

Bloodbath amid macroeconomic concerns

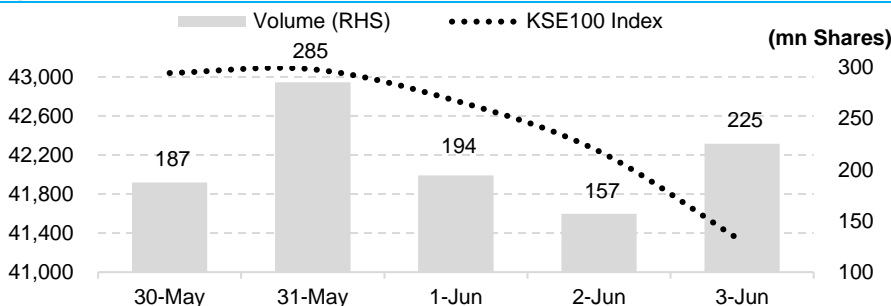
Following the decision of partial removal of subsidy on petrol and diesel, increasing the prices by PKR 30/liter each, market commenced on a positive note this week on hopes of resumption of IMF as these measures are deemed to be a pre-requisite for the Fund's approval for seventh review. As a result, Pak Rupee staged a recovery against the greenback (closing at PKR 197.92 this week). However, concerns over inflation (which reached a 28-month high of 13.8% in May'22) and uptick in government securities yields in T-Bill auction, dampened the sentiment at the index. Moreover, the jump in NSS rate (150bps) and the expected hike in power prices (PKR 7.91/unit) sent alarm bells ringing. Meanwhile, the last trading saw panic at the local bourse after Moody's Investors Service downgraded Pakistan's outlook from stable to negative while the announcement of another PKR 30/liter fueled inflationary concerns. The market closed at 41,315 points, shedding 1,547 points (down by 3.6%) WoW.

Sector-wise negative contributions came from i) Commercial Banks (363pts), ii) Cement (309pts), iii) Fertilizer (163pts), iv) Technology & Communication (124pts), and v) Chemical (93pts). Whereas, sectors which contributed positively was Vanaspati & Allied Industries (1pts). Scrip-wise negative contributors were LUCK (141pts), HBL (129pts), FFC (87pts), TRG (68pts) and EPCL (55pts). Meanwhile, scrip-wise positive contribution came from POL (13pts), ABOT (10pts), MARI (9pts), SCBPL (6pts) and COLG (6pts).

Foreign selling was witnessed this week, clocking in at USD 0.42mn compared to a net sell of USD 1.51mn last week. Major selling was witnessed in Banks (USD 4.2mn) and Cement (USD 0.4mn). On the local front, buying was reported by individuals (USD 5.6mn) followed by Companies (USD 5.6mn). Average volumes clocked in at 210mn shares (down 25% WoW) while average value traded settled at USD 30mn (down 23% WoW).

Other major news: i) July-May trade deficit widens 57.85pc to \$43.334bn, ii) Forex reserves decline by \$366m, iii) Urea Offtake Plunges by 10% in May iv) Petroleum sales jump 18pc in 11 months, and v) Japanese bike makers raise prices.

Figure: KSE100 Index and PSX Volume



Source (s): PSX, AHL Research

Outlook and Recommendation

The market is expected to remain range-bound given Federal Budget 2022-23 is anticipated to be announced on 10th Jun'22. The outcome of the budget presented will determine the market direction in the future. Moreover, the government may opt to roll-back the remaining subsidy on petrol and diesel next week, which may further ignite inflationary concerns. All said, one positive development which market be looking forward to is the inflow from Chinese banks (about USD 2.3bn) which, according to Finance Minister, is due shortly. Our preferred stocks are OGDC, PPL, MARI, HBL, MCB, UBL, MEBL, FABL, LUCK, MLCF, FCCL, ENGRO, FFC, HUBC, PSO, INDU and SNGP. The KSE-100 is currently trading at a PER of 4.1x (2022) compared to Asia Pac regional average of 12.4x while offering a dividend yield of ~9.6% versus ~2.7% offered by the region.

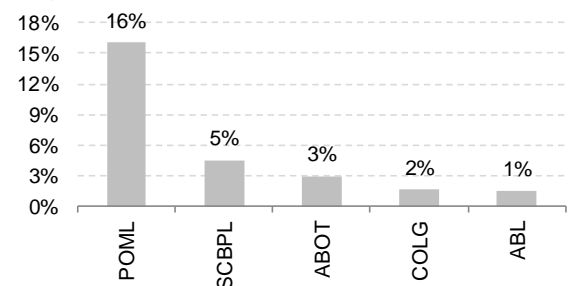
PSX Indices Performance

Index	Current	WoW (%)	CY22TD (%)
KSE100	41,315	(3.6)	(7.4)
KSEAll	28,470	(2.7)	(7.3)
KSE30	15,734	(3.3)	(10.1)
KMI30	66,851	(3.2)	(6.7)
BKTI	11,432	(3.7)	(11.4)
OGTI	10,707	(0.3)	(6.7)

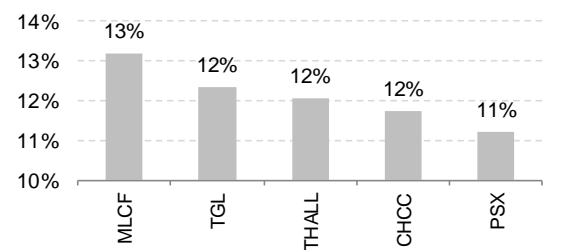
PSX Volume Leaders

	Avg. Vol. (mn)	Closing
SILK	23.2	1.4
PRL	17.0	17.4
CENERGY	11.0	5.2
PIBTL	10.3	5.9
TPLP	9.0	17.3

Major Gainers (KSE100 Index)



Major Losers (KSE100 Index)



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Business & Economic developments during the week.

Over Rs280bn additional burden to be passed on to consumers in three months (BR)

The government is to pass additional financial burden of over Rs 280 billion to the consumers as Fuel Cost Adjustment (FCA) in the next three months i.e. May and June and July 2022 in Discos due to unprecedented rise in fuel prices in the international market, along with load shedding, well informed sources in NEPRA told Business Recorder. The sources said, financial impact of FCA in February 2022 was Rs 38 billion, in March Rs 32 billion, Rs 52 billion in April, Rs 88 billion in May, Rs 95 billion in June and Rs 102 billion in July. The sources said, in February FCA was 4.94 per unit, Rs 3.16 per unit in March, Rs 4.05 per unit in May, Rs 6.32 per unit in May, Rs 6.22 per unit in June and Rs 6.05 per unit in July 2022.

Miftah says 'difficult to imagine buying Russian oil' (The News)

Finance Minister Miftah Ismail on Tuesday said the government has approached Russia and Ukraine to buy wheat, but Western sanctions have made any oil import impossible from Moscow. "...Russia is under sanctions and has not responded to the letter written to it by the previous government, but we have asked either Ukraine or Russia, whichever country can sell us wheat, we would be happy to buy wheat from them," said Ismail in an interview with CNN. Ismail said the previous PTI government wrote a letter to the Russian Federation, "which was never responded to". "Russia has also not offered us any oil. I mean it is difficult for me to imagine buying Russian oil." If Russia offers Pakistan oil at cheaper rates and there are no sanctions on the country to buy that oil, "sure, we'd consider that", he added.

202pc jump in private sector borrowing (Dawn)

The private sector borrowing from banks has gone up by over 200 per cent from July to May 20 of the current fiscal year, reflecting that the higher economic activities remained intact despite the change of government in Islamabad. During the last one month, from April 20 to May 20, the private sector borrowed Rs179 billion, more than the average monthly borrowing of Rs130bn. Despite political uncertainty during this period of one month, the growth in private sector credit offtake remained high.

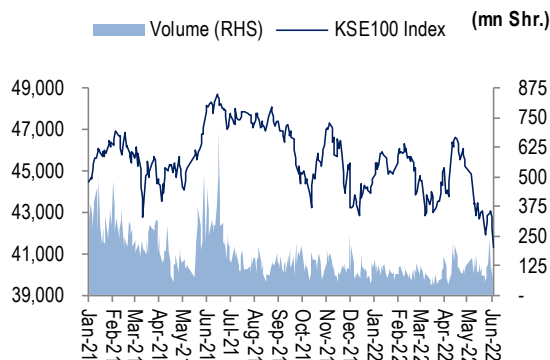
Trade gap swells to \$43b in Jul-May (Tribune)

Pakistan's trade deficit rose steeply to \$43.3 billion in 11 months of the current fiscal year with imports hitting the \$72 billion mark but the official foreign exchange reserves slipped to single digit, painting a dangerous picture of the external sector. Although exports crossed the annual target on the back of higher global commodity prices, the receipts proved insufficient to restrict the trade gap to manageable levels during the July-May period of current fiscal year, showed the trade summary released by the Pakistan Bureau of Statistics (PBS) on Thursday.

PBS expands basket of selected items (BR)

PBS has extended basket of selected items comprising 1,674 for construction of export indices and 3,311 items for import indices in rebasing trade statistics from FY91 to FY18. The current count was 632 and 1,124 for export and import indices respectively. PBS in its report "Methodology of Trade Indices Base Year 2017-2018", released on Wednesday stated that the Governing Council of Pakistan Bureau of Statistics in its 5th meeting in 2014 issued a policy directive to rebase the National Accounts after every 10 years.

PSX Volume & Index



Top Contributors in KSE100 Index

Companies Index Contribution

Bullish Companies

POL	12.5
ABOT	10.0
MARI	9.3
SCBPL	6.4
COLG	6.2
	44.5

Bearish Companies

LUCK	(141.4)
HBL	(129.0)
FFC	(86.8)
TRG	(67.7)
EPCL	(55.1)
	(480.0)

Sectors

Index Contribution

Bullish Sectors

Vanaspati & Allied Industries	1.3
Close - End Mutual Fund	0.3
Jute	0.0
Synthetic & Rayon	0.0
	1.6

Bearish Sectors

Commercial Banks	(362.5)
Cement	(309.1)
Fertilizer	(163.5)
Technology & Communication	(124.5)
Chemical	(93.4)
	(1,052.9)



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AHL Universe - Recommendation Summary

Code	Company	Price			Stance	EPS (PKR)			DPS (PKR)			P/E (x)		DY (%)		P/B (x)		ROE (%)		Indices	
		3-Jun-22	Dec-22	Upside (%)		2021	2022	2023	2021	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023		
Exploration & Production																					
PPL	Pakistan Petroleum Ltd.	64.9	159.3	145.5	Buy	19.3	26.3	27.0	3.50	4.50	5.00	2.5	2.4	6.9	7.7	0.4	0.3	17.1	15.4	KSE100, KSE30, KMI & MSCI	
OGDC	Oil and Gas Dev Co.	76.8	165.7	115.9	Buy	21.3	32.0	28.1	6.90	11.5	11.3	2.4	2.7	15.0	14.7	0.4	0.4	17.0	13.7	KSE100, KSE30, KMI	
POL	Pakistan Oilfields Ltd.	389.9	546.5	40.2	Buy	47.1	72.3	68.8	50.00	69.00	62.00	5.4	5.7	17.7	15.9	2.5	2.6	49.5	45.3	KSE100, KSE30, KMI & MSCI	
MARI	Mari Petroleum Ltd	1,645.2	2,522.8	53.3	Buy	235.7	304.0	353.2	141.00	182.00	212.00	5.4	4.7	11.1	12.9	1.7	1.5	32.8	33.4	KSE100, KSE30, KMI & MSCI	
Commercial Banks																					
UBL	United Bank Ltd.*	125.7	217.2	72.8	Buy	24.8	28.2	31.6	18.00	18.00	20.00	4.5	4.0	14.3	15.9	0.7	0.7	15.4	16.9	KSE100, KSE30 & MSCI	
BAFL	Bank Alfalah*	32.8	53.4	63.0	Buy	8.1	9.4	10.6	4.00	5.00	6.00	3.5	3.1	15.3	18.3	0.5	0.5	15.9	16.7	KSE100 & MSCI	
MCB	MCB Bank Ltd.*	131.9	236.3	79.2	Buy	26.3	30.9	35.2	19.00	22.00	25.00	4.3	3.7	16.7	19.0	0.8	0.7	19.2	20.0	KSE100, KSE30 & MSCI	
HBL	Habib Bank Ltd.*	96.7	184.7	91.0	Buy	23.9	29.3	33.2	7.50	9.00	10.00	3.3	2.9	9.3	10.3	0.5	0.4	14.4	14.7	KSE100, KSE30 & MSCI	
ABL	Allied Bank Ltd.*	72.0	114.6	59.1	Buy	15.3	18.4	20.3	8.00	9.00	10.00	3.9	3.5	12.5	13.9	0.6	0.5	15.2	15.4	KSE100	
NBP	National Bank of Pakistan.*	28.5	52.3	83.6	Buy	13.4	17.1	18.7	1.00	-	-	1.7	1.5	-	-	0.2	0.2	11.5	11.2	KSE100	
AKBL	Askari Bank Ltd.*	17.3	34.3	98.5	Buy	7.7	8.8	9.6	-	2.50	3.00	2.0	1.8	14.5	17.4	0.3	0.3	17.7	16.7	KSE100	
BOP	The Bank of Punjab*	5.7	12.9	124.6	Buy	4.2	4.5	5.0	-	1.00	1.50	1.3	1.1	17.5	26.2	0.2	0.2	21.4	20.1	KSE100	
MEBL	Meezan Bank Ltd.*	128.5	220.5	71.6	Buy	17.4	20.3	23.1	6.00	8.00	12.50	6.3	5.6	6.2	9.7	2.0	1.7	33.7	32.5	KSE100, KSE30 & KMI	
FABL	Faysal Bank Ltd.*	22.0	38.9	76.7	Buy	5.4	6.7	7.5	1.50	2.00	2.00	3.3	2.9	9.1	9.1	0.5	0.4	14.5	14.8	KSE100	
Fertilizer																					
ENGRO	Engro Corporation*	262.1	343.2	30.9	Buy	48.5	55.5	57.4	25.00	29.00	30.00	4.7	4.6	11.1	11.4	0.6	0.6	13.0	12.8	KSE100, KSE30, KMI & MSCI	
FFBL	Fauji Fert. Bin Qasim	20.9	33.8	61.6	Buy	4.9	5.3	5.5	-	1.00	1.00	4.0	3.8	4.8	4.8	0.9	0.7	26.1	20.6	KSE100	
EFERT	Engro Fertilizer								Under Review											KSE100, KSE30, KMI & MSCI	
FFC	Fauji Fertilizer Co.	109.8	157.2	43.1	Buy	17.2	19.8	21.1	14.50	17.00	18.00	5.5	5.2	15.5	16.4	2.7	2.5	51.1	50.6	KSE100, KSE30 & MSCI	
FATIMA	Fatima Fertilizer Co.	35.8	na	na	na	8.8	na	na	3.50			Group Company: No estimates are given								KSE100 & KMI	
AHCL	Arif Habib Corp. Ltd.	36.0	na	na	na	18.3	na	na	3.00			Group Company: No estimates are given								KSEALL	
Cement																					
LUCK	Lucky Cement Ltd.	436.2	1,004.4	130.3	Buy	43.5	53.1	89.6	-	-	26.00	8.2	4.9	-	6.0	1.1	0.9	14.1	20.0	KSE100, KSE30, KMI & MSCI	
LUCK	Lucky Cement Ltd.*	436.2	1,004.4	130.3	Buy	70.7	104.2	177.0	-	-	26.00	4.2	2.5	-	6.0	0.7	0.6	19.4	26.6	KSE100, KSE30, KMI & MSCI	
FCCL	Fauji Cement Co.	14.1	30.3	114.6	Buy	2.5	3.5	4.2	-	0.50	1.50	4.0	3.4	3.5	10.6	0.7	0.6	19.1	19.7	KSE100 & KMI	
ACPL	Attock Cement Ltd.	76.7	203.4	165.2	Buy	8.1	9.3	28.2	4.00	3.00	10.00	8.2	2.7	3.9	13.0	0.6	0.5	7.2	20.1	KSEALL & KMI	
DGKC	D.G. Khan Cement Co.	55.6	119.5	115.0	Buy	8.5	11.0	22.9	1.00	-	4.00	5.1	2.4	-	7.2	0.3	0.3	6.3	12.2	KSE100, KSE30 & KMI	
KOHC	Kohat Cement Co.	129.1	261.4	102.5	Buy	17.4	28.1	42.6	-	-	15.00	4.6	3.0	-	11.6	0.9	0.8	22.5	27.9	KSE100 & KMI	
MLCF	Maple Leaf Cement.*	24.0	54.1	125.9	Buy	3.5	5.4	6.7	-	1.00	3.00	4.4	3.6	4.2	12.5	0.6	0.6	14.5	16.2	KSE100, KSE30 & KMI	
POWER	Power Cement	5.2	na	na	na	0.2	na	na	-			Group Company: No estimates are given								KMI	
Oil & Gas Marketing																					
PSO	Pakistan State Oil	155.6	304.8	95.8	Buy	62.1	172.4	78.1	15.00	20.00	20.00	0.9	2.0	12.9	12.9	0.3	0.3	46.0	16.3	KSE100, KSE30, KMI & MSCI	
APL	Attock Petroleum Ltd.	301.0	469.0	55.8	Buy	49.4	136.5	62.3	27.00	32.50	32.50	2.2	4.8	10.8	10.8	1.2	1.1	56.6	23.5	KSE100 & KMI	
HTL	Hi-Tech Lubricants Ltd.	37.8	78.3	107.5	Buy	4.7	5.8	8.1	4.00	3.00	4.00	6.5	4.6	7.9	10.6	1.1	1.0	17.7	22.3	KMI	
SNGP	Sui Northern Gas Pipeline Ltd.	27.7	80.9	192.3	Buy	21.2	19.8	19.7	6.00	6.00	6.00	1.4	1.4	21.7	21.7	0.4	0.3	49.7	149.7	KSE100 & KMI	
Automobile Assemblers and Parts																					
PSMC	Pak Suzuki Motor Co.								Under Review												KSE100 & KMI
INDU	Indus Motor Co.	1,253.4	1,823.7	45.5	Buy	163.2	248.2	278.8	103.50	125.00	167.00	5.1	4.5	10.0	13.3	1.7	1.5	36.8	35.2	KSE100	
HCAR	Honda Atlas Cars (Pak)	176.2	316.5	79.6	Buy	12.6	17.6	30.5	4.52	7.00	11.00	10.0	5.8	4.0	6.2	1.2	1.1	13.0	20.1	KSE100 & KMI	
MTL	Millat Tractors Ltd.	848.9	960.8	13.2	Buy	59.7	62.9	73.2	100.00	90.00	101.00	13.5	11.6	10.6	11.9	9.0	8.7	66.9	76.4	KSE100, KMI & MSCI	
PTL	Panther Tyres Ltd.								Under Review												KSEALL
Power Generation & Distribution**																					
HUBC	Hub Power Company*	63.0	132.1	125.9	Buy	26.0	23.5	30.2	12.00	13.25	14.25	2.7	2.1	21.0	22.6	0.6	0.5	25.7	28.1	KSE100, KSE30, KMI & MSCI	
NCPL	Nishat Chu. Power Ltd.	15.2	14.5	5.3	Hold	6.8	6.4	6.1	-	1.50	1.50	2.4	2.5	9.9	9.9	0.2	0.2	10.7	9.6	KSEALL	
NPL	Nishat Power Limited	17.8	22.7	46.9	Buy	7.6	6.5	6.3	1.50	2.00	2.00	2.7	2.8	11.2	11.2	0.3	0.2	9.0	8.7	KSEALL	
KAPCO	Kot Addu Power Co.	26.2	50.2	91.4	Buy	11.6	11.9	na	10.00	10.00	na	2.2	na	38.1	na	0.4	na	17.0	na	KSE100 & KSE30	
Textile Composite																					
NML	Nishat Mills Ltd.	71.3	144.6	102.9	Buy	16.8	31.8	25.6	4.00	11.50	10.00	2.2	2.8	16.1	14.0	0.3	0.3	12.4	9.3	KSE100 & KMI	
NCL	Nishat (Chunian) Ltd.	44.9	58.4	30.1	Buy	23.3	29.6	14.6	5.00	6.00	4.00	1.5	3.1	13.4	8.9	0.5	0.4	34.2	14.7	KSE100	
FML	Feroze1888 Mills Ltd.	59.9	124.2	107.5	Buy	10.8	10.1	14.8	3.43	4.28	6.31	5.9	4.0	7.2	10.5	0.9	0.8	15.6	20.3	KMI	
ILP	Interloop Ltd.	64.0	92.7	44.9	Buy	7.0	10.6	12.8	2.50	4.00	4.50	6.0	5.0	6.3	7.0	2.2	1.7	40.6	37.7	KSE100 & KMI	
Chemicals																					
LOTCEM	Lotte Chemical Pak Ltd.	24.4	18.5	(24.0)	Sell	3.07	3.53	2.78	1.50	1.50	1.50	6.9	8.8	6.2	6.2	1.7	1.6	26.5	18.9	KSE100	
EPCL	Engro Polymer & Chem.	79.7	77.5	(2.8)	Hold	16.6	13.8	14.2	16.30	12.00	12.00	5.8	5.6	15.1	15.1	2.0	1.6	37.6	31.8	KSE100, KSE30, KMI	
ICI	ICI Pakistan Ltd.*	679.0	1,064.7	56.8	Buy	60.7	91.9	90.9	40.00	40.00	45.00	7.4	7.5	5.9	6.6	1.9	1.5	29.4	22.7	KSE100 & KMI	
Leather																					
SGF	Service Global Footwear Ltd.	39.6	71.3	80.1	Buy	2.0	4.8	7.2	2.00	2.50	3.50	8.3	5.5	6.3	8.8	1.1	1.0	14.1	19.2	KMI	
Engineering																					
ASTL	Amreli Steels Ltd.								Under Review												KSEALL
ITTEFAQ	Ittefaq Iron Industries Ltd.								Under Review												KMI
AGHA	Agha Steel Industries Ltd.								Under Review												KMI
Technology & Communication																					
HUMNL	Hum Network Limited.	6.7	17.5	162.2	Buy	1.0	1.5	2.3	-	-	1.25	4.5	2.9	-	18.7	1.3	1.1	31.5	39.7	KSEALL	
Food & Personal Care Product																					
UNITY	Unity Foods Ltd.	21.3	38.8	82.3	Buy	2.8	2.8	4.1	-	1.00	1.00	7.7	5.2	4.7	4.7	1.5	1.2	22.3	26.4	KSE100, KSE30 & KMI	

Source: Bloomberg, AHL Research, *Earnings Consolidated Basis, **Upside is total return

AHL Universe - Performance

Code	Closing	WoW (%)	MTD (%)	CYTD (%)	90-Days		180-Days		365-Days	
					High	Low	High	Low	High	Low
NPL	17.82	1.54	1.83	(1.03)	19.49	16.84	21.21	15.46	21.21	15.27
ABL	72.01	1.49	1.27	(8.25)	84.89	70.73	87.22	70.58	87.22	63.20
POL	389.85	0.99	(2.66)	14.86	400.51	365.52	400.51	317.73	400.51	317.73
MARI	1,645.19	0.85	1.88	3.15	1,800.13	1,586.58	1,800.13	1,546.06	1,800.13	1,366.75
SNGP	27.69	0.44	(3.79)	(17.22)	34.63	25.88	42.62	25.88	50.47	25.88
MTL	848.92	0.33	(5.30)	48.50	910.70	622.05	910.70	566.20	910.70	561.85
EFERT	87.30	0.24	0.68	28.51	95.51	76.97	95.51	63.08	95.51	52.59
OGDC	76.76	(0.34)	(5.33)	(7.88)	91.81	75.17	91.81	75.17	93.24	75.17
MEBL	128.50	(0.87)	(1.97)	(1.82)	145.03	123.93	147.62	123.93	149.90	90.59
ENGRO	262.13	(1.17)	(2.22)	0.74	284.00	251.78	284.00	251.78	284.00	249.97
HUBC	63.03	(1.41)	(5.98)	(4.03)	72.96	63.03	76.76	63.03	76.76	63.03
INDU	1,253.43	(1.91)	1.55	6.38	1,413.03	1,192.54	1,413.03	1,169.63	1,413.03	1,020.18
NBP	28.50	(2.16)	(3.26)	(14.73)	32.44	28.11	35.83	28.11	36.63	28.11
PSMC	182.17	(2.17)	0.93	(19.58)	220.49	176.00	236.06	176.00	353.92	176.00
FATIMA	35.76	(2.51)	(1.89)	8.35	41.29	32.55	41.29	30.85	41.29	25.58
MCB	131.87	(2.54)	(1.46)	(8.03)	148.47	131.87	153.64	131.87	153.64	131.87
PPL	64.91	(2.67)	(5.54)	(16.35)	85.92	64.91	85.92	64.91	90.63	64.91
BOP	5.73	(3.05)	(3.70)	(23.89)	7.38	5.73	7.76	5.73	7.92	5.73
UBL	125.67	(3.06)	(4.15)	(0.60)	138.86	125.67	138.86	123.41	138.86	102.89
APL	300.96	(3.08)	(1.29)	0.03	331.72	293.35	343.95	284.11	343.95	276.78
NCPL	15.19	(3.25)	(3.19)	(5.06)	17.44	13.68	18.67	12.11	18.67	11.74
PSO	155.63	(3.67)	(5.50)	(14.44)	181.27	155.63	196.85	155.63	230.66	155.63
POWER	5.18	(3.90)	(5.47)	(18.55)	6.62	5.17	7.04	5.17	10.60	5.17
BAFL	32.75	(4.02)	(3.70)	0.28	36.87	32.69	36.87	31.52	36.87	27.27
FFC	109.81	(4.30)	(4.64)	17.97	123.01	98.41	123.01	90.60	123.01	86.03
NML	71.26	(4.32)	(2.54)	(10.45)	90.59	71.26	96.77	71.26	100.20	71.26
HCAR	176.19	(4.41)	(2.28)	(25.59)	218.65	170.47	241.80	170.47	388.43	170.47
KAPCO	26.24	(4.62)	(4.58)	(8.51)	31.42	26.24	31.99	26.24	32.78	23.61
FFBL	20.90	(4.70)	(5.60)	(15.66)	24.93	20.59	27.25	20.59	27.99	20.22
HUMNL	6.69	(4.70)	(6.17)	8.19	8.15	6.02	8.15	5.18	8.73	5.18
ITTEFAQ	7.01	(4.76)	(5.78)	(41.44)	10.82	7.01	12.98	7.01	21.85	7.01
ILP	63.98	(5.24)	(5.31)	(9.63)	77.41	63.98	80.32	63.17	80.32	61.84
NCL	44.92	(5.71)	(4.75)	4.58	55.46	44.92	55.46	37.24	55.46	37.24
SGF	39.58	(5.81)	(4.88)	(11.00)	49.47	39.58	50.86	39.58	61.22	39.44
FABL	22.03	(6.06)	(6.34)	(0.36)	28.38	22.03	28.38	21.79	28.38	15.72
UNITY	21.28	(6.34)	(6.54)	(19.61)	28.25	21.28	32.42	21.04	49.36	21.04
ICI	679.00	(6.34)	(4.68)	(8.41)	828.45	679.00	828.45	679.00	874.55	679.00
FML	59.85	(6.35)	(6.35)	(16.43)	69.50	59.85	85.32	59.85	99.21	59.85
AHCL	36.00	(6.42)	(2.70)	0.47	40.05	33.10	40.05	32.19	40.05	32.19
HTL	37.76	(6.44)	(5.86)	(9.55)	47.27	37.34	48.19	36.53	64.09	36.53
ACPL	76.69	(6.50)	(7.26)	(43.95)	132.27	76.69	137.68	76.69	172.90	76.69
PTL	26.54	(6.58)	(7.69)	(36.45)	35.23	24.62	42.35	24.62	63.09	24.62
HBL	96.72	(6.74)	(6.46)	(13.60)	114.02	96.72	120.15	96.72	127.55	96.72
AGHA	14.55	(7.44)	(8.20)	(44.40)	20.75	14.55	27.62	14.55	34.28	14.55
AKBL	17.28	(7.84)	(6.14)	(21.53)	20.24	17.28	23.71	17.28	24.61	17.28
EPCL	79.70	(7.96)	(7.19)	70.24	89.08	52.90	89.08	44.04	89.08	34.16
DGKC	55.58	(8.47)	(9.76)	(32.99)	76.05	55.58	84.89	55.58	129.50	55.58
KOHC	129.06	(8.55)	(6.80)	(31.57)	175.03	129.06	191.50	129.06	234.44	129.06
FCCL	14.14	(8.66)	(6.54)	(23.03)	18.59	14.14	19.07	14.14	24.52	14.14
LOTCHEM	24.38	(10.04)	(10.10)	78.48	27.80	14.01	27.80	12.92	27.80	12.03
LUCK	436.17	(10.23)	(7.64)	(35.79)	648.98	436.17	729.25	436.17	940.74	436.17
MLCF	23.95	(13.19)	(12.17)	(33.38)	38.44	23.95	38.44	23.95	49.25	23.95
ASTL	22.69	(15.87)	(12.76)	(49.31)	37.13	22.69	47.09	22.69	48.54	22.69

Source (s): Bloomberg, AHL Research

Local & Foreign Investors Portfolio Investment (USD mn)

LIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	130.37	124.73	BUY	5.64
Companies	9.93	4.37	BUY	5.57
Banks / DFIs	8.51	9.82	SELL	(1.31)
NBFC	0.05	0.14	SELL	(0.09)
Mutual Funds	8.21	12.30	SELL	(4.09)
Other Organizations	4.95	2.98	BUY	1.97
Broker Proprietary Trading	33.07	32.57	BUY	0.50
Insurance Companies	2.02	9.78	SELL	(7.76)
Total	197.11	196.69	BUY	0.42

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	217.72	206.73	BUY	10.99
Companies	19.47	18.06	BUY	1.42
Banks / DFIs	9.55	8.54	BUY	1.02
NBFC	0.15	0.34	SELL	(0.19)
Mutual Funds	9.76	16.89	SELL	(7.13)
Other Organizations	1.73	1.70	BUY	0.03
Broker Proprietary Trading	58.16	55.23	BUY	2.93
Insurance Companies	2.20	9.75	SELL	(7.55)
Total	318.75	317.24	BUY	1.51

LIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	16.30	12.14	BUY	4.16
Fertilizer	7.51	8.31	SELL	(0.80)
Cement	16.32	15.90	BUY	0.42
Power Generation & Distribution	5.02	5.97	SELL	(0.95)
Exploration & Production	23.25	24.15	SELL	(0.91)
Oil & Gas Marketing Companies	8.22	8.26	SELL	(0.05)
Food and Personal Care Products	12.43	12.54	SELL	(0.11)
Textile Composite	2.31	2.25	BUY	0.05
Technology and Communication	20.54	20.86	SELL	(0.32)
Debt	7.33	7.33	BUY	0.00
All other Sectors	77.90	78.98	SELL	(1.08)
Total	197.11	196.69	BUY	0.42

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	15.89	14.45	BUY	1.43
Fertilizer	10.76	10.77	SELL	(0.01)
Cement	32.17	30.34	BUY	1.84
Power Generation & Distribution	5.04	4.84	BUY	0.20
Exploration & Production	15.90	16.06	SELL	(0.16)
Oil & Gas Marketing Companies	14.57	14.53	BUY	0.03
Food and Personal Care Products	26.06	26.02	BUY	0.04
Textile Composite	9.02	8.58	BUY	0.43
Technology and Communication	72.17	72.08	BUY	0.09
Debt	0.95	0.95	SELL	-
All other Sectors	116.23	118.61	SELL	(2.38)
Total	318.75	317.24	BUY	1.51

FIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.01	0.11	SELL	(0.10)
Foreign Corporates	8.96	9.93	SELL	(0.97)
Overseas Pakistani	10.30	9.65	BUY	0.65
Total	19.27	19.69	SELL	(0.42)

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.03	0.05	SELL	(0.02)
Foreign Corporates	9.28	10.47	SELL	(1.19)
Overseas Pakistani	17.57	17.87	SELL	(0.31)
Total	26.88	28.40	SELL	(1.51)

FIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	2.17	6.33	SELL	(4.16)
Fertilizer	1.70	0.90	BUY	0.80
Cement	0.88	1.30	SELL	(0.42)
Power Generation & Distribution	1.39	0.45	BUY	0.95
Exploration & Production	2.89	1.99	BUY	0.91
Oil & Gas Marketing Companies	0.79	0.75	BUY	0.05
Food and Personal Care Products	0.58	0.46	BUY	0.11
Textile Composite	0.14	0.20	SELL	(0.05)
Technology and Communication	1.82	1.49	BUY	0.32
All other Sectors	6.91	5.83	BUY	1.08
Total	19.27	19.69	SELL	(0.42)

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	1.78	3.21	SELL	(1.43)
Fertilizer	1.56	1.55	BUY	0.01
Cement	2.01	3.85	SELL	(1.84)
Power Generation & Distribution	0.82	1.02	SELL	(0.20)
Exploration & Production	1.62	1.46	BUY	0.16
Oil & Gas Marketing Companies	1.55	1.59	SELL	(0.03)
Food and Personal Care Products	1.16	1.19	SELL	(0.04)
Textile Composite	0.44	0.88	SELL	(0.43)
Technology and Communication	6.18	6.27	SELL	(0.09)
All other Sectors	9.75	7.38	BUY	2.38
Total	26.88	28.40	SELL	(1.51)

Source (s): NCCPL, AHL Research

Forward Estimates

Country	Indonesia	India	Vietnam	Philippines	Sri Lanka	Thailand	China	Taiwan	S.Korea	Peer Avg	Pakistan	Prem/(Disc)
DY (%)	2.6	1.7	1.7	2.0	3.7	3.0	3.2	4.3	2.2	2.7	9.6	-71.8%
P/E (x)	15.4	17.2	10.2	13.6	9.7	15.5	9.3	11.5	9.2	12.4	4.1	-66.8%
P/B (x)	2.0	2.7	1.8	1.5	8.7	1.6	1.2	1.9	0.9	2.5	0.7	-70.8%

Source: Bloomberg, AHL Research

World's Major Stock Market Performance (\$ based return)

Country	Index	Index Closing*	WTD (%)	MTD (%)	CY22TD (%)	Country	Index	Index Closing*	WTD (%)	MTD (%)	CY22TD (%)
Zimbabwe	ZHIALSH Index	23,686	14.4	2.7	123.4	Lithuania	VILSE Index	923	0.3	(0.0)	(9.5)
Hungary	BUX Index	40,975	6.0	4.5	(28.5)	Luxembourg	LUXXX Index	1,692	0.3	(0.0)	(4.1)
Latvia	RIGSE Index	1,094	5.0	3.4	(18.6)	Vietnam	VNIndex Index	1,288	0.2	(0.4)	(15.4)
Turkey	XU100 Index	2,603	4.7	1.5	12.2	Thailand	SET Index	1,648	0.1	(0.9)	(3.3)
Denmark	KFX Index	1,701	4.4	0.5	(13.5)	USA	INDU Index	33,248	0.1	0.8	(8.5)
New Zealand	NZSE Index	1,820	3.0	1.0	(17.7)	Bulgaria	SOFIX Index	613	0.1	(0.8)	(8.6)
Indonesia	JCI Index	7,183	2.8	1.1	7.8	France	CAC Index	6,508	0.0	0.5	(14.3)
China	SHSZ300 Index	4,090	2.8	0.1	(21.0)	Europe	SX5E Index	3,800	(0.1)	0.2	(16.7)
Canada	SPTSX Index	21,032	2.8	2.0	(0.3)	Qatar	DSM Index	12,800	(0.1)	(0.9)	10.4
Russia	RTSI\$ Index	1,165	2.8	(3.6)	(27.0)	Jordan	JOSMGNFF Index	2,456	(0.2)	(0.7)	15.7
Dubai	DFMGI Index	3,387	2.7	1.2	6.0	Russia	IMOEX Index	2,293	(0.2)	(3.4)	(28.8)
Serbia	BELEX15 Index	838	2.6	0.9	(3.0)	Singapore	FSSTI Index	3,232	(0.3)	(0.4)	1.4
Bangladesh	DSEX Index	6,452	2.1	0.9	(8.0)	Tunisia	TUSISE Index	7,341	(0.5)	(0.9)	(1.9)
Czech Republic	PX Index	1,335	2.1	1.9	(10.7)	Mauritius	SEMDEX Index	2,188	(0.5)	(0.3)	5.2
Australia	AS51 Index	7,239	2.0	1.0	(3.4)	Iceland	ICEXI Index	2,300	(0.5)	(1.2)	(11.7)
Slovenia	SBITOP Index	1,153	2.0	0.6	(13.1)	Portugal	PSI20 Index	6,201	(0.5)	(1.0)	4.9
South Africa	JALSH Index	71,441	2.0	(0.6)	(0.6)	Ghana	GGSECI Index	2,551	(0.5)	(0.5)	(27.7)
Hong Kong	HSI Index	21,082	1.9	(1.5)	(10.4)	Norway	OBXP Index	593	(0.5)	(2.8)	(1.9)
Sweden	OMX Index	2,077	1.8	1.8	(20.3)	Mongolia	MSETOP Index	33,998	(0.7)	0.2	(29.9)
USA	NDX Index	12,893	1.7	2.0	(21.0)	Malaysia	FBMKLCI Index	1,538	(0.8)	(2.3)	(7.1)
Taiwan	TWSE Index	16,553	1.6	(2.7)	(14.3)	Romania	BET Index	12,273	(0.8)	(2.0)	(10.8)
India	SENSEX Index	55,769	1.6	0.3	(8.2)	Kenya	NSEASI Index	129	(1.0)	(0.1)	(25.2)
Uae	ADSMI Index	9,837	1.5	(2.2)	15.9	Switzerland	SMI Index	11,573	(1.1)	(0.7)	(14.6)
South Korea	KOSPI Index	2,671	1.4	(1.3)	(14.4)	Philippines	PCOMP Index	6,741	(1.1)	(1.3)	(8.7)
Chile	IPSA Index	5,353	1.2	1.7	30.9	Finland	HEX Index	11,087	(1.1)	0.3	(18.3)
Japan	NKY Index	27,762	1.0	0.2	(14.9)	Kazakhstan	KZKAK Index	2,633	(1.2)	(3.1)	(28.3)
Austria	ATX Index	3,366	0.8	1.1	(17.4)	Brazil	IBOV Index	112,052	(1.3)	(0.9)	23.6
Ukraine	PFTS Index	519	0.7	0.7	(7.3)	Italy	FTSEMIB Index	24,242	(1.5)	(1.1)	(16.0)
Croatia	CRO Index	2,094	0.7	1.0	(4.5)	Lebanon	BLOM Index	1,462	(1.6)	3.0	42.0
Greece	ASE Index	896	0.7	0.6	(5.5)	Belgium	BEL20 Index	3,875	(1.7)	(0.6)	(15.3)
Bahrain	BHSEASI Index	1,907	0.7	(0.7)	6.1	Ireland	ISEQ Index	7,207	(1.7)	(1.5)	(19.6)
Oman	MSM30 Index	4,132	0.6	0.4	0.1	UK	UKX Index	7,533	(1.8)	(2.2)	(6.0)
Saudi Arabia	SASEIDX Index	12,605	0.6	(2.5)	11.9	Spain	IBEX Index	8,734	(2.1)	(1.4)	(5.0)
Estonia	TALSE Index	1,835	0.5	(0.8)	(13.1)	Nigeria	NGSEINDX Index	52,926	(2.1)	(1.3)	26.3
USA	SPX Index	4,177	0.4	1.1	(12.4)	Egypt	EGX30 Index	10,008	(2.1)	(1.6)	(29.5)
Poland	WIG20 Index	1,828	0.4	(1.1)	(23.6)	Mexico	MEXBOL Index	50,971	(2.6)	(0.9)	0.0
Germany	DAX Index	14,503	0.4	0.7	(13.5)	Pakistan	KSE100 Index	41,315	(2.71)	(3.8)	(17.4)
Netherland	AEX Index	704	0.4	(1.3)	(16.9)	Sri Lanka	CSEALL Index	8,055	(2.8)	(0.7)	(62.9)

Source (s): Bloomberg, AHL Research, * Last Closing

Key Economic Data & Commodities Prices

Month end	Units	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Current*
Money Market Data														
03-M T-Bill	%	7.3	7.2	7.2	7.6	8.2	9.7	10.4	10.2	10.5	11.8	14.5	14.3	15.0
06-M T-Bill	%	7.5	7.5	7.4	8.0	8.8	10.2	11.3	10.6	10.9	12.4	14.6	14.5	15.1
12-M T-Bill	%	7.8	7.7	7.6	8.7	9.1	10.7	11.4	10.8	11.0	12.5	14.6	14.6	15.4
03-Y PIB	%	9.0	8.9	8.7	9.7	9.9	11.4	11.4	10.8	10.9	12.2	13.2	13.6	13.7
05-Y PIB	%	9.5	9.4	9.3	10.0	10.2	11.5	11.5	10.9	11.0	12.0	12.9	12.6	12.7
10-Y PIB	%	9.9	10.0	9.9	10.5	11.0	11.9	11.6	11.1	11.1	11.9	12.6	12.6	12.7
06-M KIBOR	%	7.7	7.6	7.5	8.2	8.9	10.3	11.5	10.7	11.0	12.5	15.0	14.7	11.0
Policy Rate	%	7.00	7.00	7.00	7.25	7.25	8.75	9.75	9.75	9.75	9.75	12.25	13.75	13.75
Inflation (YoY)														
Headline (CPI New Base)	%	9.7	8.4	8.4	9.0	9.2	11.5	12.3	13.0	13.0	12.7	13.4	13.8	13.8
Monetary Sector														
M1	PKR bn	19,824	19,888	19,812	20,085	19,902	20,128	20,444	20,204	20,210	20,683	21,179	n.a	21,179
M2	PKR bn	23,722	23,576	23,537	23,904	23,646	23,933	24,369	24,211	24,176	24,727	25,155	n.a	25,155
M3	PKR bn	27,731	27,563	27,494	27,840	27,576	27,854	28,273	28,122	28,097	28,648	28,927	n.a	28,927
Banking Sector														
Deposits	PKR bn	19,796	18,839	19,208	19,829	19,344	19,668	20,972	19,949	19,914	20,476	20,052	n.a	20,052
Advances	PKR bn	8,996	8,878	8,936	9,290	9,394	9,646	10,149	9,944	9,961	10,328	10,638	n.a	10,638
Investment	PKR bn	13,742	14,102	13,902	14,096	13,796	13,556	14,124	14,424	14,541	15,012	15,210	n.a	15,210
WALR	%	8.0	7.8	7.8	7.7	7.9	8.0	8.7	9.34	9.6	9.6	10.3	n.a	10.3
WADR	%	3.5	3.6	3.6	3.6	3.7	3.8	4.6	5.08	5.0	4.9	5.2	n.a	5.2
Spread	%	4.5	4.2	4.3	4.1	4.2	4.2	4.1	4.26	4.6	4.7	5.0	n.a	5.0
External Sector														
Forex Reserves	USD bn	23.3	24.9	27.2	26.0	23.8	22.3	23.9	22.1	22.9	18.6	16.4	15.8	15.8
With SBP	USD bn	16.1	17.8	20.1	19.3	17.2	16.0	17.7	15.7	16.5	12.0	10.5	9.7	9.7
With Banks	USD bn	7.2	7.0	7.1	6.7	6.6	6.4	6.2	6.4	6.4	6.5	5.9	6.0	6.0
Exchange rate	PKR/USD	157.5	162.4	166.4	170.7	171.7	175.7	176.5	176.7	177.5	183.5	185.9	198.5	197.92
C/A Balance	USD mn	(1,619)	(814)	(1,473)	(1,134)	(1,760)	(1,908)	(1,863)	(2,531)	(519.0)	(1,028.0)	(623.0)	(623.0)	(623)
Exports	USD bn	2.5	2.3	2.3	2.6	2.4	2.7	2.9	2.5	2.9	3.1	3.2	3.2	3.2
Imports	USD bn	6.3	5.4	6.0	6.1	6.0	6.4	6.5	6.3	5.2	6.2	6.0	6.0	6.0
Trade Balance	USD bn	(3.8)	(3.4)	(3.7)	(3.4)	(3.7)	(3.7)	(3.6)	(3.8)	(2.3)	(3.1)	(2.8)	(2.8)	(3.1)
Remittances	USD bn	2.7	2.7	2.7	2.7	2.5	2.4	2.5	2.1	2.2	2.8	3.1	3.1	3.1
Key Commodities Prices														
International														
Coal	USD/ton	114.9	123.0	146.8	200.5	220.0	117.0	137.3	174.0	261.0	254.4	295.0	341.5	324.8
Steel (HRC)	USD/ton	836.9	918.7	887.4	900.1	848.0	744.9	747.2	766.4	785.8	830.8	773.2	726.0	729.1
PTA	USD/ton	745.0	750.0	745.0	745.0	780.0	735.0	725.0	815.0	875.0	935.0	960.0	995.0	995.0
Gold	USD/oz	1,770.1	1,814.2	1,813.6	1,757.0	1,783.4	1,774.5	1,829.2	1,797.2	1,909.0	1,937.4	1,894.5	1,837.4	1,868.6
Cotton (COTLOOK A)	USD/lb	96.6	100.3	103.7	110.2	123.1	123.3	125.9	135.9	135.2	153.6	154.3	157.5	157.0
Crude oil (WTI)	USD/bbl	73.5	74.0	68.5	75.0	83.6	66.2	75.2	88.2	95.7	100.3	105.4	114.7	116.9
Crude oil (Arab Light)	USD/bbl	75.0	75.4	72.2	79.0	83.9	72.8	79.2	91.1	99.9	109.3	110.6	124.6	117.2
Crude oil (Brent)	USD/bbl	75.1	76.3	73.0	78.5	84.4	70.6	77.8	91.2	101.0	107.9	107.6	122.8	117.6
Local														
Cotton	PKR/maund	12,600	13,000	14,200	14,100	15,400	17,500	18,000	19,400	20,000	20,500	21,000	22,500	22,000
Cement	PKR/bag	640	654	674	678	723	742	739	737	748	865	870	875	892
Gold	PKR/10 grms	92,770	93,880	92,250	97,310	102,280	101,680	107,940	108,880	111,460	110,940	116,430	121,740	116,170

*Current Price

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Arif Habib Limited (AHL) uses three rating categories, depending upon return form current market price, with Target period as Dec'22 for Target Price. In addition, return excludes all type of taxes. For more details kindly refer the following table;

Rating	Description
BUY	Upside* of subject security(ies) is more than +10% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between -10% and +10% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than -10% from last closing of market price(s)

* Upside for Power Generation Companies is upside plus dividend yield.

Equity Valuation Methodology

AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- **Discounted Cash Flow (DCF)**
- **Dividend Discounted Model (DDM)**
- **Sum of the Parts (SoTP)**
- **Justified Price to Book (JPTB)**
- **Reserved Base Valuation (RBV)**

Risks

The following risks may potentially impact our valuations of subject security (ies);

- **Market risk**
- **Interest Rate Risk**
- **Exchange Rate (Currency) Risk**

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In order to avoid any conflict of interest, we hereby disclosed that;

Arif Habib Limited (AHL) has shareholding in OGDC, PPL, NBP, AKBL, MLCF, FCCL, FFBL, PSO, UNITY and SNGP.