

## Investors greeted staff-level agreement with IMF

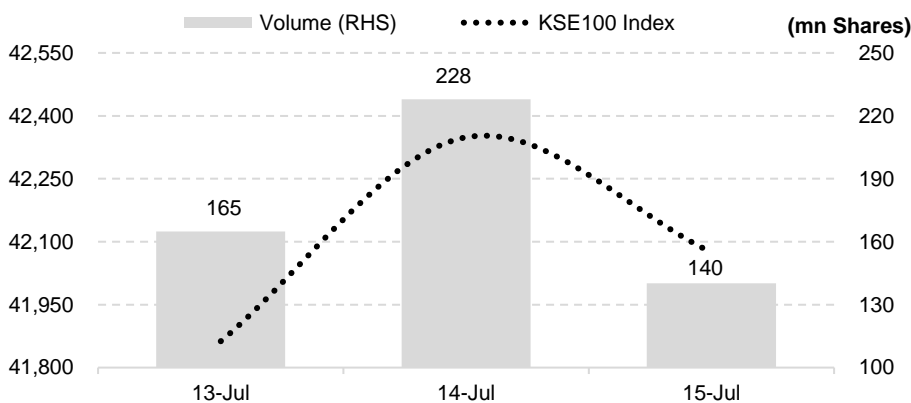
The three-day week commenced on a positive note given Government reached a staff-level agreement with the IMF, which would enable the disbursement of the USD 1.2bn under the Extended Fund Facility subject to approval of Executive Board (IMF). Alongside this, approval by the PM Shehbaz for the reduction in petroleum prices (reducing MS and HSD by PKR 18.50/litre and PKR 40.54/litre) was also welcomed by the market. On the other hand, the Pak Rupee further depreciated after staging a briefing recovery post announcement of IMF deal (closing the week at PKR 210.95), leading to bearish momentum on the last trading day of the week. The index closed at 42,075 points, gaining 731 points (up by 1.8%) WoW.

Sector-wise positive contributions came from i) Commercial Banks (194pts), ii) Cement (99pts), iii) Technology & Communication (93pts), iv) Fertilizer (85pts) and v) Oil & Gas Exploration Companies (82pts). Whereas, sectors which contributed negatively were i) Automobile Assembler (22pts) and ii) Pharmaceuticals (9pts). Scrip-wise positive contributors were MEBL (84pts), SYS (70pts), PSO (53pts), LUCK (45pts) and PPL (39pts). Meanwhile, scrip-wise negative contribution came from COLG (17pts), ABOT (15pts), MTL (10pts), POL (10pts) and EFUG (9pts).

Foreign buying was witnessed this week, clocking in at USD 1.40mn compared to a net buy of USD 1.63mn last week. Major buying was witnessed in all other sectors (USD 0.43mn) and banks (USD 0.36mn). On the local front, selling was reported by Banks/DFIs (USD 1.43mn) followed by Insurance Companies (USD 1.13mn). Average volumes clocked in at 178mn shares (up by 97% WoW) while average value traded settled at USD 31mn (up by 108% WoW).

Other major news: i) SBP raises markup rates on EFS, LTFF, ii) May FCA: KE gets Rs9.52/unit tariff hike, iii) Morinaga Milk seeks to increase share in NMPL, iv) PIA inducts second Airbus 320 aircraft into fleet, and v) FBR projects 9.5pc tax-to-GDP ratio.

Figure: KSE100 Index and PSX Volume



Source (s): PSX, AHL Research

## Outlook and Recommendation

With Pakistan and IMF reaching staff-level agreement, the government plans to raise funds worth USD 9bn-USD 10bn from international financial institutions such as World Bank, Asian Development Bank and Islamic Development Bank which will help build-up reserves. Albeit, we expect the market to be positive in next week. We recommend the investors to cherry-pick the scrips. Our preferred stocks are OGDG, PPL, MARI, MCB, FABL, MEBL, BAFL, LUCK, MLCF, FCCL, ENGRO, FFC, HUBC, PSO and SNGP. The KSE-100 is currently trading at a PER of 4.3x (2022) compared to Asia Pac regional average of 10.2x while offering a dividend yield of ~9.1% versus ~3.0% offered by the region.

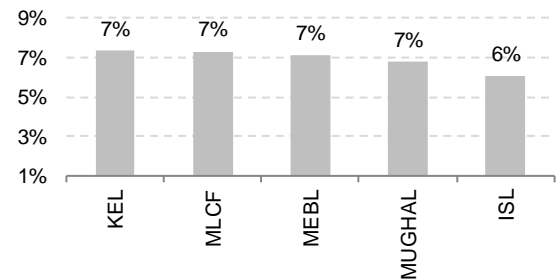
## PSX Indices Performance

Index	Current	WoW (%)	CY22TD (%)
KSE100	42,075	1.8	(5.7)
KSEAll	28,896	1.5	(6.0)
KSE30	16,051	2.1	(8.3)
KMI30	69,675	2.5	(2.8)
BKTI	10,882	2.1	(15.6)
OGTI	11,352	1.7	(1.0)

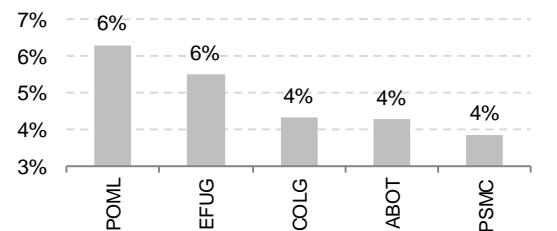
## PSX Volume Leaders

	Avg. Vol. (mn)	Closing
KEL	13.2	3.1
TPLP	10.8	20.2
SNGP	9.2	39.2
UNITY	7.2	20.2
PRL	6.3	17.4

## Major Gainers (KSE100 Index)



## Major Losers (KSE100 Index)



Analyst

AHL Research

research@arifhabibtd.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



Outstanding Company in the Financial Sector 2021



Best Broker in Pakistan

## Business & Economic developments during the week.

### Govt raises Rs506bn from sale of MTBs (BR)

The federal government on Wednesday raised some Rs 506 billion against sale of short-term security paper. The State Bank of Pakistan (SBP) conducted an auction for sale of 3-month, 6-month and 12-month Government of Pakistan Market Treasury Bills (MTBs) through Primary Dealers on Wednesday (July 13) with settlement date on July 14, 2022. This was the first auction after the monetary policy announced on July 7, in which the monetary policy committee of the SBP increased the policy rate by 125 basis points to 15 percent. Accordingly, margin on all MTBs also rose by 52 bps to 100 bps in the auction held on Wednesday.

### Gross margins of refineries decline sharply on crude crash (The News)

Gross refinery margins (GRMs) were squeezed sharply after international prices of crude oil and petroleum products dropped down substantially in recent days, industry officials said on Thursday. The margins are the difference between crude price and prices of petroleum products like diesel and petrol and these widened massively after global prices of oil peaked to all time high in the global market. Officials said margins on petrol were almost negligible now whereas margins on diesel dropped to \$20 per barrel from \$50 per barrel in June this year. They said global oil prices have been falling in anticipation of negative economic growth, in case oil prices kept surging in the global market, which might cut the demand of oil products.

### Coal-fired Jamshoro power plant: MoF to issue LoC for Rs10bn loan (BR)

The Finance Ministry is to issue Letter of Comfort (LoC) for signing of agreement with M/s Faysal Bank Limited for a loan of Rs 10 billion for coal-fired Jamshoro power plant prior to issuance of sovereign guarantee enabling JPCL to proceed further for finalization of loan, well-informed sources told Business Recorder. Sharing the details, sources said, Asian Development Bank (ADB) has financed the Lot-I 660 MW of 2x660 MW super critical coal power project Jamshoro for electric power generation on blended coal i.e. 80% imported sub-bituminous coal & 20 per cent Thar Lignite.

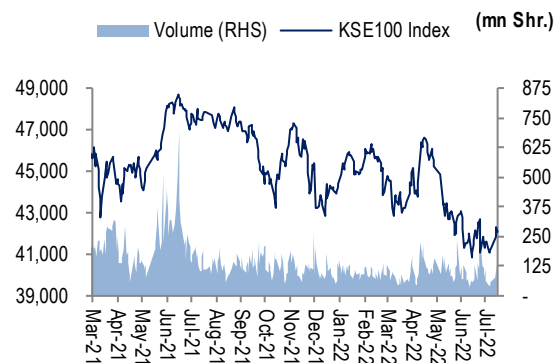
### Public debt rises 15.3pc to Rs44.6tr in July-May FY22 (The News)

Pakistan's public debt rose 15.3 percent to Rs44.6 trillion at the end of May 2022, the central bank data showed on Thursday. The debt stood at Rs38.7 trillion as of June 30, 2021. It increased by 17.5 percent year-on-year. The debt was Rs37.9 trillion as of May 31, 2021. On a month-on-month basis, it went up by R934 billion or 2.1 percent. Higher borrowing from commercial banks to finance the budget deficit led to the rise in the central government's domestic debt, which stood at Rs29.04 trillion by the end of May, up 10.6 percent from June FY2021.

### ECC decides to raise gas prices (BR)

The meeting of the Economic Coordination Committee (ECC) of the Cabinet has decided to revise upward the gas prices for domestic as well as commercial and other categories of consumers. The meeting of the ECC presided over by Finance Minister Miftah Ismail, Thursday, was submitted a summary by the Petroleum Division on the natural gas sale pricing for the fiscal year 2022-23. The ministry contended that since the fiscal year 2015-16, the gas prices were not revised in line with revenue requirements determined by the OGRA. This resulted in an accumulation of revenue shortfall/tariff differential amounting to Rs547 billion as of March 2022. Similarly, the gas sector circular debt remained at Rs299 billion in June 2018, increased to Rs1,232 billion on 31st March 2022.

## PSX Volume & Index



## Top Contributors in KSE100 Index

### Companies

Companies	Index Contribution
<b>Bullish Companies</b>	
MEBL	83.6
SYS	70.2
PSO	52.7
LUCK	45.2
PPL	39.1
<b>Total</b>	<b>290.9</b>

### Bearish Companies

COLG	(17.4)
ABOT	(15.0)
MTL	(10.3)
POL	(10.2)
EFUG	(9.1)
<b>Total</b>	<b>(61.9)</b>

### Sectors

Sectors	Index Contribution
<b>Bullish Sectors</b>	
Commercial Banks	193.9
Cement	99.0
Technology & Communication	93.2
Fertilizer	84.9
<b>Total</b>	<b>471.0</b>

### Bearish Sectors

Automobile Assembler	(22.2)
Pharmaceuticals	(9.3)
Sugar & Allied Industries	(4.3)
Leather & Tanneries	(3.1)
Textile Spinning	(2.0)
<b>Total</b>	<b>(40.9)</b>



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



Outstanding Company in the Financial Sector 2021



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	27.73	7.31	1.39	(22.87)	38.44	23.95	38.44	23.95	47.51	23.95
MEBL	123.17	7.10	9.02	(5.90)	145.03	111.06	145.03	111.06	149.90	92.83
ASTL	24.37	5.86	3.97	(45.55)	33.02	21.94	47.09	21.94	48.54	21.94
PSO	182.27	5.76	6.07	0.21	174.93	155.63	196.85	155.63	219.40	155.63
APL	342.16	5.55	6.49	13.72	331.72	293.35	343.95	293.35	343.95	276.78
FFBL	21.32	5.23	5.34	(13.96)	24.93	19.93	27.25	19.93	27.92	19.93
ITTEFAQ	7.30	4.89	3.99	(39.01)	10.77	6.75	12.53	6.75	19.07	6.75
SNGP	39.19	4.87	14.56	17.16	37.37	25.88	37.37	25.88	50.47	25.88
LUCK	451.28	3.65	(1.69)	(33.56)	626.22	435.31	701.27	435.31	911.53	435.31
KOHC	134.06	3.44	3.02	(28.92)	174.82	126.22	189.48	126.22	234.44	126.22
BAFL	33.20	3.43	3.75	1.66	36.87	31.25	36.87	31.25	36.87	27.27
ACPL	69.81	3.42	4.98	(48.98)	124.20	66.50	137.68	66.50	171.60	66.50
PPL	70.95	3.40	5.10	(8.57)	79.00	64.91	85.92	64.91	85.92	64.91
EPCL	77.36	3.30	(2.85)	65.24	89.08	59.87	89.08	46.82	89.08	34.16
FABL	24.62	3.27	6.76	11.35	28.38	20.41	28.38	20.41	28.38	15.72
AKBL	17.70	2.91	1.55	(19.62)	20.24	16.88	23.57	16.88	24.61	16.88
ICI	767.61	2.85	5.94	3.54	828.45	679.00	828.45	679.00	874.55	679.00
OGDC	82.71	2.80	5.14	(0.74)	86.76	75.17	91.81	75.17	91.81	75.17
AGHA	15.25	2.42	(2.74)	(41.73)	18.75	13.83	27.62	13.83	32.53	13.83
KAPCO	27.88	1.90	1.27	(2.79)	31.42	26.24	31.99	26.24	32.43	23.61
ENGRO	256.73	1.89	(0.14)	(1.34)	284.00	251.96	284.00	251.78	284.00	249.97
HTL	40.00	1.88	0.88	(4.18)	47.27	37.34	48.19	37.34	64.09	36.53
DGKC	58.74	1.82	(6.02)	(29.18)	74.25	54.35	84.89	54.35	119.61	54.35
HUBC	69.04	1.74	1.28	5.12	72.96	63.03	76.76	63.03	76.76	63.03
MARI	1,751.60	1.45	0.68	9.82	1,790.97	1,586.58	1,800.13	1,572.64	1,800.13	1,366.75
UNITY	20.19	1.41	0.60	(23.72)	28.25	19.82	32.42	19.82	45.76	19.82
ILP	61.84	1.34	1.38	(12.65)	74.17	60.60	80.32	60.60	80.32	60.60
FCCL	13.90	1.31	(1.91)	(24.33)	18.59	13.47	19.07	13.47	23.26	13.47
UBL	115.46	1.28	2.06	(8.67)	138.86	111.57	138.86	111.57	138.86	102.89
NPL	21.52	1.27	10.36	19.51	21.25	16.29	21.25	16.29	21.25	15.27
NML	72.57	1.26	(1.81)	(8.81)	90.59	71.26	96.77	71.26	96.77	71.26
HBL	92.86	1.13	1.66	(17.05)	114.02	90.08	119.71	90.08	122.85	90.08
NCL	45.47	1.02	1.52	5.86	55.46	43.38	55.46	42.95	55.46	37.24
NBP	27.75	1.02	(0.72)	(19.61)	32.44	26.57	37.01	26.57	37.13	26.57
POWER	5.26	0.96	(1.13)	(17.30)	6.60	5.16	6.64	5.16	9.93	5.16
HUMNL	7.03	0.72	(1.26)	13.69	8.15	6.22	8.15	6.02	8.18	5.18
EFERT	90.38	0.69	1.96	33.04	95.51	84.93	95.51	67.55	95.51	56.61
PTL	32.40	0.43	-	(22.41)	34.12	24.62	42.35	24.62	63.09	24.62
FFC	111.00	0.43	0.71	19.25	123.01	108.35	123.01	91.45	123.01	86.03
AHCL	36.10	0.28	(2.43)	0.75	40.05	32.65	40.05	32.65	40.05	32.19
MCB	125.61	0.11	2.14	(12.40)	148.47	122.34	153.64	122.34	153.64	122.34
LOTCHEM	25.04	0.08	6.01	83.31	27.80	14.46	27.80	13.58	27.80	12.03
FATIMA	37.66	0.03	(0.37)	14.11	41.29	35.76	41.29	31.69	41.29	25.58
SGF	40.00	-	(0.45)	(10.05)	49.47	39.58	50.86	39.58	59.45	39.44
FML	69.99	(0.01)	12.11	(2.27)	74.64	59.85	74.64	59.85	99.21	59.85
ABL	68.80	(0.12)	(0.29)	(12.34)	83.72	68.07	87.22	68.07	87.22	63.20
INDU	1,149.38	(0.32)	0.43	(2.45)	1,353.46	1,114.90	1,413.03	1,114.90	1,413.03	1,020.18
POL	394.27	(0.79)	(2.84)	16.16	420.13	366.19	420.13	332.10	420.13	317.73
BOP	5.53	(0.90)	2.03	(26.55)	7.38	5.41	7.76	5.41	7.92	5.41
MTL	866.59	(0.96)	(0.69)	51.59	910.70	719.18	910.70	569.85	910.70	561.85
NCPL	17.67	(1.94)	18.51	10.44	18.02	14.30	18.67	13.68	18.67	11.74
HCAR	173.71	(3.47)	(10.79)	(23.59)	199.91	163.67	232.15	163.67	372.93	163.67
PSMC	194.58	(3.87)	(7.87)	(14.10)	219.46	176.00	226.52	176.00	353.92	176.00

Source (s): Bloomberg, AHL Research

## Local & Foreign Investors Portfolio Investment (USD mn)

### LIPI Normal

#### Current Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	85.98	84.26	BUY	1.72
Companies	4.70	5.31	SELL	(0.61)
Banks / DFIs	2.75	4.17	SELL	(1.43)
NBFC	0.13	0.10	BUY	0.03
Mutual Funds	5.01	4.70	BUY	0.32
Other Organizations	0.83	0.38	BUY	0.45
Broker Proprietary Trading	21.18	21.91	SELL	(0.73)
Insurance Companies	1.07	2.21	SELL	(1.13)
<b>Total</b>	<b>121.65</b>	<b>123.04</b>	<b>SELL</b>	<b>-1.40</b>

#### Last Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	54.36	51.20	BUY	3.16
Companies	5.09	3.03	BUY	2.06
Banks / DFIs	1.99	4.19	SELL	(2.20)
NBFC	0.26	1.35	SELL	(1.09)
Mutual Funds	2.69	5.60	SELL	(2.91)
Other Organizations	1.72	0.31	BUY	1.41
Broker Proprietary Trading	13.41	13.91	SELL	(0.51)
Insurance Companies	0.35	1.91	SELL	(1.56)
<b>Total</b>	<b>79.86</b>	<b>81.49</b>	<b>SELL</b>	<b>-1.63</b>

### LIPI Sector Wise

#### Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	5.63	5.99	SELL	(0.36)
Fertilizer	3.41	3.34	BUY	0.06
Cement	13.55	13.75	SELL	(0.20)
Power Generation & Distribution	3.11	3.19	SELL	(0.08)
Exploration & Production	12.43	12.67	SELL	(0.24)
Oil & Gas Marketing Companies	18.31	18.22	BUY	0.09
Food and Personal Care Products	5.42	5.46	SELL	(0.04)
Textile Composite	1.83	1.94	SELL	(0.11)
Technology and Communication	21.59	21.68	SELL	(0.09)
Debt	-	-	SELL	-
All other Sectors	36.37	36.80	SELL	(0.43)
<b>Total</b>	<b>121.65</b>	<b>123.04</b>	<b>SELL</b>	<b>(1.40)</b>

#### Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	3.37	2.95	BUY	0.42
Fertilizer	3.79	4.16	SELL	(0.37)
Cement	9.52	9.70	SELL	(0.18)
Power Generation & Distribution	1.99	2.00	SELL	(0.01)
Exploration & Production	6.44	6.46	SELL	(0.02)
Oil & Gas Marketing Companies	7.85	7.92	SELL	(0.07)
Food and Personal Care Product	2.57	2.73	SELL	(0.16)
Textile Composite	1.37	1.42	SELL	(0.05)
Technology and Communication	7.67	8.23	SELL	(0.56)
Debt	1.81	1.81	SELL	-
All other Sectors	33.48	34.10	SELL	(0.63)
<b>Total</b>	<b>79.86</b>	<b>81.49</b>	<b>SELL</b>	<b>-1.63</b>

### FIPI Normal

#### Current Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.07	0.00	BUY	0.07
Foreign Corporates	2.29	1.50	BUY	0.79
Overseas Pakistani	6.29	5.75	BUY	0.54
<b>Total</b>	<b>8.65</b>	<b>7.25</b>	<b>BUY</b>	<b>1.40</b>

#### Last Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.00	0.00	BUY	0.00
Foreign Corporates	1.82	1.29	BUY	0.53
Overseas Pakistani	4.28	3.18	BUY	1.10
<b>Total</b>	<b>6.11</b>	<b>4.48</b>	<b>BUY</b>	<b>1.63</b>

### FIPI Sector Wise

#### Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	0.94	0.59	BUY	0.36
Fertilizer	0.41	0.47	SELL	(0.06)
Cement	0.65	0.45	BUY	0.20
Power Generation & Distribution	0.32	0.24	BUY	0.08
Exploration & Production	0.89	0.65	BUY	0.24
Oil & Gas Marketing Companies	1.02	1.10	SELL	(0.09)
Food and Personal Care Products	0.31	0.27	BUY	0.04
Textile Composite	0.36	0.25	BUY	0.11
Technology and Communication	1.53	1.44	BUY	0.09
All other Sectors	2.23	1.79	BUY	0.43
<b>Total</b>	<b>8.65</b>	<b>7.25</b>	<b>BUY</b>	<b>1.40</b>

#### Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	0.49	0.91	SELL	(0.42)
Fertilizer	0.84	0.47	BUY	0.37
Cement	0.41	0.23	BUY	0.18
Power Generation & Distribution	0.12	0.10	BUY	0.01
Exploration & Production	0.40	0.38	BUY	0.02
Oil & Gas Marketing Companies	0.45	0.38	BUY	0.07
Food and Personal Care Product:	0.34	0.18	BUY	0.16
Textile Composite	0.10	0.05	BUY	0.05
Technology and Communication	0.98	0.42	BUY	0.56
All other Sectors	1.97	1.35	BUY	0.63
<b>Total</b>	<b>6.11</b>	<b>4.48</b>	<b>BUY</b>	<b>1.63</b>

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 (%)	3.1	1.7	1.8	2.2	4.4	3.2	3.1	4.9	2.4	3.0	9.1	-67.4%
P/E (x)	1.0	16.5	9.5	12.5	9.0	14.3	9.8	10.4	8.5	10.2	4.3	-58.0%
P/B (x)	1.8	2.6	1.6	1.3	8.7	1.5	1.2	1.7	0.8	2.4	0.7	-69.0%

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 (%)
Sri Lanka	CSEALL Index	7,468	5.7	1.2	(65.8)	Qatar	DSM Index	11,868	(2.1)	(3.0)	1.8
Russia	IMOEX Index	2,083	3.0	(11.3)	(29.5)	Portugal	PSI20 Index	5,895	(2.2)	(6.5)	(6.6)
Iceland	ICEXI Index	2,434	2.2	3.5	(13.0)	Saudi Arabia	SASEIDX Index	11,163	(2.2)	(3.2)	(1.0)
Nigeria	NGSEINDX Index	52,520	2.2	1.0	23.5	Germany	DAX Index	12,682	(2.3)	(4.9)	(29.1)
Dubai	DFMGI Index	3,160	1.7	(2.0)	(1.1)	France	CAC Index	5,931	(2.3)	(4.0)	(26.8)
Mongolia	MSETOP Index	33,423	1.6	1.5	(31.6)	South Korea	KOSPI Index	2,331	(2.3)	(3.0)	(29.7)
Russia	RTSI\$ Index	1,149	1.5	(14.5)	(28.0)	Lithuania	VILSE Index	884	(2.3)	(4.8)	(18.7)
Vietnam	VNIndex Index	1,179	1.0	(2.0)	(23.2)	USA	INDU Index	30,630	(2.4)	(0.5)	(15.7)
Taiwan	TWSE Index	14,551	0.9	(2.6)	(26.2)	Latvia	RIGSE Index	1,111	(2.5)	(6.0)	(22.6)
Oman	MSM30 Index	4,141	0.5	0.4	0.3	Turkey	XU100 Index	2,382	(2.6)	(5.2)	(2.8)
Serbia	BELEX15 Index	855	0.5	(2.4)	(7.3)	UK	UKX Index	7,103	(2.8)	(3.8)	(16.0)
<b>Pakistan</b>	<b>KSE100 Index</b>	<b>42,075</b>	<b>0.3</b>	<b>(1.6)</b>	<b>(21.1)</b>	USA	NDX Index	11,768	(2.8)	2.3	(27.9)
Uae	ADSMI Index	9,250	0.3	(1.3)	9.0	Argentina	MERVAL Index	100,518	(2.8)	11.2	(3.4)
Slovenia	SBITOP Index	1,140	0.2	(2.3)	(19.6)	Romania	BET Index	12,067	(2.8)	(5.8)	(17.8)
Czech Republic	PX Index	1,225	0.2	(5.4)	(22.8)	Europe	SX5E Index	3,424	(2.9)	(5.0)	(29.7)
Jordan	JOSMGNFF Index	2,575	0.1	4.0	21.2	USA	SPX Index	3,790	(2.9)	0.1	(20.5)
Ukraine	PFTS Index	519	0.0	(0.5)	(8.2)	Finland	HEX Index	10,230	(2.9)	(4.0)	(29.3)
Kenya	NSEASI Index	134	-	7.5	(22.9)	Estonia	TALSE Index	1,739	(2.9)	(6.9)	(22.8)
Indonesia	JCI Index	6,652	(0.1)	(4.2)	(3.8)	Mexico	MEXBOL Index	46,741	(2.9)	(5.5)	(14.1)
Tunisia	TUSISE Index	7,581	(0.1)	(1.7)	(3.1)	Ireland	ISEQ Index	6,249	(3.2)	(4.6)	(34.7)
Austria	ATX Index	2,842	(0.1)	(5.4)	(34.6)	Belgium	BEL20 Index	3,686	(3.2)	(4.0)	(24.5)
Denmark	KFX Index	1,701	(0.5)	(0.4)	(19.0)	Philippines	PCOMP Index	6,195	(3.2)	(1.9)	(21.2)
New Zealand	NZSE Index	1,769	(0.6)	0.4	(24.8)	Luxembourg	LUXXX Index	1,402	(3.4)	(6.8)	(25.6)
Mauritius	SEMDEX Index	2,042	(0.7)	(3.5)	(5.7)	Thailand	SET Index	1,533	(3.5)	(5.9)	(15.9)
Malaysia	FBMKLCI Index	1,418	(0.7)	(2.9)	(15.6)	Croatia	CRO Index	1,942	(3.5)	(7.2)	(17.0)
Japan	NKY Index	26,788	(0.9)	(0.8)	(22.8)	Spain	IBEX Index	7,891	(3.9)	(6.6)	(19.6)
Bangladesh	DSEX Index	6,325	(1.0)	(1.4)	(14.4)	Sweden	OMX Index	1,877	(3.9)	(2.9)	(33.4)
Greece	ASE Index	795	(1.1)	(6.0)	(21.5)	Chile	IPSA Index	5,136	(4.0)	(3.6)	2.1
Bahrain	BHSEASI Index	1,850	(1.2)	0.6	3.0	Ghana	GGSECI Index	2,464	(4.0)	(4.0)	(32.9)
Singapore	FSSTI Index	3,099	(1.2)	(1.2)	(4.8)	Norway	OBXP Index	541	(4.5)	(5.1)	(17.3)
Lebanon	BLOM Index	1,432	(1.2)	0.0	39.1	Italy	FTSEMIB Index	20,751	(4.8)	(6.6)	(32.6)
Bulgaria	SOFIX Index	609	(1.3)	(4.6)	(14.9)	Canada	SPTSX Index	18,329	(4.9)	(4.8)	(16.8)
Kazakhstan	KZKAK Index	2,647	(1.5)	(3.5)	(35.0)	China	SHSZ300 Index	4,249	(5.2)	(6.1)	(19.1)
Switzerland	SMI Index	10,834	(1.6)	(1.9)	(21.5)	Hong Kong	HSI Index	20,298	(6.2)	(7.2)	(13.8)
India	SENSEX Index	53,761	(1.6)	0.3	(13.9)	Brazil	IBOV Index	96,121	(6.3)	(6.9)	(6.3)
Netherland	AEX Index	667	(1.7)	(3.0)	(26.2)	Poland	WIG20 Index	1,617	(6.4)	(10.2)	(39.2)
Australia	AS51 Index	6,606	(1.9)	(1.8)	(17.7)	South Africa	JALSH Index	64,439	(7.6)	(7.9)	(19.0)
Hungary	BUX Index	39,404	(1.9)	(5.3)	(36.9)						

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

## Key Economic Data & Commodities Prices

Month end	Units	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Current*
<b>Money Market Data</b>														
03-M T-Bill	%	7.2	7.2	7.6	8.2	9.7	10.4	10.2	10.5	11.8	14.5	14.3	15.0	15.3
06-M T-Bill	%	7.5	7.4	8.0	8.8	10.2	11.3	10.6	10.9	12.4	14.6	14.5	15.2	15.6
12-M T-Bill	%	7.7	7.6	8.7	9.1	10.7	11.4	10.8	11.0	12.5	14.6	14.6	15.3	15.7
03-Y PIB	%	8.9	8.7	9.7	9.9	11.4	11.4	10.8	10.9	12.2	13.2	13.6	13.5	13.8
05-Y PIB	%	9.4	9.3	10.0	10.2	11.5	11.5	10.9	11.0	12.0	12.9	12.6	12.9	13.2
10-Y PIB	%	10.0	9.9	10.5	11.0	11.9	11.6	11.1	11.1	11.9	12.6	12.6	12.9	13.0
06-M KIBOR	%	7.6	7.5	8.2	8.9	10.3	11.5	10.7	11.0	12.5	15.0	14.7	15.4	11.0
Policy Rate	%	7.00	7.00	7.25	7.25	8.75	9.75	9.75	9.75	9.75	12.25	13.75	13.75	15.00
<b>Inflation (YoY)</b>														
Headline (CPI New Base)	%	8.4	8.4	9.0	9.2	11.5	12.3	13.0	13.0	12.7	13.4	13.8	21.3	21.3
<b>Monetary Sector</b>														
M1	PKR bn	19,888	19,812	20,085	19,902	20,128	20,444	20,204	20,210	20,683	21,179	21,448	n.a	21,448
M2	PKR bn	23,576	23,537	23,904	23,646	23,933	24,369	24,211	24,176	24,727	25,155	25,634	n.a	25,634
M3	PKR bn	27,563	27,494	27,840	27,576	27,854	28,273	28,122	28,097	28,648	28,927	29,346	n.a	29,346
<b>Banking Sector</b>														
Deposits	PKR bn	18,839	19,208	19,829	19,344	19,668	20,972	19,949	19,914	20,476	20,052	21,151	22,810	22,810
Advances	PKR bn	8,878	8,936	9,290	9,394	9,646	10,149	9,944	9,961	10,328	10,638	10,822	10,886	10,886
Investment	PKR bn	14,102	13,902	14,096	13,796	13,556	14,124	14,424	14,541	15,012	15,210	15,556	17,419	17,419
WALR	%	7.8	7.8	7.7	7.9	8.0	8.7	9.34	9.6	9.6	10.26	10.8	n.a	10.8
WADR	%	3.6	3.6	3.6	3.7	3.8	4.6	5.08	5.0	4.9	5.24	6.2	n.a	6.2
Spread	%	4.2	4.3	4.1	4.2	4.2	4.1	4.26	4.6	4.7	5.02	4.6	n.a	4.6
<b>External Sector</b>														
Forex Reserves	USD bn	24.9	27.2	26.0	23.8	22.3	23.9	22.1	22.9	18.6	16.4	15.8	16.2	15.6
With SBP	USD bn	17.8	20.1	19.3	17.2	16.0	17.7	15.7	16.5	12.0	10.5	9.7	10.3	9.7
With Banks	USD bn	7.0	7.1	6.7	6.6	6.4	6.2	6.4	6.4	6.5	5.9	6.0	5.9	5.9
Exchange rate	PKR/USD	162.4	166.4	170.7	171.7	175.7	176.5	176.7	177.5	183.5	185.9	198.5	204.8	210.95
C/A Balance	USD mn	(814)	(1,473)	(1,134)	(1,760)	(1,908)	(1,863)	(2,531)	(519.0)	(1,028.0)	(623.0)	(1,425.0)	n.a	(1,425)
Exports	USD bn	2.3	2.3	2.6	2.4	2.7	2.9	2.5	2.9	3.1	3.2	2.5	n.a	2.5
Imports	USD bn	5.4	6.0	6.1	6.0	6.4	6.5	6.3	5.2	6.2	6.0	5.7	n.a	5.7
Trade Balance	USD bn	(3.4)	(3.7)	(3.4)	(3.7)	(3.7)	(3.6)	(3.8)	(2.3)	(3.1)	(2.8)	(3.2)	n.a	(3.2)
Remittances	USD bn	2.7	2.7	2.7	2.5	2.4	2.5	2.1	2.2	2.8	3.1	2.3	n.a	2.3
<b>Key Commodities Prices</b>														
<b>International</b>														
Coal	USD/ton	123.0	146.8	200.5	220.0	117.0	137.3	174.0	261.0	254.4	295.0	341.5	341.7	352.0
Steel (HRC)	USD/ton	918.7	887.4	900.1	848.0	744.9	747.2	766.4	785.8	830.8	773.2	726.0	659.8	650.7
PTA	USD/ton	750.0	745.0	745.0	780.0	735.0	725.0	815.0	875.0	935.0	960.0	995.0	965.0	965.0
Gold	USD/oz	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	1,807.3	1,709.9
Cotton (COTLOOK A)	USD/lb	100.3	103.7	110.2	123.1	123.3	125.9	135.9	135.2	153.6	154.3	157.5	135.5	129.0
Crude oil (WTI)	USD/bbl	74.0	68.5	75.0	83.6	66.2	75.2	88.2	95.7	100.3	105.4	114.7	105.8	95.8
Crude oil (Arab Light)	USD/bbl	75.4	72.2	79.0	83.9	72.8	79.2	91.1	99.9	109.3	110.6	124.6	116.3	105.3
Crude oil (Brent)	USD/bbl	76.3	73.0	78.5	84.4	70.6	77.8	91.2	101.0	107.9	107.6	122.8	114.8	99.1
<b>Local</b>														
Cotton	PKR/maund	13,000	14,200	14,100	15,400	17,500	18,000	19,400	20,000	20,500	21,000	22,500	17,200	15,500
Cement	PKR/bag	654	674	678	723	742	739	737	748	865	870	875	1,023	1,049
Gold	PKR/10 grms	93,880	92,250	97,310	102,280	101,680	107,940	108,880	111,460	110,940	116,430	121,740	121,660	115,400

\*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.