomplish the required procedure and hold open bidding for auctioning the spectrum. One of the existing players has written a letter to government and asked for provision of 5 MHz at rate of approximately \$29 million per one MHz. "The cellular company has made a request to the federal government for granting 5-megahertz (MHz) spectrum at a fixed rate. However, the government convened Auction Advisory Committee (AAC) meeting under chairmanship of Minister for Finance Miftah Ismail on Wednesday (today) for taking final decision," said top official sources. **(Neutral)**

**After 22 months, exports tumble 24pc in July (Dawn):** The country's exports of merchandise entered a negative growth in July after 22 months when the economy recovered from the impact of Covid-19. The export proceeds fell 5.17 per cent to \$2.21 billion in the first month of the current fiscal year from \$2.34bn in the corresponding month last year, data from the Pakistan Bureau of Statistics showed on Tuesday. On a month-on-month basis, the export proceeds tumbled by 23.95pc indicating a downward trend in the export sector. Last time, the exports posted a negative growth of 14.75pc in August 2020. In FY22, for the first time, not only the export target was achieved but it exceeded the psychological barrier of \$30bn. Pakistan's exports remained below this level for the last decade. Pakistan's exports increased 26.6pc to \$31.845bn in the just-ended fiscal year, up from \$25.160bn a year ago. Exports grew 6.48pc to \$2.89bn in June, up from \$2.72bn in the previous year. **(Negative)**

**Business entities incorporated abroad; SBP introduces two separate categories of forex, PKR accounts (BR):** In order to facilitate the business entities incorporated abroad with majority shareholding of non-resident Pakistanis, the State Bank of Pakistan (SBP) has introduced two separate categories of foreign currency and Pak rupee accounts namely Foreign Currency Business Value Account (FCBVA) and Non-Resident Rupee Business Value Account (NRBVA). Accordingly, the SBP has amended the Chapter 6 and Chapter 8 of the Foreign Exchange Manual. Chapter 6 provides general instructions for opening and maintaining foreign currency accounts in Pakistan, while Chapter 8 sets out regulations for opening and maintaining non-resident rupee accounts in Pakistan. According to a circular, Authorized Dealers (ADs) may open FCBVA of the legal entities incorporated or registered abroad and majority (51 percent or more) owned and/or controlled by NRPs and/or non-resident POC holders. These entities could be companies, associations, foundations, Limited Liability Partnerships (LLPs), societies, Trusts, Waqfs and/or other similar legal arrangements. However, this will not include sole proprietorships or unregistered partnerships. **(Neutral)**

**SBP Slaps Rs. 131.4 Million Fine on 3 Major Banks (Pro Pak):** State Bank of Pakistan (SBP) has hammered three commercial banks with different penalties to the tune of Rs. 131.4 million in the quarter ended on June 2022 on account of enforcement action against the violations of its prescribed regulations. According to the notification, the central bank has imposed JS Bank a heavy penalty of Rs. 85.14 million on the violation of regulatory instructions pertaining to CDD/KYC, asset quality, FX, and general banking operations. Habib Bank Limited (HBL) has been imposed a penalty of Rs. 29 million for the violation of regulatory instructions pertaining to CDD/KYC. Bank of Punjab (BOP) was hammered with a penalty of Rs. 17.24 million for violation of regulatory instructions pertaining to CDD/KYC. The banking watchdog has advised these banks to strengthen their processes in the identified areas. **(Negative)**

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**‘SBP measures to stave off economic crisis’ (The News):** State Bank of Pakistan (SBP) acting governor Dr Murtaza Syed said the central bank has taken tough measures to help stave off an economic crisis and stabilise battered rupee. “The rupee would subside after these steps are implemented and the International Monetary Fund loan is received,” the governor told members of the Overseas Investment Chamber of Commerce and Industry (OICCI). The OICCI members met with Dr Syed, Inayat Hussain and Sima Kamil, deputy governors SBP for a discussion on urgent fiscal and monetary policy measures that need to be taken to help stabilize Pakistan’s economy. **(Neutral)**

**Trade deficit shrinks by 46.77% MoM in July: PBS (Mettis):** Pakistan’s merchandise trade deficit for the month of July 2022 clocked in at \$2.64 billion compared to a deficit of \$4.96bn in the preceding month, narrowed by 46.77% MoM, latest data issued by Pakistan Bureau of Statistics showed today. Compared to the same month last year, the trade deficit shrank by 18.4% from \$3.23bn, as imports decreased by 12% YoY to \$4.86bn. Meanwhile, the exports have dropped by 24% MoM to \$2.21bn compared to \$2.91n in June 2022. Similarly, on yearly basis, the exports moved down by 5.17% from \$2.34bn in July 2021. In terms of Rupees, exports from Pakistan during July 2022 amounted to Rs489.62bn as against Rs596.44bn in June 2022 and Rs373.41bn in July 2021, showing a decline of 17.91% over last month and 31.21% over the same period last year. **(Positive)**

**IMF official says country has met final pre-requisite (BR):** Pakistan has met all prior conditions for the combined 7th and 8th review under the Extended Fund Facility (EFF) programme and the International Monetary Fund (IMF) Executive Board meeting is tentatively planned for late August. This was confirmed by Esther Perez Ruiz, IMF resident representative in Pakistan, while releasing a statement Tuesday. After the Board’s approval, Pakistan will receive around \$1.177 billion. She stated, “With the increase in PDL on July 31, the last prior action for the combined 7th and 8th review has been met. The Board meeting is tentatively planned for late August once adequate financing assurances are confirmed”. The IMF team reached a staff-level agreement (SLA) with the Pakistan authorities last month for the conclusion of the combined seventh and eight reviews of the EFF-supported programme. The agreement is subject to approval by the IMF’s Executive Board. Subject to Board approval, about \$1,177 million (SDR 894 million) will become available, bringing total disbursements under the programme to about \$4.2 billion. **(Positive)**

#### **Sector / Company**

**Over Rs129bn PHL loans; MoF asks PD to engage lenders for rescheduling (BR):** The Finance Ministry has advised the Power Division to engage lenders for rescheduling of Rs129.310 billion loans of Power Holding Limited (PHL) as fiscal constraints do not allow it to pay the principal amount, well-informed sources told Business Recorder. According to the Finance Division, in pursuance of negotiations held with the IMF during the financial year 2019-20, the Power Division submitted a summary for the ECC regarding conversion/shifting power sector circular debt amounting to Rs 804 billion as public debt. The ECC in May 2020 approved the proposals of the Power Division with respect to repayment of principal installment of PHL’s debt converted to public debt during CFY 2022-23. **(Neutral)**

**Jul 2022 oil sales lowest since Feb 2021 (BR):** Pakistan oil sales commenced FY23 with a decline of 26 percent on month-on-month basis to clock in at 1.44 million tons in July 2022. The oil sales in July 2022 are the lowest since February 2021. This was mainly due to significant decline in all 3 petroleum products. High speed diesel (HSD) sales reduced by 38 percent on MoM to 444,000 tons, Motor Gasoline (MOGAS) sales declined by 15 percent on MoM to 594,000 tons and Furnace Oil (FO) sales dipped by 23 percent on MoM to 350,000 tons. Major reasons behind the decline in oil sales are Eid holidays during the first half of July where inter provincial transportation activity subsided which led to low HSD sales, and monsoon season across the country resulted in lower traffic on the roads, Saad Ziker at Topline Securities said. **(Neutral)**

**Cement sales plunge 47.7pc on construction slowdown (Dawn):** The country’s overall cement despatches – local sales and exports – declined by 47.7 per cent in July to 2.009 million tonnes, down from 3.899m tonnes a year ago. According to the data shared by the All Pakistan Cement Manufacturers Association (APCMA), local cement despatch fell 45.28pc to 1.88m tonnes in July 2021 from 3.44m tonnes in July 2021 due to monsoon rains and longer Eidul Azha holidays. Exports fell by 66pc to 153,517 tonnes in July from 452,777 tonnes a year ago. Cement mills in the North shipped 1.68m tonnes in July, a 44.3pc decrease from 3.02m tonnes in July 2021. South-based mills shipped 352,747 tonnes in July, a 59.53pc decrease from 871,601 tonnes a year ago. **(Neutral)**

**Pakistan's textile exports dip 10% in July as energy woes bite: APTMA (BR):** Pakistan's textile exports clocked in at a provisional \$1.54 billion, a drop of 10%, in July 2022 compared to \$1.71 billion in June 2022, stated the All Pakistan Textile Mills Association (APTMA) on Tuesday. On a yearly basis, textile exports were up 5%, compared to \$1.47 billion recorded in July 2021, showed the provisional data released by APTMA. In July 2022, the percentage of textile exports in total exports reached 66%, it added. "The decline in exports can be attributed to lack of energy supplies, which reduced textile export growth from double digits to single digits. If reliable and affordable supplies aren't made available, this could further contribute to negative growth in the ensuing months," said APTMA. **(Negative)**

**NBP Funds achieves another milestone (BR):** NBP Fund Management Limited (NBP Funds) announced that it had achieved a new milestone of managing over Rs 20,000 crores (Rs 200 billion) of investors’ savings as of July 31st, 2022. On the occasion, the CEO of NBP Fund Management Limited, Dr Amjad Waheed, said that NBP Funds is one of the largest and fastest growing asset management companies in Pakistan. Over a short span of 16 years it is now managing Rs 20,000 crores of investor’s savings which shows the trust of our investors in the company. We thank our customers for their continued support to NBP Funds, and will continue helping them achieve their financial goals with the largest nationwide sales network. **(Neutral)**

**Omani group interested in investing in railway, power projects of Pakistan (PT Pak):** Board of Investment (BoI) on Tuesday has claimed that an Omani group, which is interested in developing railway infrastructure in Pakistan, is ready to invest at least \$2.3 billion on the 1,087 Km railway line between Gwadar and Jacobabad. As per officials at the BoI, the disclosure of the foreign group’s intention to invest in the railway project was made during a meeting between them and Federal Minister of BoI Chaudhary Salik Hussain here on Tuesday. The Omani delegation was led by Dr. Anwar Al Balushi Chairman, Al Anvwar Asian Investments LLC, Syed Najam Saeed, CEO RAILCOP and Tauseef Zaman, CEO Bil Pakistan. **(Neutral)**

