

Back in the green zone

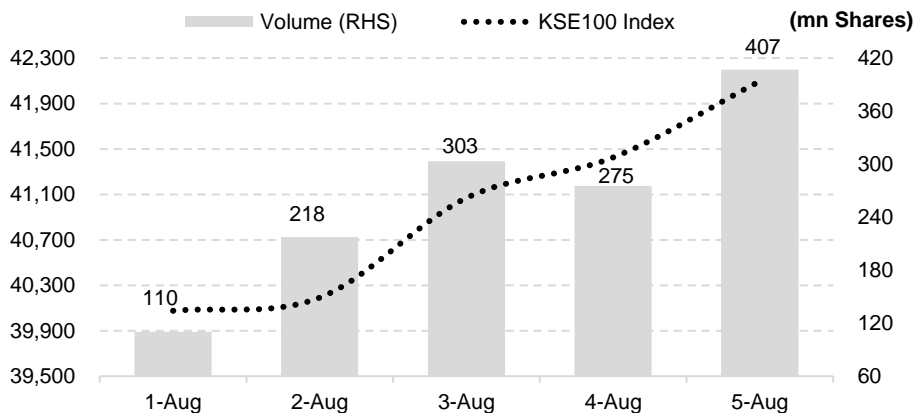
The market commenced on a negative note this week given inflation for the month of Jul'22 came in at 24.9%. Whereas, the sentiment turned positive after IMF announced that Pakistan had fulfilled the last remaining pre-requisite for the IMF loan (incremental hike in petroleum development levy on MS and HSD). With this renewed hope, the Pak Rupee strengthened against greenback, gaining PKR 15.33 | 6% WoW to close at PKR 224.04 this week. Furthermore, trade deficit significantly declined in Jul'22, down by 47% MoM. Moreover, reduction in international oil prices post OPEC+ meeting (WTI trading below USD 88/bbl compared to USD 98.62/bbl last week) further cemented the ground for bulls. Albeit, the local bourse closed at 42,096 points, gaining 1,946 points (up by 4.9%) WoW.

Sector-wise positive contributions came from i) Banks (427pts), ii) Cement (421pts), iii) Fertilizer (112pts), iv) Chemical (111pts) and v) OMCs (106pts). Whereas, sectors which contributed negatively were i) Close-End Mutual Fund (3pts) and ii) Real Estate Investment Trust (1pts). Scrip-wise positive contributors were LUCK (155pts), UBL (124pts), MCB (87pts), PSO (78pts) and COLG (73pts). Meanwhile, scrip-wise negative contribution came from FABL (10pts), MARI (6pts), ILP (4pts) and AICL (3pts).

Foreigners selling was witnessed this week, clocking in at USD 0.69mn compared to a net buy of USD 0.57mn last week. Major selling was witnessed in Banks (USD 0.9mn) and Fertilizer (USD 0.6mn). On the local front, buying was reported by Brokers Proprietary (USD 2.2mn) followed by Mutual Funds (USD 1.6mn). Average volumes clocked in at 263mn shares (up by 75% WoW) while average value traded settled at USD 34mn (up by 56% WoW).

Other major news: i) Ministry agrees to increase OMCs margin on MS, HSD, ii) SBP's forex reserves fall \$190m to \$8.4b, iii) Banks give Rs298b financing in PIB auction, iv) Refineries' gross margin down 83pc in August, and v) July 2022 oil sales lowest since Feb 2021.

Figure: KSE100 Index and PSX Volume



Source (s): PSX, AHL Research

Outlook and Recommendation

We expect the market to remain in the green zone given hopes on loan disbursement from IMF once approval is granted by the Executive Board. Moreover, with the ongoing result season, certain sectors and scrips are expected to stay under the limelight given anticipation of robust results. Our preferred stocks are OGDC, PPL, MARI, MCB, FABL, MEBL, BAFL, LUCK, MLCF, FCCL, ENGRO, FFC, HUBC, PSO, HUMNL and SNGP. The KSE-100 is currently trading at a PER of 4.3x (2022) compared to Asia Pac regional average of 12.5x while offering a dividend yield of ~8.9% versus ~2.8% offered by the region.

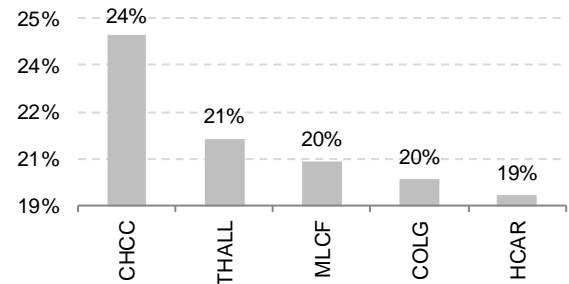
PSX Indices Performance

Index	Current	WoW (%)	CY22TD (%)
KSE100	42,096	4.8	(5.6)
KSEAll	29,000	4.3	(5.6)
KSE30	15,883	4.3	(9.3)
KMI30	68,649	4.9	(4.2)
BKTI	10,964	5.1	(15.0)
OGTI	11,268	1.9	(1.8)

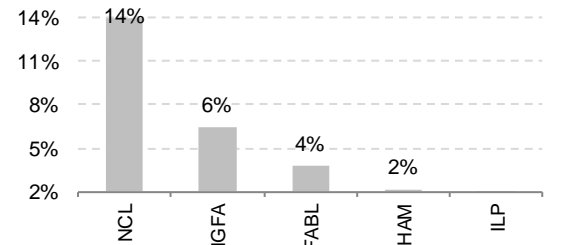
PSX Volume Leaders

	Avg. Vol. (mn)	Closing
WTL	22.2	1.3
TPLP	21.2	19.9
CENERGY	20.0	5.5
PRL	15.4	18.0
UNITY	11.0	19.4

Major Gainers (KSE100 Index)



Major Losers (KSE100 Index)



Analyst

AHL Research

research@arifhabibltd.com

+92-21-32462589



Best Brokerage House of the Year 2021

Best Economic Research House of the Year: 2021

Corporate Finance House of the Year: 2021

Best Equity Research Analyst: 2021



Best Securities House: 2022
Best Investment Bank: 2022



Best Broker in Pakistan

Business & Economic developments during the week.

Govt agrees to deregulate oil prices (Tribune)

The government has agreed to give a free hand to the oil industry to set petroleum product prices by implementing a deregulation mechanism under the new proposed oil policy effective November 1, 2022. At present, the prices of petroleum products like petrol and high-speed diesel (HSD) are regulated while the price of furnace oil is deregulated. In a meeting held on Wednesday, the executives of oil refineries, Minister of State for Petroleum Musadik Malik, Energy Task Force Chairman Shahid Khaqan Abbasi and officials of the Oil and Gas Regulatory Authority (Ogra) reached an agreement. Sources told The Express Tribune that all sides agreed that both the products produced locally by oil refineries and those imported by Pakistan State Oil (PSO) would compete in the local market.

Govt rejects speculations about gas tariff hike (BR)

Minister of State for Petroleum Dr Musadik Malik on Thursday while assuring no increase in gas rate said that the government had not increased the rate of gas for any sector, being provided to the consumers on networks of the SNGPL and the SSGC. He categorically said this while turning down speculative reports circulating in a section of media about the price hike. He said the price is the same as that was two months ago. While addressing the media, he said that the ministry had prepared a framework, comprising suggestions specially to save 50 per cent of the country's total population, from the gas price hike when it would be revised/ determined by the OGRA under the new law.

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.

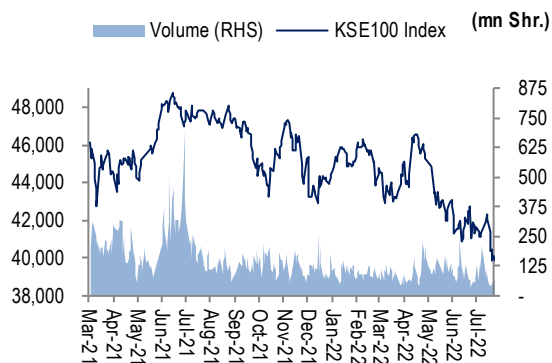
Govt raises Rs300bn (Dawn)

The government on Wednesday raised Rs300 billion through the auction of Pakistan Investment Bonds (PIBs), exceeding the target of Rs175bn, with a slight downward revision of 5 basis points in the cut-off yields in both tenors. The government raised Rs82.658bn for two-year at the cut-off yield of 13.95 per cent while it picked Rs191.44bn for 5-year at 13.40pc. It also generated Rs1.75bn through non-competitive bids.

Fixed tax regime: Decision deferred for a year: Miftah (BR)

The government has decided to reverse the decision of the fixed tax regime on electricity bills for a period of one year, said Finance Minister Miftah Ismail on Thursday. Subsequent to talks for the third consecutive day with the traders, Ismail and Federal Minister for Power Khurram Dastgir Khan announced that on the demand of the traders, the government has decided to withdraw the fixed tax regime on electricity bills for one year. The finance minister said that Prime Minister Shehbaz Sharif and Maryam Nawaz have asked to review the fixed tax and following discussion with traders, the government has decided to withdraw the fixed tax regime for small traders for one year.

PSX Volume & Index



Top Contributors in KSE100 Index

Companies Index Contribution

Bullish Companies

LUCK	155.5
UBL	123.9
MCB	87.3
PSO	78.4
COLG	73.3
	518.3

Bearish Companies

FABL	(9.5)
MARI	(6.2)
ILP	(4.2)
AICL	(3.2)
ICI	(3.0)
	(26.1)

Sectors

Index Contribution

Bullish Sectors

Commercial Banks	427.3
Cement	421.8
Fertilizer	112.1
Chemical	111.0
	1,072.2

Bearish Sectors

Close - End Mutual Fund	(2.5)
Real Estate Investment Trust	(1.4)
Modarabas	(1.0)
Leather & Tanneries	(0.2)
Sugar & Allied Industries	-
	(5.1)



Best Brokerage House of the Year 2021

Best Economic Research House of the Year: 2021

Corporate Finance House of the Year: 2021

Best Equity Research Analyst: 2021



Best Securities House: 2022
Best Investment Bank: 2022



Best Broker in Pakistan

AHL Universe - Performance

Code	Closing	WoW (%)	MTD (%)	CYTD (%)	90-Days		180-Days		365-Days	
					High	Low	High	Low	High	Low
MLCF	28.94	20.43	20.43	(19.50)	28.94	23.22	38.44	23.22	46.20	23.22
HCAR	180.77	19.34	19.34	(20.48)	194.73	151.47	215.06	151.47	343.77	151.47
FCCL	15.22	17.71	17.71	(17.15)	15.50	12.73	18.59	12.73	22.27	12.73
ASTL	27.72	16.08	16.08	(38.07)	27.72	21.93	41.60	21.93	48.54	21.93
KOHC	147.12	15.64	15.64	(21.99)	147.12	118.99	180.80	118.99	225.43	118.99
DGKC	60.40	15.09	15.09	(27.18)	62.50	52.48	77.41	52.48	112.59	52.48
PSMC	183.88	14.13	14.13	(18.82)	211.21	158.86	223.07	158.86	346.18	158.86
LUCK	466.15	13.16	13.16	(31.38)	502.79	411.93	691.95	411.93	861.99	411.93
HTL	42.48	12.38	12.38	1.76	42.48	35.71	47.31	35.71	62.62	35.71
AGHA	15.33	11.73	11.73	(41.42)	16.03	13.48	23.77	13.48	32.48	13.48
NPL	22.83	11.15	11.15	26.79	22.83	16.29	22.83	16.29	22.83	15.27
ACPL	74.15	10.00	10.00	(45.81)	86.82	66.50	132.27	66.50	161.13	66.50
ITTEFAQ	7.60	9.35	9.35	(36.51)	7.79	6.53	11.51	6.53	17.96	6.53
UBL	120.28	9.02	9.02	(4.86)	131.99	108.01	138.86	108.01	138.86	102.89
INDU	1,079.95	8.58	8.58	(8.34)	1,299.13	951.42	1,413.03	951.42	1,413.03	951.42
PSO	187.11	8.51	8.51	2.87	187.11	155.63	196.85	155.63	219.40	155.63
POWER	5.40	8.00	8.00	(15.09)	5.73	4.82	6.62	4.82	9.31	4.82
PTL	33.95	6.90	6.90	(18.70)	33.95	25.43	39.47	24.62	62.03	24.62
MCB	129.99	6.87	6.87	(9.34)	137.17	118.27	151.62	118.27	153.64	118.27
NBP	28.39	6.25	6.25	(17.76)	29.85	26.13	35.88	26.13	37.01	26.13
NCPL	18.02	6.06	6.06	12.63	18.02	14.53	18.40	13.68	18.67	11.74
NML	71.20	5.61	5.61	(10.53)	77.05	66.30	93.34	66.30	96.77	66.30
APL	363.43	5.55	5.55	20.79	363.43	300.18	363.43	293.35	363.43	276.78
MEBL	124.78	5.31	5.31	(4.67)	131.11	111.06	145.03	111.06	149.90	111.06
BOP	5.47	4.99	4.99	(27.35)	6.00	5.14	7.51	5.14	7.92	5.14
AHCL	36.96	4.79	4.79	3.15	38.47	32.65	40.05	32.65	40.05	32.19
EPCL	69.49	4.75	4.75	48.43	89.08	64.87	89.08	52.64	89.08	42.69
HBL	88.68	4.63	4.63	(19.39)	101.91	82.12	116.24	82.12	120.72	82.12
LOTCHEM	30.77	4.41	4.41	125.26	30.77	23.00	30.77	14.01	30.77	12.03
SNGP	32.87	4.35	4.35	13.92	34.29	22.32	34.29	22.32	41.26	22.32
AKBL	17.25	3.92	3.92	(21.66)	18.98	16.54	23.18	16.54	24.61	16.54
HUBC	66.91	3.87	3.87	1.88	69.17	63.03	75.74	63.03	76.76	63.03
KAPCO	27.70	3.78	3.78	(3.42)	30.17	26.24	31.48	26.24	31.99	23.61
MTL	850.25	3.69	3.69	48.74	910.70	807.91	910.70	617.37	910.70	561.85
SGF	40.98	3.48	3.48	(7.85)	43.44	37.98	49.74	37.98	56.41	37.98
UNITY	19.38	3.42	3.42	(26.79)	23.26	16.72	31.11	16.72	39.26	16.72
BAFL	34.71	3.40	3.40	6.28	34.71	29.81	36.87	29.81	36.87	28.48
FATIMA	36.44	3.05	3.05	10.41	38.51	35.00	41.29	32.55	41.29	25.75
OGDC	82.69	2.82	2.82	(0.76)	84.08	75.17	91.81	75.17	91.81	75.17
PPL	70.32	2.73	2.73	(9.38)	72.11	64.91	85.92	64.91	85.92	64.91
POL	399.61	2.34	2.34	17.74	420.13	373.78	420.13	363.39	420.13	317.73
HUMNL	7.06	2.32	2.32	14.18	7.59	6.27	8.15	6.02	8.15	5.18
FML	69.25	2.08	2.08	(3.30)	74.64	59.85	74.64	59.85	99.21	59.85
FFC	103.52	2.07	2.07	13.50	115.92	101.30	120.53	96.43	120.53	84.30
ENGRO	238.92	1.83	1.83	(8.18)	268.40	232.11	284.00	232.11	284.00	232.11
EFERT	80.11	1.41	1.41	17.92	91.56	77.29	95.51	74.17	95.51	58.67
FFBL	20.63	0.68	0.68	(16.75)	22.38	19.87	24.93	19.87	27.34	19.87
ABL	65.34	(0.09)	(0.09)	(16.75)	79.50	63.61	85.79	63.61	87.22	63.20
MARI	1,686.61	(0.55)	(0.55)	5.75	1,790.97	1,586.58	1,800.13	1,586.58	1,800.13	1,366.75
ICI	751.67	(1.10)	(1.10)	1.39	769.05	679.00	828.45	679.00	828.45	679.00
ILP	61.02	(1.94)	(1.94)	(13.81)	68.81	59.07	80.32	59.07	80.32	59.07
FABL	25.47	(3.78)	(3.78)	15.20	26.47	20.41	28.38	20.41	28.38	17.24
NCL	39.53	(13.93)	(13.93)	(7.97)	49.19	38.30	55.46	38.30	55.46	37.24

Source (s): Bloomberg, AHL Research

Local & Foreign Investors Portfolio Investment (USD mn)

LIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	163.52	164.11	SELL	(0.59)
Companies	8.02	7.85	BUY	0.16
Banks / DFIs	4.44	5.80	SELL	(1.36)
NBFC	0.22	0.25	SELL	(0.02)
Mutual Funds	11.62	10.05	BUY	1.57
Other Organizations	1.37	2.06	SELL	(0.69)
Broker Proprietary Trading	42.28	40.08	BUY	2.19
Insurance Companies	1.13	1.71	SELL	(0.58)
Total	232.60	231.91	BUY	0.69

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	131.48	133.52	SELL	(2.04)
Companies	12.65	10.26	BUY	2.38
Banks / DFIs	6.09	2.83	BUY	3.26
NBFC	0.07	0.09	SELL	(0.01)
Mutual Funds	5.94	7.10	SELL	(1.16)
Other Organizations	1.73	1.79	SELL	(0.07)
Broker Proprietary Trading	39.71	40.87	SELL	(1.16)
Insurance Companies	0.99	2.76	SELL	(1.78)
Total	198.66	199.23	SELL	-0.57

LIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	9.90	8.99	BUY	0.91
Fertilizer	7.72	7.14	BUY	0.58
Cement	28.86	28.81	BUY	0.05
Power Generation & Distribution	3.85	3.92	SELL	(0.07)
Exploration & Production	9.50	9.13	BUY	0.37
Oil & Gas Marketing Companies	14.17	14.67	SELL	(0.50)
Food and Personal Care Products	12.91	12.88	BUY	0.04
Textile Composite	11.33	11.40	SELL	(0.07)
Technology and Communication	44.73	44.83	SELL	(0.10)
Debt	0.09	0.09	SELL	-
All other Sectors	89.52	90.04	SELL	(0.52)
Total	232.60	231.91	BUY	0.69

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	10.43	8.92	BUY	1.50
Fertilizer	8.38	8.67	SELL	(0.28)
Cement	13.43	12.45	BUY	0.98
Power Generation & Distribution	3.70	3.52	BUY	0.19
Exploration & Production	10.54	10.96	SELL	(0.42)
Oil & Gas Marketing Companies	10.33	10.50	SELL	(0.16)
Food and Personal Care Product	15.87	15.88	SELL	(0.01)
Textile Composite	5.53	6.17	SELL	(0.64)
Technology and Communication	50.38	53.38	SELL	(3.00)
Debt	0.63	0.63	SELL	-
All other Sectors	69.44	68.15	BUY	1.29
Total	198.66	199.23	SELL	(0.57)

FIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.12	0.05	BUY	0.07
Foreign Corporates	2.24	3.14	SELL	(0.90)
Overseas Pakistani	10.09	9.95	BUY	0.15
Total	12.45	13.14	SELL	(0.69)

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.06	0.06	BUY	0.00
Foreign Corporates	8.15	7.73	BUY	0.42
Overseas Pakistani	10.31	10.16	BUY	0.15
Total	18.52	17.96	BUY	0.57

FIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	1.02	1.93	SELL	(0.91)
Fertilizer	0.55	1.13	SELL	(0.58)
Cement	1.10	1.15	SELL	(0.05)
Power Generation & Distribution	0.45	0.37	BUY	0.07
Exploration & Production	0.63	1.00	SELL	(0.37)
Oil & Gas Marketing Companies	1.02	0.52	BUY	0.50
Food and Personal Care Products	0.48	0.52	SELL	(0.04)
Textile Composite	0.43	0.37	BUY	0.07
Technology and Communication	2.28	2.19	BUY	0.10
All other Sectors	4.48	3.97	BUY	0.52
Total	12.45	13.14	SELL	(0.69)

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	1.64	3.14	SELL	(1.50)
Fertilizer	1.22	0.94	BUY	0.28
Cement	1.25	2.23	SELL	(0.98)
Power Generation & Distribution	0.29	0.48	SELL	(0.19)
Exploration & Production	1.21	0.78	BUY	0.42
Oil & Gas Marketing Companies	1.24	1.07	BUY	0.16
Food and Personal Care Product	0.86	0.84	BUY	0.01
Textile Composite	0.92	0.28	BUY	0.64
Technology and Communication	5.98	2.98	BUY	3.00
All other Sectors	3.93	5.21	SELL	(1.29)
Total	18.52	17.96	BUY	0.57

Forward Estimates

Country	Indonesia	India	Vietnam	Philippines	Sri Lanka	Thailand	China	Taiwan	S.Korea	Peer Avg	Pakistan	Prem/(Disc)
DY (%)	2.8	1.6	1.7	2.1	3.9	3.0	3.0	4.7	2.2	2.8	8.9	-68.5%
P/E (x)	15.7	18.4	10.2	13.0	10.0	15.0	9.8	10.9	9.3	12.5	4.3	-65.7%
P/B (x)	1.9	3.0	1.7	1.4	8.7	1.6	1.2	1.8	0.9	2.5	0.7	-71.9%

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 (%)
Pakistan	KSE100 Index	42,096	12.0	12.0	(25.6)	Taiwan	TWSE Index	15,036	0.1	0.1	(23.7)
Sri Lanka	CSEALL Index	8,333	8.3	8.3	(61.7)	Croatia	CRO Index	1,961	0.1	0.1	(14.6)
Hungary	BUX Index	43,337	6.2	6.2	(28.1)	Spain	IBEX Index	8,180	0.1	0.1	(15.6)
Egypt	EGX30 Index	10,043	5.9	5.9	(31.1)	Australia	AS51 Index	7,016	0.0	0.0	(10.5)
Bangladesh	DSEX Index	6,312	5.5	5.5	(15.4)	Kenya	NSEASI Index	141	(0.0)	(0.0)	(19.4)
Turkey	XU100 Index	2,738	5.4	5.4	8.5	Czech Republic	PX Index	1,233	(0.0)	(0.0)	(21.3)
Thailand	SET Index	1,601	4.9	4.9	(9.8)	Ukraine	PFTS Index	519	(0.1)	(0.1)	(26.0)
Vietnam	VNIndex Index	1,253	3.6	3.6	(18.4)	Tunisia	TUSISE Index	7,750	(0.2)	(0.2)	0.1
Oman	MSM30 Index	4,667	3.0	3.0	13.0	Mongolia	MSETOP Index	34,715	(0.2)	(0.2)	(29.7)
USA	NDX Index	13,311	2.8	2.8	(18.4)	Bahrain	BHSEASI Index	1,900	(0.3)	(0.3)	5.7
Uae	ADSMI Index	9,916	2.6	2.6	16.8	Lebanon	BLOM Index	1,378	(0.4)	(0.4)	33.8
Singapore	FSSTI Index	3,283	2.4	2.4	2.7	USA	INDU Index	32,727	(0.4)	(0.4)	(9.9)
Brazil	IBOV Index	105,892	2.1	2.1	7.7	Austria	ATX Index	3,024	(0.4)	(0.4)	(29.6)
South Korea	KOSPI Index	2,491	2.1	2.1	(23.3)	Switzerland	SMI Index	11,207	(0.4)	(0.4)	(17.2)
Philippines	PCOMP Index	6,406	2.0	2.0	(17.0)	Netherland	AEX Index	728	(0.4)	(0.4)	(18.5)
Qatar	DSM Index	13,377	1.9	1.9	15.0	China	SHSZ300 Index	4,157	(0.5)	(0.5)	(20.8)
Ireland	ISEQ Index	6,941	1.7	1.7	(26.5)	South Africa	JALSH Index	69,312	(0.5)	(0.5)	(11.0)
Indonesia	JCI Index	7,085	1.7	1.7	3.1	Latvia	RIGSE Index	1,136	(0.5)	(0.5)	(19.8)
New Zealand	NZSE Index	1,862	1.7	1.7	(19.4)	UK	UKX Index	7,440	(0.5)	(0.5)	(10.1)
Slovenia	SBITOP Index	1,162	1.6	1.6	(17.0)	Iceland	ICEXI Index	2,405	(0.5)	(0.5)	(13.0)
India	SENSEX Index	58,388	1.5	1.5	(5.9)	Dubai	DFMGI Index	3,317	(0.6)	(0.6)	3.8
Estonia	TALSE Index	1,796	1.4	1.4	(19.3)	Belgium	BEL20 Index	3,779	(0.7)	(0.7)	(21.6)
Lithuania	VILSE Index	914	1.3	1.3	(14.9)	Finland	HEX Index	10,903	(0.8)	(0.8)	(23.7)
Germany	DAX Index	13,668	1.2	1.2	(22.6)	Jordan	JOSMGNFF Index	2,569	(0.9)	(0.9)	21.1
Saudi Arabia	SASEIDX Index	12,292	1.1	1.1	8.9	Canada	SPTSX Index	19,577	(1.0)	(1.0)	(9.3)
Romania	BET Index	12,609	1.1	1.1	(12.8)	Portugal	PSI20 Index	6,071	(1.1)	(1.1)	(2.6)
Nigeria	NGSEINDX Index	50,602	1.1	1.1	18.3	Sweden	OMX Index	2,008	(1.2)	(1.2)	(26.2)
Bulgaria	SOFIX Index	606	0.9	0.9	(14.2)	Luxembourg	LUXXX Index	1,465	(2.1)	(2.1)	(21.2)
Mauritius	SEMDEX Index	2,069	0.9	0.9	(6.2)	Chile	IPSA Index	5,175	(2.1)	(2.1)	13.1
Italy	FTSEMIB Index	22,644	0.9	0.9	(25.5)	Mexico	MEXBOL Index	46,916	(2.5)	(2.5)	(11.5)
Kazakhstan	KZKAK Index	2,974	0.8	0.8	(26.2)	Argentina	MERVAL Index	120,437	(2.7)	(2.7)	11.7
Europe	SX5E Index	3,745	0.8	0.8	(22.1)	Norway	OBXP Index	576	(2.9)	(2.9)	(8.3)
Serbia	BELEX15 Index	843	0.8	0.8	(7.4)	Poland	WIG20 Index	1,655	(3.4)	(3.4)	(36.0)
Malaysia	FBMKLCI Index	1,502	0.6	0.6	(10.5)	Zimbabwe	ZHIALLSH Index	15,920	(4.1)	(4.1)	50.1
Japan	NKY Index	28,176	0.5	0.5	(16.1)	Denmark	KFX Index	1,737	(4.5)	(4.5)	(16.3)
USA	SPX Index	4,152	0.5	0.5	(12.9)	Russia	IMOEX Index	2,059	(4.8)	(4.8)	(33.3)
Greece	ASE Index	857	0.4	0.4	(14.3)	Russia	RTSI\$ Index	1,074	(5.0)	(5.0)	(32.8)
France	CAC Index	6,491	0.4	0.4	(18.9)	Ghana	GGSECI Index	2,397	(7.3)	(7.3)	(38.8)
Hong Kong	HSI Index	20,202	0.2	0.2	(14.2)						

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

Key Economic Data & Commodities Prices

Month end	Units	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Current*
Money Market Data														
03-M T-Bill	%	7.2	7.6	8.2	9.7	10.4	10.2	10.5	11.8	14.5	14.3	15.0	15.5	15.7
06-M T-Bill	%	7.4	8.0	8.8	10.2	11.3	10.6	10.9	12.4	14.6	14.5	15.2	15.7	15.7
12-M T-Bill	%	7.6	8.7	9.1	10.7	11.4	10.8	11.0	12.5	14.6	14.6	15.3	15.8	15.8
03-Y PIB	%	8.7	9.7	9.9	11.4	11.4	10.8	10.9	12.2	13.2	13.6	13.5	13.4	13.8
05-Y PIB	%	9.3	10.0	10.2	11.5	11.5	10.9	11.0	12.0	12.9	12.6	12.9	13.4	13.2
10-Y PIB	%	9.9	10.5	11.0	11.9	11.6	11.1	11.1	11.9	12.6	12.6	12.9	13.0	12.9
06-M KIBOR	%	7.5	8.2	8.9	10.3	11.5	10.7	11.0	12.5	15.0	14.7	15.4	15.8	11.0
Policy Rate	%	7.00	7.25	7.25	8.75	9.75	9.75	9.75	9.75	12.25	13.75	13.75	13.75	15.00
Inflation (YoY)														
Headline (CPI New Base)	%	8.4	9.0	9.2	11.5	12.3	13.0	13.0	12.7	13.4	13.8	21.3	21.3	21.3
Monetary Sector														
M1	PKR bn	19,812	20,085	19,902	20,128	20,444	20,204	20,210	20,683	21,179	21,448	22,141	n.a	22,141
M2	PKR bn	23,537	23,904	23,646	23,933	24,369	24,211	24,176	24,727	25,155	25,634	26,768	n.a	26,768
M3	PKR bn	27,494	27,840	27,576	27,854	28,273	28,122	28,097	28,648	28,927	29,346	30,417	n.a	30,417
Banking Sector														
Deposits	PKR bn	19,208	19,829	19,344	19,668	20,972	19,949	19,914	20,476	20,052	21,151	22,810	n.a	22,810
Advances	PKR bn	8,936	9,290	9,394	9,646	10,149	9,944	9,961	10,328	10,638	10,822	10,886	n.a	10,886
Investment	PKR bn	13,902	14,096	13,796	13,556	14,124	14,424	14,541	15,012	15,210	15,556	17,419	n.a	17,419
WALR	%	7.8	7.7	7.9	8.0	8.7	9.34	9.6	9.6	10.26	10.78	11.4	n.a	11.4
WADR	%	3.6	3.6	3.7	3.8	4.6	5.08	5.0	4.9	5.24	6.18	7.0	n.a	7.0
Spread	%	4.3	4.1	4.2	4.2	4.1	4.26	4.6	4.7	5.02	4.6	4.4	n.a	4.4
External Sector														
Forex Reserves	USD bn	27.2	26.0	23.8	22.3	23.9	22.1	22.9	18.6	16.4	15.8	16.2	14.2	14.2
With SBP	USD bn	20.1	19.3	17.2	16.0	17.7	15.7	16.5	12.0	10.5	9.7	10.3	8.4	8.4
With Banks	USD bn	7.1	6.7	6.6	6.4	6.2	6.4	6.4	6.5	5.9	6.0	5.9	5.8	5.8
Exchange rate	PKR/USD	166.4	170.7	171.7	175.7	176.5	176.7	177.5	183.5	185.9	198.5	204.8	239.4	224.04
C/A Balance	USD mn	(1,473)	(1,134)	(1,760)	(1,908)	(1,863)	(2,531)	(519.0)	(1,028.0)	(623.0)	(1,425.0)	(2,275.0)	n.a	(2,275)
Exports	USD bn	2.3	2.6	2.4	2.7	2.9	2.5	2.9	3.1	3.2	2.5	3.1	n.a	3.1
Imports	USD bn	6.0	6.1	6.0	6.4	6.5	6.3	5.2	6.2	6.0	5.7	7.0	n.a	7.0
Trade Balance	USD bn	(3.7)	(3.4)	(3.7)	(3.7)	(3.6)	(3.8)	(2.3)	(3.1)	(2.8)	(3.2)	(3.9)	n.a	(3.9)
Remittances	USD bn	2.7	2.7	2.5	2.4	2.5	2.1	2.2	2.8	3.1	2.3	2.8	n.a	2.8
Key Commodities Prices														
International														
Coal	USD/ton	146.8	200.5	220.0	117.0	137.3	174.0	261.0	254.4	295.0	341.5	341.7	332.0	292.0
Steel (HRC)	USD/ton	887.4	900.1	848.0	744.9	747.2	766.4	785.8	830.8	773.2	726.0	659.8	587.0	598.1
PTA	USD/ton	745.0	745.0	780.0	735.0	725.0	815.0	875.0	935.0	960.0	995.0	965.0	870.0	890.0
Gold	USD/oz	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	1,807.3	1,765.9	1,791.3
Cotton (COTLOOK A)	USD/lb	103.7	110.2	123.1	123.3	125.9	135.9	135.2	153.6	154.3	157.5	135.5	131.4	113.3
Crude oil (WTI)	USD/bbl	68.5	75.0	83.6	66.2	75.2	88.2	95.7	100.3	105.4	114.7	105.8	98.6	88.5
Crude oil (Arab Light)	USD/bbl	72.2	79.0	83.9	72.8	79.2	91.1	99.9	109.3	110.6	124.6	116.3	111.9	106.4
Crude oil (Brent)	USD/bbl	73.0	78.5	84.4	70.6	77.8	91.2	101.0	107.9	107.6	122.8	114.8	110.0	94.1
Local														
Cotton	PKR/maund	14,200	14,100	15,400	17,500	18,000	19,400	20,000	20,500	21,000	22,500	17,200	19,200	17,500
Cement	PKR/bag	409	409	409	409	409	409	409	409	409	409	409	409	409
Gold	PKR/10 grms	92,250	97,310	102,280	101,680	107,940	108,880	111,460	110,940	116,430	121,740	121,660	138,890	128,520

*Current Price

Disclaimer

Analyst Certification: The research analyst(s) is (are) principally responsible for preparation of this report. The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject security (ies) or sector (or economy), and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. In addition, we currently do not have any interest (financial or otherwise) in the subject security (ies). Furthermore, compensation of the Analyst(s) is not determined nor based on any other service(s) that AHL is offering. Analyst(s) are not subject to the supervision or control of any employee of AHL's non-research departments, and no personal engaged in providing non-research services have any influence or control over the compensatory evaluation of the Analyst(s).

Equity Research Ratings

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**

This document has been prepared by Research analysts at Arif Habib Limited (AHL). This document does not constitute an offer or solicitation for the purchase or sale of any security. This publication is intended only for distribution to the clients of the Company who are assumed to be reasonably sophisticated investors that understand the risks involved in investing in equity securities. The information contained herein is based upon publicly available data and sources believed to be reliable. While every care was taken to ensure accuracy and objectivity, AHL does not represent that it is accurate or complete and it should not be relied on as such. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. AHL reserves the right to make modifications and alterations to this statement as may be required from time to time. However, AHL is under no obligation to update or keep the information current. AHL is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Past performance is not necessarily a guide to future performance. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his or her own advisors to determine the merits and risks of such investment. AHL or any of its affiliates shall not be in any way responsible for any loss or damage that may be arise to any person from any inadvertent error in the information contained in this report.

© 2022 Arif Habib Limited: Corporate Member of the Pakistan Stock Exchanges. No part of this publication may be copied, reproduced, stored or disseminated in any form or by any means without the prior written consent of Arif Habib Limited.

Disclosure required under Research Analyst Regulations, 2015:

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, PSO, UNITY and SNGP.