

Strategy

Strategy

SC ruled-out NA Speaker and President Decisions

- The Supreme Court (SC) of Pakistan on Thursday evening, announced its ruling against the deputy speaker of national assembly who earlier on Sunday 3rd of April, 2022.
- The current ruling by SC unanimously (5-0), declared the act of dismissing the no-confidence motion and dissolution of assembly as “Contrary to Constitution”.
- From market standpoint, Mr. Shehbaz Sharif (leader of the opposition) candidate of PM from opposition is generally viewed pro-growth / development / business personality.

SC ruling restore Assembly and Premier to face VoNC

The Supreme Court (SC) of Pakistan on Thursday evening, announced its ruling against the deputy speaker of national assembly who earlier on Sunday 3rd of April, 2022 dismissed the no-confidence motion against the Prime Minister Imran Khan it was followed by dissolution of national assembly by the President of Pakistan Mr. Arif Alvi.

Premiere to face Vote of No-Confidence on 9th of April

The current ruling by SC unanimously (5-0), declared the act of dismissing the no-confidence motion and dissolution of assembly as “Contrary to Constitution” [“...contrary to the Constitution and the law and of no legal effect”] and restored National Assembly. As result the premiere Imran Khan will now have to face the Vote of No-Confidence motion which as per the ruling of SC will held on Saturday 9th of April, 2022.

Opposition in comfortable position to ouster PM Imran Khan

To recall representatives of opposition is moved the VoNC against the Prime Minister Imran Khan on 8th of March 2022, accusing him of mismanaging the economy and poor governance. The opposition will require 172 votes out of 342, to gain the 50% share for the motion to be successful. In case of successful, opposition parties mainly the Pakistan People’s Party (PPP) having 56 seats, Pakistan Muslim League (PML-N) with 84 seats and Muttahida Majlis-e-Amal (MMA) with 14 seats, have put forward name of Mr. Shehbaz Sharif, brother of Mr. Nawaz Sharif – to premiership thrice, as prime minister.

...but will have tough situation on their hand

The opposition would then have to mend it foreign ties along with deal with country’s weakening macro-economic, the basis of which the opposition has built upon the no-confidence motion. Even during the court session, the chief justice of SC referred to the weak marco-economic situation in Sri Lanka and said the job of premiere, whoever to be will be tough.

Analyst

Saad Khan

Saad.khan@igi.com.pk

Tel: +92 21 111 234 234 Ext: 810

Abdullah Farhan

Abdullah.farhan@igi.com.pk

Tel: +92 21 111 234 234 Ext: 912

"Today, the value of rupee against the dollar has reached PKR 190 [in Pakistan]. We need a strong government. This will be a very difficult task for the opposition leader," Justice Bandial said ([link](#)).

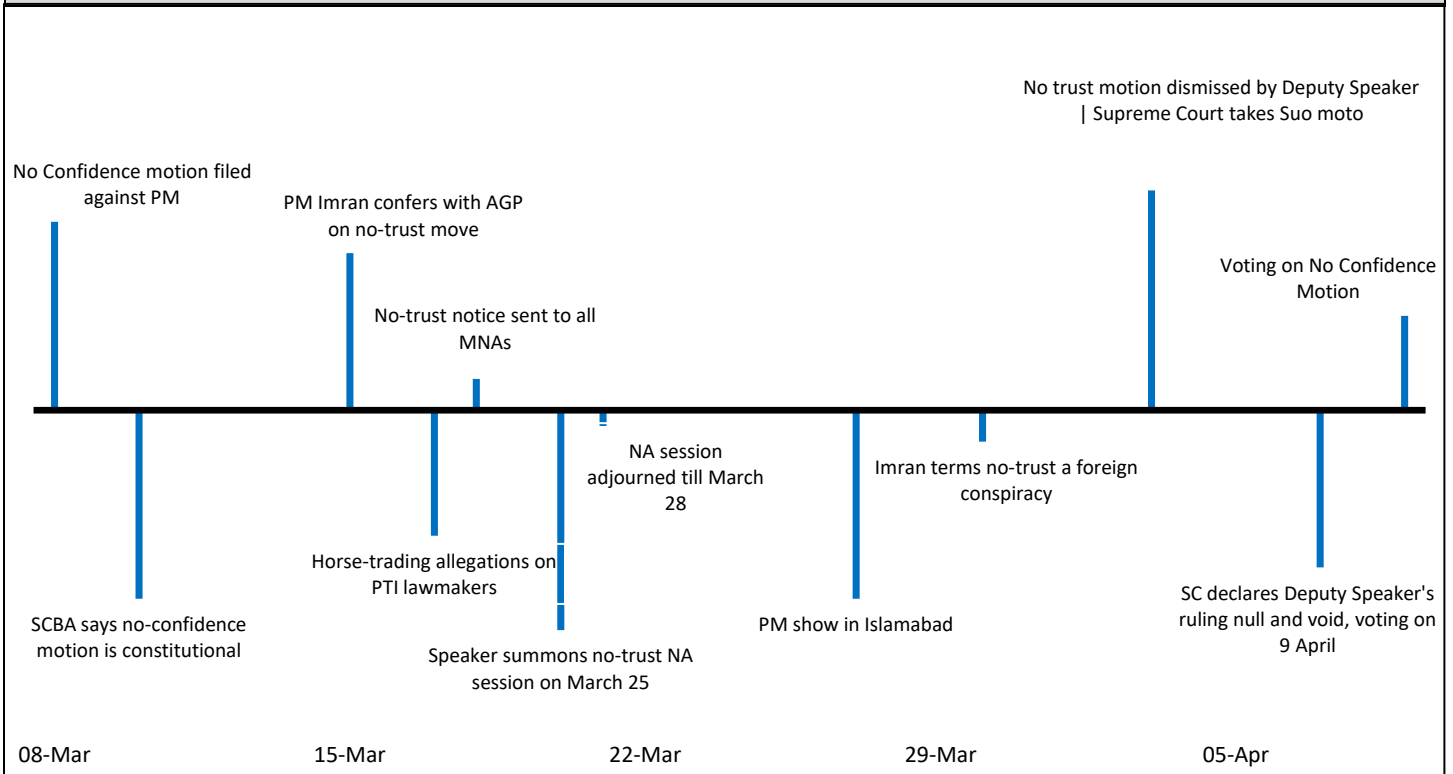
However, a strong delivery from the opposition (in case being successful) in our view will be unlikely, given multiple party coalition are generally weak at decision making due to compromising position. Secondly the nature of inflation is more to do with international commodity prices to which local government has little to options to evert. As per scheduled elections are expected in 2023, but we cannot rule out the possibility of earlier call to elections.

Exhibit: Pakistan National Assembly Party-wise seats break up		
	No. of Seats	%
Government	142	42%
Pakistan Therik-e-Insaaf (PTI)	133	39%
Pakistan Muslim League (PMLQ)	3	1%
Others	6	2%
Opposition	172	50%
Pakistan Muslim League (PMLN)	84	25%
Pakistan People Party (PPP)	56	16%
Muttahida Majlis-e-Amal (MMA)	14	4%
Others	18	5%
Independents	4	1%
FATA	12	4%
Federal Capital	2	1%
Non-Muslims	10	3%
Total National Assembly Seats	342	100%

Market likely to rejoice on end of political noise

From market standpoint, Mr. Shehbaz Sharif candidate of PM from opposition is generally viewed pro-growth / development / business personality. Hence the SC ruling putting peaceful end to the ongoing political noise can be well receive the market participants, seconded by resumption of IMF program.

Exhibit: Timeline of events under no confidence motion



Source: Newsprint

Important Disclaimer and Disclosures

Research Analyst(s) Certification: The Research Analyst(s) hereby certify that the views about the company/companies and the security/ securities discussed in this report accurately reflect his or her or their personal views and that he/she has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report. The analyst(s) is principally responsible for the preparation of this research report and that he/she or his/her close family/relative does not own 1% or more of a class of common equity securities of the following company/companies covered in this report.

Disclaimer: The information and opinions contained herein are prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither, IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. The subject Company (ies) is a client of the IGI Finex Securities Limited and IGI Finex Securities offers brokerage services to Subject Company (ies) on a regular basis, in line with industry practice. This document and the information may not be reproduced, distributed or published by any recipient for any purpose. This report is not directed or intended for distribution to, or use by any person or entity not a client of IGI Finex Securities Limited, else directed for distribution.

Rating system: IGI Finex Securities employs three tier ratings system, depending upon expected total return (return is defined as capital gain exclusive of tax) of the security in stated time period, as follows:

Recommendation Rating System

Buy if target price on aforementioned security (ies) is more than 10%, from its last closing price(s)

Hold if target price on aforementioned security (ies) is in between -10% and 10%, from its last closing price(s)

Sell if target price on aforementioned security (ies) is less than -10%, from its last closing price(s)

Risk: Investment in securities are subject to economic risk, market risk, interest rate risks, currency risks, and credit risks, political and geopolitical risks. The performance of company (ies) covered herein might unfavorably be affected by multiple factors including, business, economic, and political conditions. Hence, there is no assurance or guarantee that estimates, recommendation, opinion, etc. given about the security (ies)/company (ies) in the report will be achieved.

Basic Definitions and Terminologies used: **Target Price:** A price target is the projected price level of a financial security stated by an investment analyst or advisor. It represents a security's price that, if achieved, results in a trader recognizing the best possible outcome for his investment, **Last Closing:** Latest closing price, **Market Cap.:** Market capitalization is calculated by multiplying a company's shares outstanding by current trading price. **EPS:** Earnings per Share. **DPS:** Dividend per Share. **ROE:** Return on equity is the amount of net income returned as a percentage of shareholders' equity. **P/E:** Price to Earnings ratio of a company's share price to its per-share earnings. **P/B:** Price to Book ratio used to compare a stock's market value to its book value. **DY:** The dividend yield is dividend per share, divided by the price per share.

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2022 IGI Finex Securities Limited

Contact Details

Equity Sales

Faisal Jawed Khan	Head of Equities	Tel: (+92-21) 35301779	faisal.jawed@igi.com.pk
Zaeem Haider Khan	Regional Head (North)	Tel: (+92-42) 38303559-68	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Zaid Farook	Branch Manager (Stock Exchange) Karachi	Tel: (+92-21) 32462651-52	zaid.farook@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Saad Khan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 810	saad.khan@igi.com.pk
Abdullah Farhan	Senior Analyst	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Aariz Raza	Analyst	Tel: (+92-21) 111-234-234 Ext: 810	Aariz.raza@igi.com.pk
Ajay Kumar	Analyst	Tel: (+92-21) 111-234-234 Ext: 912	ajay.kumar@igi.com.pk
Huzaifa Yaseen	Analyst	Tel: (+92-21) 111-234-234 Ext: 912	huzaifa.yaseen@igi.com.pk

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited |
Corporate member of Pakistan Mercantile Exchange Limited
Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
Khayaban-e-Jami Block-09, Clifton, Karachi-75600
UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234
Fax: (+92-21) 35309169, 35301780

Stock Exchange Office

Room # 134, 3rd Floor, Stock Exchange Building,
Stock Exchange Road, Karachi.
Tel: (+92-21) 32429613-4, 32462651-2
Fax: (+92-21) 32429607

Lahore Office

Shop # G-009, Ground Floor,
Packages Mall
Tel: (+92-42) 38303560-69
Fax: (+92-42) 38303559

Faisalabad Office

Room #: 515-516, 5th Floor, State Life
Building, 2- Liaqat Road
Tel: (+92-41) 2540843-45
Fax: (+92-41) 2540815

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road
Tel: (92-61) 4512003, 4571183

Islamabad Office

Mezzanine Floor, Office 5, 6 & 7, Kashmir Plaza,
Block- B, Jinnah Avenue, Blue Area
Tel: (+92-51) 2604861-2, 2604864, 2273439
Fax: (+92-51) 2273861

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
Model Town, Town Hall Road
Tel: (+92-68) 5871652-3
Fax: (+92-68) 5871651

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2022 IGI Finex Securities Limited