

Index breached 40,000 points level

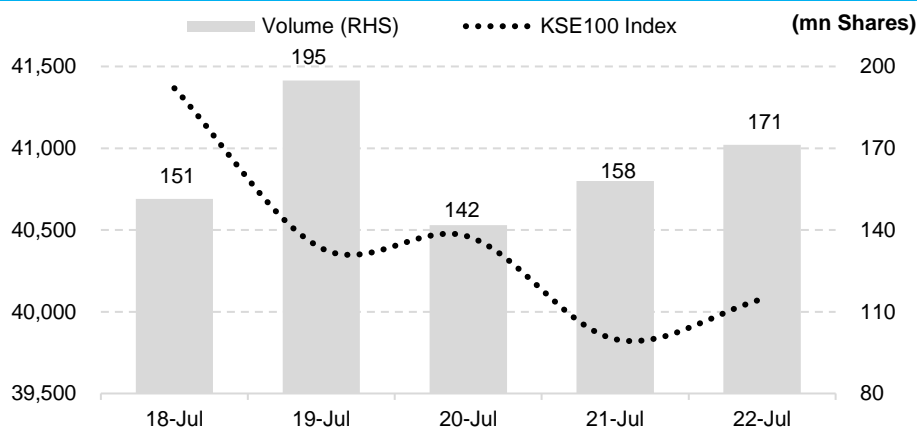
Political uncertainty took a toll on the market this week. The Pak Rupee continued to depreciate during the week, reaching an all-time low of PKR 228.37 amid depletion of foreign reserves and uncertainty over funding from friendly countries. Moreover, IMF is assessing which friendly countries are willing to provide financial aid to Pakistan before disbursing the loan of USD 1.2bn. Given the situation, the pressure was felt by the market, taking the index below 40,000 points. In addition to this, Fitch downgraded Pakistan's rating outlook to negative. However, a slight rebound was observed on the last trading day. The market closed at 40,077 points, losing 1,998 points (down by 4.75%) WoW.

Sector-wise negative contributions came from i) Commercial Banks (499pts), ii) Fertilizer (294pts), iii) Cement (245pts), iv) Oil & Gas Exploration Companies (187pts) and v) Power Generation & Distribution (110pts). Whereas, sectors which contributed positive were i) Sugar & Allied Industries (3pts) and ii) Close-End Mutual Fund (2pts). Scrip-wise negative contributors were HBL (152pts), LUCK (92pts), ENGRO (92pts), EPCL (91pts) and HUBC (90pts). Meanwhile, scrip-wise positive contribution came from SML (3pts), HGFA (2pts), HINOON (2pts), MUREB (1pts) and DCR (1pts).

Foreign buying was witnessed this week, clocking in at USD 3.43mn compared to a net buy of USD 1.40mn last week. Major buying was witnessed in Technology (USD 1.98mn) and All Other Sectors (USD 0.75mn). On the local front, selling was reported by Mutual Funds (USD 7.76mn) followed by Insurance Companies (USD 2.22mn). Average volumes clocked in at 163mn shares (down by 8% WoW) while average value traded settled at USD 21mn (down by 31% WoW).

Other major news: i) FY22 FDI surges 2.6pc to \$1.868bn, ii) SBP reserves fall to \$9.329bn on debt repayments, iii) Pakistan international bond yields surge to 50.6%, iv) Large-scale manufacturing expands 11.7pc in 11MFY22, and v) Kohala Hydropower Project: PPIB extends due financial close date by 3 years.

Figure: KSE100 Index and PSX Volume



Source (s): PSX, AHL Research

Outlook and Recommendation

The market is expected to be positive in the upcoming week. With the commencement of result session next week, certain scrips are expected to remain in the limelight. Moreover, scrips are trading at cheap valuations, which may revive the momentum. We recommend the investors to cherry-pick blue chip scrips. 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 4.1x (2022) compared to Asia Pac regional average of 12.2x while offering a dividend yield of ~9.6% versus ~2.9% offered by the region.

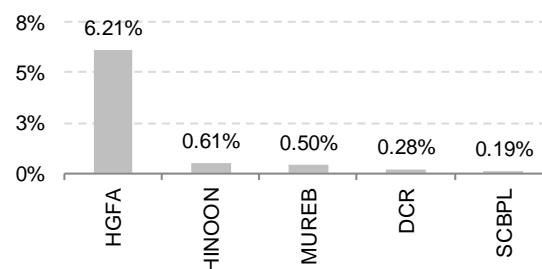
PSX Indices Performance

Index	Current	WoW (%)	CY22TD (%)
KSE100	40,077	(4.7)	(10.1)
KSEAll	27,724	(4.1)	(9.8)
KSE30	15,211	(5.2)	(13.1)
KMI30	65,819	(5.5)	(8.2)
BKTI	10,279	(5.5)	(20.3)
OGTI	10,928	(3.7)	(4.7)

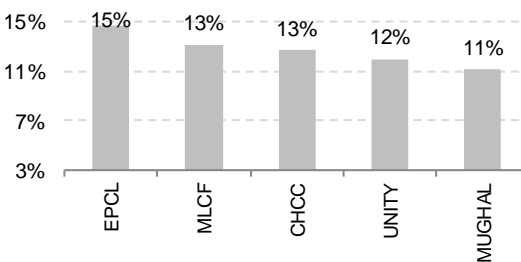
PSX Volume Leaders

	Avg. Vol. (mn)	Closing
WTL	15.4	1.2
TPLP	11.2	16.9
UNITY	9.7	17.8
KEL	7.9	2.9
CENERGY	7.8	5.0

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.

SBP moves apex court against Shariat court's interest ban (Tribune)

The State Bank of Pakistan (SBP) moved on Saturday the Supreme Court against the Federal Shariat Court's (FSC) decision to shift to an interest-free economy. Salman Akram Raja filed the petition on behalf of the SBP, while four other private banks also appealed against the FSC's decision with the Ministry of Finance, Ministry of Law, Banking Council chairman and others listed as parties. The central bank's appeal stated that the FSC did not heed the orders of the Supreme Court remand order and declared the rules related to savings certificates as un-Islamic, and thus, ordered to amend the rules. The banks requested that the appeal against the decision of the Shariat court be allowed, and the extent of the points raised in the decision be amended.

Reko Diq copper-gold project: Barrick sets conditions to insulate itself (BR)

Barrick Gold Corporation President Mark Bristow Monday stated that the first phase of Reko Diq copper-gold project will be completed by 2027-28, and the scheme will convert it into a "world-class mine and transform Balochistan". The framework agreement will be finalised with Pakistani authorities after legal cover from the Parliament and review from the Supreme Court of Pakistan and the settlement of pending legal issues. Bristow, president and chief executive officer of Barrick, stated at a press conference that the company was still negotiating the legal framework with the current government and desired legislation pertaining to this transaction.

ADB sees Pakistan inflation to stay high on energy, food prices (The News)

Pakistan's inflationary pressures have revised upward substantially for the current fiscal year 2023 owing to elevated global energy and food prices as well as withdrawal of subsidies for hiking tariffs for power and oil sectors. According to Asian Development Outlook (ADO) 2022 Supplement released on Thursday, GDP growth in Pakistan is expected to moderate in FY2022 (ended June 30, 2022) on fiscal tightening measures to manage growing demand pressures and contain external and fiscal imbalances. Growth is projected to recover slightly in FY2023, supported by structural reforms. Pakistan's inflation, the ADO 2022 states, is marginally revised up for FY2022 and substantially so for FY2023.

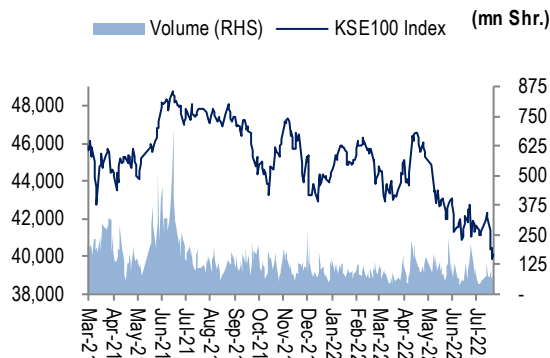
Large-scale manufacturing expands 11.7pc in 11MFY22 (Dawn)

The Pakistan Bureau of Statistics (PBS) reported on Monday that large-scale manufacturing (LSM) grew 21.4 per cent year-on-year in May. However, on month-on-month basis the LSM shrank by 1.3pc in May. In the first month of the PML-N-led coalition government, the big industry output shrank 13.3pc month-on-month. In the first 11 months (July-May) of FY22, LSM grew by 11.7pc on a YoY basis as per the new base. However, the growth is calculated at 7.1pc in the 11 months on the basis of the old base-2005-06.

Minimum tax rate on OMCs' turnover cut under Finance Act (BR)

The rate of minimum tax on turnover of oil marketing companies has been brought down from 0.75 percent to 0.5 percent under the Finance Act, 2022. According to the FBR's budget explanatory circular issued on Thursday, the minimum tax on turnover under Section 113 is payable by a resident company, permanent establishment of a non-resident company, an individual or an AOP having a turnover of Rs 100 million and above under certain specific situations mentioned therein.

PSX Volume & Index



Top Contributors in KSE100 Index

Companies Index Contribution

Bullish Companies

SML	2.8
HGFA	2.3
HINOON	1.6
MUREB	0.6
DCR	0.6
	8.0

Bearish Companies

HBL	(151.9)
LUCK	(92.1)
ENGRO	(92.1)
EPCL	(91.1)
HUBC	(89.7)
	(516.8)

Sectors Index Contribution

Bullish Sectors

Sugar & Allied Industries	2.8
Close - End Mutual Fund	2.3
Real Estate Investment Trust	0.6
Jute	0.0
	5.7

Bearish Sectors

Commercial Banks	(498.9)
Fertilizer	(294.2)
Cement	(244.9)
Oil & Gas Exploration Companies	(186.5)
Power Generation & Distribution	(109.8)
	(1,334.3)



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
AHCL	36.23	0.36	(2.08)	1.12	40.05	32.65	40.05	32.65	40.05	32.19
ICI	769.05	0.19	6.14	3.74	786.63	679.00	828.45	679.00	874.55	679.00
ACPL	69.05	(1.09)	3.83	(49.54)	117.97	66.50	133.91	66.50	169.87	66.50
FFBL	21.06	(1.22)	4.05	(15.01)	24.93	19.87	26.69	19.87	27.37	19.87
APL	336.26	(1.72)	4.65	11.76	342.16	300.18	343.95	293.35	343.95	276.78
INDU	1,125.22	(2.10)	(1.68)	(4.50)	1,345.14	1,114.73	1,413.03	1,114.73	1,413.03	1,020.18
FABL	24.06	(2.27)	4.34	8.82	26.00	20.41	28.38	20.41	28.38	17.24
NCL	44.36	(2.44)	(0.96)	3.27	52.10	43.05	55.46	43.05	55.46	37.24
KAPCO	27.10	(2.80)	(1.56)	(5.51)	30.17	26.24	31.99	26.24	31.99	23.61
OGDC	80.10	(3.16)	1.82	(3.87)	85.14	75.17	91.81	75.17	91.81	75.17
SGF	38.61	(3.48)	(3.91)	(13.18)	47.50	37.98	50.86	37.98	59.45	37.98
ILP	59.67	(3.51)	(2.18)	(15.71)	71.90	59.54	80.32	59.54	80.32	59.54
MARI	1,689.97	(3.52)	(2.86)	5.96	1,790.97	1,586.58	1,800.13	1,586.58	1,800.13	1,366.75
FATIMA	36.29	(3.64)	(3.99)	9.96	41.29	35.76	41.29	31.69	41.29	25.58
LOTCHEM	24.12	(3.67)	2.12	76.57	27.80	19.01	27.80	14.01	27.80	12.03
PPL	68.33	(3.69)	1.21	(11.95)	76.49	64.91	85.92	64.91	85.92	64.91
NBP	26.72	(3.71)	(4.40)	(22.60)	31.14	26.57	37.01	26.57	37.01	26.57
PTL	31.19	(3.73)	(3.73)	(25.31)	32.78	24.62	41.10	24.62	63.09	24.62
BOP	5.32	(3.80)	(1.85)	(29.34)	6.85	5.25	7.64	5.25	7.92	5.25
AKBL	17.00	(3.95)	(2.47)	(22.80)	20.21	16.88	23.57	16.88	24.61	16.88
NCPL	16.95	(4.07)	13.68	5.94	18.02	14.30	18.67	13.68	18.67	11.74
ENGRO	245.17	(4.50)	(4.64)	(5.78)	278.76	241.57	284.00	241.57	284.00	241.57
MTL	827.49	(4.51)	(5.17)	44.75	910.70	753.61	910.70	584.02	910.70	561.85
FFC	105.99	(4.51)	(3.84)	13.87	123.01	105.53	123.01	96.67	123.01	86.03
POL	376.19	(4.59)	(7.30)	10.84	420.13	372.31	420.13	363.39	420.13	317.73
ASTL	23.25	(4.60)	(0.81)	(48.06)	31.08	21.93	44.44	21.93	48.54	21.93
UBL	110.00	(4.73)	(2.77)	(12.99)	137.39	110.00	138.86	110.00	138.86	102.89
HUMNL	6.69	(4.84)	(6.04)	8.19	8.15	6.27	8.15	6.02	8.15	5.18
MCB	119.46	(4.90)	(2.86)	(16.69)	145.88	119.23	153.64	119.23	153.64	119.23
HUBC	65.37	(5.32)	(4.11)	(0.47)	72.32	63.03	76.76	63.03	76.76	63.03
MEBL	116.57	(5.36)	3.18	(10.94)	140.15	111.06	145.03	111.06	149.90	101.02
DGKC	55.36	(5.75)	(11.42)	(33.25)	69.48	54.00	80.06	54.00	112.59	54.00
ABL	64.80	(5.81)	(6.09)	(17.43)	82.31	64.80	87.22	64.80	87.22	63.20
EFERT	84.82	(6.15)	(4.31)	24.86	95.51	82.93	95.51	70.66	95.51	58.67
PSO	169.93	(6.77)	(1.11)	(6.58)	182.27	155.63	196.85	155.63	219.40	155.63
POWER	4.90	(6.84)	(7.89)	(22.96)	6.06	4.90	6.62	4.90	9.31	4.90
FCCL	12.93	(6.98)	(8.75)	(29.61)	17.08	12.73	18.59	12.73	22.29	12.73
SNGP	31.43	(7.03)	6.51	8.93	34.29	22.32	34.29	22.32	43.53	22.32
LUCK	418.96	(7.16)	(8.73)	(38.32)	586.02	418.96	695.19	418.96	898.60	418.96
NPL	19.95	(7.30)	2.31	10.79	22.00	16.29	22.00	16.29	22.00	15.27
NML	67.12	(7.51)	(9.19)	(15.66)	85.29	66.30	96.77	66.30	96.77	66.30
ITTEFAQ	6.75	(7.53)	(3.85)	(43.61)	9.50	6.53	11.97	6.53	18.08	6.53
BAFL	30.63	(7.74)	(4.28)	(6.21)	35.19	30.63	36.87	30.63	36.87	28.48
HCAR	159.53	(8.16)	(18.08)	(29.82)	194.73	159.53	215.06	159.53	368.71	159.53
FML	64.00	(8.56)	2.51	(10.63)	74.64	59.85	74.64	59.85	99.21	59.85
PSMC	177.48	(8.79)	(15.97)	(21.65)	211.21	175.06	223.07	175.06	353.92	175.06
HLB	84.64	(8.85)	(7.34)	(24.39)	110.05	84.64	119.71	84.64	122.85	84.64
AGHA	13.90	(8.85)	(11.35)	(46.89)	17.63	13.48	24.55	13.48	32.48	13.48
HTL	36.42	(8.95)	(8.15)	(12.76)	44.88	35.71	47.82	35.71	64.09	35.71
KOHC	120.07	(10.44)	(7.73)	(36.34)	167.00	118.99	183.52	118.99	225.43	118.99
UNITY	17.77	(11.99)	(11.46)	(32.87)	25.19	16.72	32.42	16.72	42.94	16.72
MLCF	24.08	(13.16)	(11.96)	(33.02)	35.42	23.22	38.44	23.22	46.20	23.22
EPCL	65.99	(14.70)	(17.13)	40.96	89.08	65.02	89.08	48.29	89.08	37.15

Source (s): Bloomberg, AHL Research

Local & Foreign Investors Portfolio Investment (USD mn)

LIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	104.72	99.68	BUY	5.05
Companies	4.47	4.61	SELL	(0.14)
Banks / DFIs	3.79	2.30	BUY	1.49
NBFC	0.09	0.36	SELL	(0.27)
Mutual Funds	5.45	13.21	SELL	(7.76)
Other Organizations	1.91	1.08	BUY	0.83
Broker Proprietary Trading	23.96	24.36	SELL	(0.40)
Insurance Companies	0.57	2.79	SELL	(2.22)
Total	144.97	148.40	SELL	-3.43

Last 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)
Total	121.65	123.04	SELL	-1.40

LIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	5.84	5.86	SELL	(0.01)
Fertilizer	7.16	6.71	BUY	0.45
Cement	14.08	14.08	BUY	0.00
Power Generation & Distribution	2.86	3.11	SELL	(0.25)
Exploration & Production	11.12	11.61	SELL	(0.48)
Oil & Gas Marketing Companies	13.33	13.28	BUY	0.05
Food and Personal Care Products	7.82	8.16	SELL	(0.35)
Textile Composite	3.80	3.90	SELL	(0.10)
Technology and Communication	21.87	23.85	SELL	(1.98)
Debt	1.44	1.44	SELL	-
All other Sectors	55.64	56.39	SELL	(0.75)
Total	144.97	148.40	SELL	(3.43)

Last 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)
Total	121.65	123.04	SELL	(1.40)

FIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.01	0.01	SELL	(0.00)
Foreign Corporates	4.52	2.22	BUY	2.30
Overseas Pakistani	7.87	6.74	BUY	1.13
Total	12.40	8.97	BUY	3.43

Last 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
Total	8.65	7.25	BUY	1.40

FIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	0.81	0.80	BUY	0.01
Fertilizer	0.48	0.93	SELL	(0.45)
Cement	0.51	0.51	SELL	(0.00)
Power Generation & Distribution	0.53	0.28	BUY	0.25
Exploration & Production	1.01	0.53	BUY	0.48
Oil & Gas Marketing Companies	1.15	1.19	SELL	(0.05)
Food and Personal Care Products	0.76	0.41	BUY	0.35
Textile Composite	0.31	0.21	BUY	0.10
Technology and Communication	3.53	1.55	BUY	1.98
All other Sectors	3.31	2.56	BUY	0.75
Total	12.40	8.97	BUY	3.43

Last 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
Total	8.65	7.25	BUY	1.40

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 (%)	3.0	1.7	1.8	2.1	4.3	3.2	3.0	4.7	2.4	2.9	9.6	-69.7%
P/E (x)	16.6	17.9	9.6	12.7	9.3	14.5	9.9	10.7	8.7	12.2	4.1	-66.8%
P/B (x)	1.9	2.7	1.6	1.3	8.7	1.5	1.2	1.8	0.9	2.4	0.7	-71.0%

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 (%)
Hungary	BUX Index	42,142	8.1	3.8	(30.8)	Latvia	RIGSE Index	1,141	2.9	(2.1)	(19.4)
Saudi Arabia	SASEIDX Index	11,988	7.3	3.9	6.2	Taiwan	TWSE Index	14,949	2.9	0.3	(24.1)
Qatar	DSM Index	12,709	7.2	3.9	9.1	New Zealand	NZSE Index	1,789	2.9	3.7	(22.3)
Poland	WIG20 Index	1,702	6.8	(3.5)	(34.7)	UK	UKX Index	7,291	2.8	(0.1)	(12.7)
Sweden	OMX Index	1,985	6.7	5.7	(27.5)	Romania	BET Index	12,222	2.8	(3.1)	(15.5)
Netherland	AEX Index	709	6.6	4.5	(20.5)	Belgium	BEL20 Index	3,759	2.5	(0.8)	(22.0)
Chile	IPSA Index	5,204	6.5	5.4	11.7	Czech Republic	PX Index	1,242	2.4	(2.8)	(20.6)
Argentina	MERVAL Index	112,017	6.3	22.3	6.3	USA	INDU Index	32,037	2.4	4.1	(11.8)
Greece	ASE Index	836	6.3	0.2	(16.3)	Spain	IBEX Index	8,046	2.3	(3.5)	(16.9)
South Africa	JALSH Index	68,217	6.2	(0.6)	(12.6)	Lithuania	VILSE Index	895	2.2	(2.4)	(16.6)
Ireland	ISEQ Index	6,613	6.1	2.3	(30.0)	Tunisia	TUSISE Index	7,669	2.2	0.6	(0.8)
Egypt	EGX30 Index	9,290	5.8	0.1	(35.5)	Estonia	TALSE Index	1,752	1.8	(4.9)	(21.2)
Japan	NKY Index	27,915	5.6	5.0	(18.3)	Croatia	CRO Index	1,951	1.6	(5.7)	(15.6)
USA	NDX Index	12,619	5.3	9.7	(22.7)	Hong Kong	HSI Index	20,609	1.5	(5.7)	(12.5)
Norway	OBXP Index	559	5.2	0.7	(12.3)	Philippines	PCOMP Index	6,263	1.4	(0.5)	(20.0)
Kazakhstan	KZKAK Index	2,786	5.2	1.6	(31.7)	Vietnam	VNIndex Index	1,195	1.3	(0.8)	(22.2)
Australia	AS51 Index	6,792	5.1	3.9	(13.0)	Bahrain	BHSEASI Index	1,873	1.3	1.8	4.2
Europe	SX5E Index	3,614	5.0	1.6	(24.8)	Thailand	SET Index	1,553	1.1	(4.7)	(14.9)
Turkey	XU100 Index	2,540	4.9	(0.5)	2.1	Mauritius	SEMDEX Index	2,042	1.0	(2.5)	(4.7)
Canada	SPTSX Index	19,063	4.9	1.0	(11.8)	Portugal	PSI20 Index	5,912	1.0	(5.0)	(5.1)
Austria	ATX Index	2,970	4.8	0.2	(30.8)	Jordan	JOSMGNFF Index	2,593	0.8	4.8	22.2
Germany	DAX Index	13,320	4.6	1.2	(24.5)	Brazil	IBOV Index	99,033	0.7	(5.1)	(4.5)
Uae	ADSMI Index	9,662	4.5	3.1	13.8	Mongolia	MSETOP Index	33,736	0.7	2.2	(31.2)
Finland	HEX Index	10,651	4.3	1.2	(25.5)	Mexico	MEXBOL Index	47,416	0.1	(3.2)	(12.0)
France	CAC Index	6,228	4.2	2.1	(22.1)	Russia	IMOEX Index	2,095	(0.0)	(9.6)	(28.2)
Luxembourg	LUXXX Index	1,456	4.2	(1.9)	(21.6)	China	SHSZ300 Index	4,238	(0.2)	(6.3)	(19.3)
India	SENSEX Index	56,072	4.2	4.5	(10.2)	Bulgaria	SOFIX Index	599	(0.3)	(5.0)	(15.2)
Denmark	KFX Index	1,773	3.9	5.1	(14.5)	Slovenia	SBITOP Index	1,123	(0.4)	(2.4)	(19.7)
Oman	MSM30 Index	4,291	3.6	4.1	3.9	Nigeria	NGSEINDX Index	52,111	(0.4)	(0.2)	22.0
Indonesia	JCI Index	6,887	3.6	(0.8)	(0.4)	Serbia	BELEX15 Index	841	(0.5)	(2.7)	(7.6)
USA	SPX Index	3,999	3.5	5.6	(16.1)	Ghana	GGSECI Index	2,441	(1.0)	(5.1)	(33.6)
Singapore	FSSTI Index	3,181	3.5	2.6	(1.2)	Russia	RTS\$I Index	1,143	(1.6)	(15.0)	(28.4)
South Korea	KOSPI Index	2,393	3.5	0.9	(26.9)	Iceland	ICEXI Index	2,375	(1.7)	1.9	(14.4)
Malaysia	FBMKLCI Index	1,466	3.4	0.4	(12.7)	Zimbabwe	ZHIALLSH Index	15,810	(2.1)	(20.1)	49.1
Sri Lanka	CSEALL Index	7,722	3.4	4.6	(64.6)	Lebanon	BLOM Index	1,400	(2.2)	(2.2)	36.0
Dubai	DFMGI Index	3,257	3.1	1.0	1.9	Bangladesh	DSEX Index	6,127	(3.7)	(5.0)	(17.6)
Switzerland	SMI Index	11,165	3.0	2.7	(17.9)	Kenya	NSEASI Index	135	(5.3)	7.9	(22.6)
Italy	FTSEMIB Index	21,336	3.0	(2.7)	(29.8)	Pakistan	KSE100 Index	40,077	(12.0)	(13.5)	(30.5)

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*
Money Market Data														
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	15.1
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	15.5
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	13.2
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
Inflation (YoY)														
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
Monetary Sector														
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
Banking Sector														
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	10.78	11.4	11.4
WADR	%	3.6	3.6	3.6	3.7	3.8	4.6	5.08	5.0	4.9	5.24	6.18	7.0	7.0
Spread	%	4.2	4.3	4.1	4.2	4.2	4.1	4.26	4.6	4.7	5.02	4.6	4.4	4.4
External Sector														
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	15.2
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	9.3
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	228.37
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	2.8	2.8
Key Commodities Prices														
International														
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	334.9
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	631.5
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	820.0
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	1,718.8
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	126.6
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	96.4
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	109.1
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	103.9
Local														
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	17,500
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	117,890

*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.