

Market Summary

Index Level (% Change)	03-Aug	1d Δ	1m Δ	3m Δ	6m Δ	12m Δ
KSE 30	15,570	2.1%	-2.1%	-10.3%	-13.3%	-18.7%
KSE 100	41,069	2.2%	-1.3%	-9.2%	-10.1%	-14.0%
KSE All Share	28,429	1.9%	-0.6%	-7.6%	-8.9%	-12.8%

Equities	Avg. Volume(mn shares)			Avg. Value (PKR mn)		
	1d	1m Avg.	6m Avg.	1d	1m Avg.	6m Avg.
KSE 30	93	55	60	5,730	3,609	3,878
KSE 100	146	90	97	7,378	4,471	4,819
KSE All Share	333	183	218	9,031	5,873	6,555

Portfolio Inv (USD mn)

	03-Aug	1m	3m	6m	12m	CYTD
FIPI Net	(0.7)	6.5	(13.3)	(41.9)	(265.5)	(40.7)
LIPI Net	0.7	(6.5)	13.3	41.9	265.5	40.7
Ind.	0.1	9.1	38.1	84.3	157.1	94.3
Banks/DFIs	(0.7)	0.8	42.8	55.6	108.7	87.9
Co's	0.1	4.0	27.1	38.4	104.6	55.2
M.Funds	0.9	(11.5)	(45.4)	(77.3)	(136.1)	(129.2)
Brokers	1.2	(1.6)	(1.1)	(7.5)	(15.1)	(9.6)
Others	(0.8)	1.3	8.2	18.9	56.0	19.0
Ins.	(0.0)	(8.7)	(54.1)	(69.2)	(12.1)	(75.7)
NBFC	0.0	0.2	(2.2)	(1.3)	2.5	(1.1)

Sector wise FIPI LIPI (USD mn)	FIPI	Ind.	Banks	M.Funds	Ins.	Other
Gross Buy	3.1	39.6	1.7	3.5	0.4	13.7
Gross Sell	(3.9)	(39.5)	(2.5)	(2.6)	(0.5)	(13.2)
All other Sectors	0.1	0.0	(0.2)	0.3	(0.0)	(0.3)
Cement	(0.2)	(0.7)	(0.1)	1.0	(0.2)	0.2
Commercial Banks	(0.6)	(0.1)	0.1	0.1	0.2	0.3
Fertilizer	(0.1)	0.5	(0.0)	(0.2)	0.0	(0.2)
Food and Personal Care	(0.0)	(0.0)	(0.0)	(0.1)	0.0	0.2
E&P Companies	(0.3)	0.1	(0.1)	(0.1)	(0.0)	0.4
OMC	0.2	(0.3)	(0.0)	0.1	(0.0)	0.1
Power Generation	0.1	0.2	(0.1)	(0.1)	0.0	(0.1)
Technology and Comm.	0.0	0.3	(0.1)	0.1	0.0	(0.3)
Textile Composite	0.0	0.2	(0.2)	(0.3)	(0.1)	0.3
Total	(0.7)	0.1	(0.7)	0.9	(0.0)	0.5

Commodities

	US\$	1d	1m	3m	6m	12m
WTI (bbl)	91.0	0.3%	-8.6%	-15.6%	3.1%	33.5%
Brent (bbl)	97.0	0.2%	-5.6%	-11.9%	8.4%	37.8%
Arab Light (bbl)	109.3	0.0%	-9.3%	-6.3%	20.0%	48.0%
Coal (m.tons)	311.0	0.0%	-9.9%	3.8%	77.2%	132.6%
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.)	1,772.0	0.4%	0.4%	-5.8%	-1.9%	-2.2%
Cotton (lb)	93.8	-0.6%	0.4%	-27.7%	-8.8%	15.1%
Copper (lb)	345.4	-0.4%	1.1%	-20.4%	-22.8%	-19.9%
Steel (tons)	819.0	0.0%	-11.1%	-41.1%	-31.5%	-56.2%
Skim Milk Powder (US\$/mt)	3,523.6	-1.7%	-20.1%	-17.2%	-13.0%	15.7%
Rubber (kg)	151.3	-0.5%	-6.9%	-8.0%	-13.3%	-11.0%
Iron (mt)	110.1	0.0%	-3.1%	-22.9%	-21.3%	-39.7%

Foreign Exchange

	Rate	1d	1m	3m	6m	12m
PKR/USD	237.30	0.0%	15.8%	27.9%	34.2%	45.1%
PKR/GBP	277.17	0.0%	12.2%	19.2%	17.1%	21.2%
PKR/EUR	231.82	0.0%	9.3%	18.3%	17.7%	18.8%
PKR/JPY	1.70	0.0%	12.0%	19.1%	11.0%	12.8%

Interest rates (change in bps)

	Rate %	1d Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1 YR	15.8	1.0	51.0	126.0	503.0	811.0
PKRV 3 YR	13.3	3.0	(18.0)	(1.0)	251.0	445.0
PKRV 5 YR	13.3	4.0	34.0	67.0	241.0	387.0
PKRV 10 YR	12.9	1.0	0.0	(2.0)	182.0	297.0

Board Meetings

Company	Date	Time	Company	Date	Time
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
Archroma Pak (ARPL)	27-Aug-22	12:00 PM			

Regional markets

	Rate	1d Δ	1m Δ	3m Δ	6m Δ	12m Δ
SHCOMP- China**	3,168	0.1%	-7.0%	4.0%	-5.7%	-8.9%
SENSEX- India*	58,625	0.5%	10.1%	5.3%	-1.6%	7.8%
NIKKEI-Japan**	27,871	0.0%	6.6%	3.9%	1.2%	1.0%
DJIA- USA*	32,813	0.0%	5.5%	-3.7%	-7.9%	-5.7%
Heng seng- HK**	20,043	1.4%	-8.2%	-4.0%	-15.8%	-24.2%

* Reading as of last day closing

** Real time reading

Source: Bloomberg, PSX, NCCPL, Next Research

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International

Oil falls to nearly 6-month lows after surprise U.S. crude, gasoline build (Reuters):

Oil prices slid about 4% on Wednesday to almost six-month lows, after U.S. data showed crude and gasoline stockpiles unexpectedly surged last week and as OPEC+ said it would raise its oil output target by 100,000 barrels per day (bpd). Brent crude futures settled down \$3.76, or 3.7%, at \$96.78 a barrel. That was its lowest settlement since Feb. 21. West Texas Intermediate (WTI) crude futures fell \$3.76, or 4%, to \$90.66, the lowest settlement since Feb. 10. The contract reached a session low of \$90.38 a barrel, weakest since Feb. 25. Both contracts seasawed during in the session. The premium for front-month Brent futures over barrels loading in six months' time is at a 3m low, indicating waning concern about tight supply. **(Neutral)**

Economy

China rolls over \$2bn loan for a year (The News):

China has rolled over \$2 billion loan in safe deposits for cash-strapped Pakistan's economy amid dwindling foreign exchange reserves, The News has learnt. Earlier, Pakistan's battered currency appeared robust as it closed at 229 against dollar compared with 240.50 on Tuesday, gaining Rs11.50. It was reported that some exchange companies were selling dollars as low as Rs218 in panic. "China has rolled over three SAFE deposits. The first deposit of \$500 million was due on June 27, 2022, the second \$500 million matured on June 29, 2022 and the third \$1 billion was due on July 23, 2022. China's State Administration Foreign Exchange (SAFE) deposits of \$2 billion have been rolled over for one year," a top official of the Finance Division confirmed while talking to The News here on Wednesday. So far in totality, China has rolled over a \$4.3 billion loan, including \$2.3 billion in commercial loans and now \$2 billion in SAFE deposits, making it possible for Islamabad for bridging the external financing gap with a whopping amount of \$35.9 billion for the current fiscal year. **(Positive)**

\$72m worth agreement signed with OPEC Fund (BR):

The government of Pakistan and the OPEC Fund for International Development (OPEC Fund) signed a financing agreement amounting to \$72 million for Mohmand Dam Hydropower Project (MDHP). The financing agreement was signed by Aftab Ahmad Khokher, Pakistan's Ambassador in Vienna and Dr Abdulhamid Alkhalifa, Director General, OPEC Fund on 15th June 2022 at Vienna, Austria, which has been declared effective as of 27th July 2022. The Mohmand Dam Hydropower Project is being co-financed by Saudi Fund for Development (SFD), Kuwait Fund for Development (KFD), Islamic Development Bank (IsDB), and OPEC Fund and will be completed by 2025. The signing of this agreement also reflects the confidence of International Financial Institutions in Pakistan's economy and its future. Mohmand Dam Hydropower Project is being constructed on Swat River in Mohmand district of Khyber-Pakhtunkhwa. **(Positive)**

Govt raises Rs298.5bn via PIBs (The News):

The government raised Rs298.5 billion through the auction of Pakistan Investment Bonds (PIBs), while yields on short-term papers fell slightly. The raised amount was higher than the pre-auction target of Rs175 billion. The cut-off yield on the three-year PIBs fell by 5 basis points (bps) to 13.95 percent. The yield on the five-year paper also declined 5 bps to 13.40 percent. The bids were rejected for 10-year paper. The bids not received for 15, 20 and 30 years' papers. Analysts expect the central bank's Monetary Policy Committee (MPC) to raise interest rates by 100-150 bps to 16 to 16.5 percent at its upcoming policy review due on August 22. The SBP is seen ramping up its fight against soaring inflation with a sharper rate hike in the coming review as forecasts indicate price pressure accelerating. The SBP hiked its benchmark interest by 125 basis points (bps) to 15 percent on July 7. The rates have been hiked by 525 bps this year. Since September 2021, the central bank has raised rates by 800 bps. **(Neutral)**

Service trade deficit doubles to \$5.2bn (Dawn):

The trade deficit in services more than doubled to \$5.2 billion during the previous fiscal year, with the June's figure coming in at around \$727 million, up nearly 150 per cent from a year ago. The export of services grew 17.2pc year-on-year in FY22 mainly driven by information technology, showed data released by the Pakistan Bureau of Statistics (PBS) on Wednesday. Service exports reached \$6.97bn in FY22 from \$5.9bn a year ago. The target was projected at \$7.5bn for FY22. In June, service exports grew 11.8pc to \$646m from \$578m a year ago. On a month-on-month basis, the exports increased by 30pc. Services export rose 9.2pc to \$5.94bn in FY21. The highest-ever growth in IT-related services pushed up the overall export figure. Services exports also include finance and insurance, transport and storage, wholesale and retail trade, public administration and defence sectors. **(Negative)**

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Sector / Company

OMCs, refineries to bear Rs15bn losses over exchange rate formula (The News): Oil marketing companies (OMCs) and refineries already mired in deep financial constraints would face almost Rs15 billion losses in next fifteen days due to altered exchange rate formula implemented by the government from August 1. The government changed the exchange rate formula from the last day of a fortnight to an average of two weeks, something that has irked both the OMCs and refineries, as the decision would lead to a loss of Rs9.8/litre on hi-speed diesel and Rs8.21/litre on mogas (petrol). Already crisis-stricken oil industry has warned the government that this financial burden would have an unimaginable impact on cash flows and the situation might lead to catastrophic disruption in the POL supply chain, a senior official in the Energy Ministry told The News. The oil industry would experience loss of Rs8 billion on petrol just because of the change in exchange rate formula and Rs9 billion damage on HSD till August 15, 2022. **(Negative)**

Engro Eximp, Excelerate Energy sign MoU to develop private RLNG sector (BR): Engro Eximp FZE, a subsidiary of Engro Corporation, announced today that it has entered into a Memorandum of Understanding (MoU) with Excelerate Energy, Inc. (NYSE: EE) (Excelerate), a leading provider of flexible LNG infrastructure solutions around the world, related to the development of a private sector gas marketing business in Pakistan. Under this MoU, both partners will jointly evaluate the possibility of establishing a regasified LNG (RLNG) marketing business with maximum participation from the country's private sector. This initiative has the potential to increase private company participation in Pakistan's LNG sector and enhance Pakistan's energy security by opening up new RLNG supply avenues for businesses and consumers. This endeavor comes at a point when the need for energy security has become a critical issue globally, and particularly for Pakistan, against the backdrop of current geopolitical dynamics. **(Neutral)**

Sindh CM launches 330MW coal-fired power project (BR): Sindh Chief Minister Syed Murad Ali Shah Wednesday said that with the launching of 330 MW Hubco power plant, we have successfully added 990 MW coal-fired power to the National Grid, which is not only our great success but is the realisation of Mohtarma Benazir Bhutto's dream of producing coal-fired energy to empower Pakistan with cheapest and indigenous source of energy. This he said while speaking at inaugural ceremony of 330 MW coal-fired power project of Hubco and its partners at Thar Coal Block-II. The ceremony was attended by Energy Minister Imtiaz Shaikh, SECMC, EPTL, TEL, TNPTL, CEMC, HBL - the partners in the project. Shah said that he was proud to participate in the ceremony to celebrate transmission of electricity from Thar Energy Limited utilizing Thar coal. He congratulated HBCO and its partners FFC and CMEC, and also the project team for completion of the project despite multiple challenges. Murad Ali Shah said that his government has always considered Thar to be cornerstone of Energy Security of Pakistan and has taken all necessary steps to ensure that the dream of Shaheed Mohtarma Benazir Bhutto is implemented. "Her vision has been vindicated as Thar coal prices are two to three times cheaper versus imported lignite while saving billions of dollars in foreign exchange," the CM said and added that the Sindh govt became major shareholder in first Thar coal mining company SECMC and also provided financial guarantee required by Chinese lenders to achieve financial close of the mine. **(Positive)**

Cement Prices Have Increase by Over 33% Since March (ProPakistani): The prices of cement increased by 33.16 percent during March-July, 2022, according to official documents of the Ministry of Industries and Production. There are 25 cement manufacturing companies in the country which are private entities and therefore, do not come under the control of the government. Cement prices usually fluctuate and are controlled by market forces of demand and supply. The Ministry of Industries and Production has convened various meetings with the representatives of the All Pakistan Cement Manufacturers Association (APCMA) to discuss the reasons behind the increase in cement prices. **(Neutral)**

Govt mulls unified feed gas price; urea to get affected (The News): Government would table a workable solution and proposal regarding provision of feed gas to the industry at a unified price. It was decided on Wednesday after inputs from fertiliser manufacturers that followed discussions with three relevant ministries. It is to be noted that currently gas was being supplied to the fertiliser plants under different policies, including petroleum policy, and fertiliser policy and some plants were getting RLNG-subsidised gas. On Wednesday, Federal Minister for Industries and Production Syed Murtaza Mahmud along with the Minister of State (Petroleum Division) Musadik Masood Malik held a meeting with fertiliser manufacturers on the pricing of feed gas to fertiliser plants. Seniors officials of the Ministry of Food Security and Research also attended the meeting. A representative of a fertiliser company, who attended the meeting said that input was taken from manufacturers on the fertiliser and gas feed pricing and other issues, as the government has decided to provide feed gas at unified prices. **(Neutral)**