

April 18, 2023

Morning Briefing

Economy

LSM output shrinks 11.6pc in February

Economy | Negative

Large-scale manufacturing (LSM) shrank 11.6 per cent in February over the same month last year causing massive layoffs, especially in export-oriented textile industries, showed data released by the Pakistan Bureau of Statistics on Monday. (Dawn) | [Click for more info.](#)

PKR ends winning streak

Economy | Neutral

According to the State Bank of Pakistan (SBP), the local currency settled at 284.71, a decrease of Re0.31. In the open market, the PKR gained 1 rupee for both buying and selling against USD, closing at 286 and 289, respectively. (BR) | [Click for more info.](#)

Oil & Gas

Gas supply restored; LDPL withdraws OFME notice

SNGP | Neutral

M/s Liberty Dharki Power Limited (LDPL) has withdrawn Other Force Majeure Event (OFME) notice served on Sui Northern Gas Pipeline Limited (SNGPL) after restoration of gas supply to the power complex, well-informed sources told. (BR) | [Click for more info.](#)

Ogra team's recommendations Iranian LPG import can expose Pakistan to US curbs

Gas | Neutral

Pakistan can be exposed to a major risk of drawing sanctions from the US and Western countries and diplomatic pressures with grave consequences if it imports Iranian LPG. This is the crux of Oil and Gas Regulatory Authority (Ogra) recommendations following a visit by a team, constituted by the authority, of Iranian LPG facilities at Taftan from April 6-7. (The News) | [Click for more info.](#)

Power

Import of spare-parts; Hubco concerned at forex 'unavailability'

HUBC | Negative

M/s Hub Power Company (Hubco) has raised serious concerns on non-availability of foreign exchange for necessary spare parts, which falls within the terms of Pakistan Political Event and Force Majeure under Article 13 of PPA, well informed sources in PPIB told. (BR) | [Click for more info.](#)

Guddu plant repair; GE seeks clearance of all dues by 30th

Power | Neutral

M/s General Electric (GE) has sought payment of all outstanding invoices by April 30, 2023 for uninterrupted services at Guddu site as several parts need repair. (BR) | [Click for more info.](#)

Red tape hampering wind power projects

Power | Neutral

Foreign and local investors with stakes in wind power projects are facing multiple challenges, which range from a curtailment by the energy off-taker to an unannounced moratorium on the import of renewable energy equipment. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	26,479.5	26,556.3	76.8	0.3%
KSE100	40,205.5	40,246.7	41.1	0.1%
KSE30	14,989.4	14,992.4	3.0	0.0%
KMI30	70,128.2	70,042.2	-86.1	-0.1%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	5,145.3	5,250.0	104.8	2.0%
SAPT	1,096.5	1,175.0	78.5	7.2%
PAKT	579.2	622.6	43.4	7.5%
KHYT	650.0	690.0	40.0	6.2%
ATLH	260.0	275.0	15.0	5.8%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.2	1.2	0.0	15.63
PABC	46.0	49.5	3.5	5.05
TELE	8.0	8.0	0.1	4.59
EPCL	46.0	44.4	-1.5	4.17
LOTCEM	24.6	25.3	0.7	3.67

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.40	-0.64	-0.24
O/S Pakistanies	0.77	-0.54	0.23
Net	1.17	-1.18	-0.01
LIPI			
Individuals	7.21	-8.75	-1.54
Companies	5.37	-4.55	0.82
Comm. Banks	3.51	-0.70	2.81
NBFC	0.00	-0.02	-0.02
Mutual Funds	0.59	-2.87	-2.28
Other	0.65	-0.02	0.63
Brokers Proprietary	2.06	-1.97	0.09
Insurance	0.08	-0.57	-0.50
Net	19.46	-19.46	0.01

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	80.84	-2.0%
Brent oil	USD/bbl.	84.84	-1.7%
Gold	USD/t oz.	1994.07	-0.5%
Silver	USD/t oz.	25.01	-1.3%
Coal	USD/ton	126.65	-0.5%
Steel Scrap (LME)	USD/ton	430.00	0.4%
Steel Rebar (LME)	USD/ton	681.50	0.2%
USD/PKR	Interbank	8.31	-1.0%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106

April 18, 2023

Morning Briefing

Autos

Pakistan's Car Industry May Shut Down Permanently: Auto Part Association

Autos & Auto Parts | Negative

Pakistan Association of Automotive Parts and Accessories Manufacturers (PAAPAM) has sent out a distress call to Federal Finance Minister Ishaq Dar, requesting the urgent removal of the car assembly kits and auto parts imports from the "non-essential items" list. (Propakistani) | [Click for more info.](#)

Tech & Communication

Avanceon, ZOMCO sign joint venture agreement to expand regional presence

ANV | Positive

Avanceon Saudi for Energy Company, a 100% wholly owned subsidiary of Avanceon Limited (PSX: AVN), and ZOMCO (Zamil Operations & Maintenance), fully owned subsidiary of the Zamil Group, have entered into a Joint Venture Agreement to Expand Project Execution Footprint in KSA. The Joint Venture Agreement will be conducted through a newly formed liability company named Avanceon Arabia InfoTech WLL. (Mettis) | [Click for more info.](#)

Banks

HBL to provide youth loans

HBL | Positive

Habib Bank Limited (HBL) has joined hands with Damen Support Programme and Thardeep Microfinance Foundation to offer interest-free financing to individuals and small businesses under the PM's Youth Business and Agriculture Loan Scheme, a statement said on Monday. (The News) | [Click for more info.](#)

\$40m pact signed for microfinance promotion

SCBPL | Positive

Standard Chartered Bank Pakistan Ltd has signed an unfunded risk-participation agreement with British International Investment (BII), a UK development finance institution and impact investor, to provide support to the microfinance sector in Pakistan. A press release said on Monday the two institutions will enter into a \$40 million programme — subject to regulatory authorisation — under which BII will cover 50 per cent of the Pakistani bank's risk on local currency loans to the target sector. (Dawn) | [Click for more info.](#)

Miscellaneous

GCIL set to increase paid-up share capital with conversion of Class B shares

GCIL | Positive

The shareholders of Ghani Chemical Industries Limited (PSX: GCIL) on Monday resolved to approve the conversion and merger of 22 million Class B ordinary shares into ordinary shares, the company's filing on PSX showed today. This move will result in an increase in the company's paid-up share capital from 478.18 million shares to 500.18mn shares. (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	20,782.5	343.64	1.68%
KSA - Tadawul	11,163.6	131.00	1.19%
US - Dow 30	33,987.2	100.71	0.30%
CHINA - Shanghai	3,385.6	47.46	1.42%
PAK (KSE-100)	40,246.7	41.12	0.10%
Taiwan - TWII	15,963.6	34.12	0.21%
PHILP - PSEi	6,505.6	23.71	0.37%
US - S&P 500	4,151.3	13.68	0.33%
INDONESIA - IDX	6,787.6	-30.99	-0.45%
INDIA - SENSEX	59,910.8	-520.25	-0.86%

Board Meetings

Scrp	Day	Agenda	Time
ILP	Tuesday	3Q A/c as of 31-Mar-23	9:00 AM
JGICL	Tuesday	1Q A/c as of 31-Mar-23	10:00 AM
GIL	Tuesday	3Q A/c as of 31-Mar-23	11:00 AM
HMIM	Tuesday	3Q A/c as of 31-Mar-23	11:00 AM
MACTER	Tuesday	3Q A/c as of 31-Mar-23	11:00 AM
FCEPL	Tuesday	1Q A/c as of 31-Mar-23	11:30 AM
IBFL	Tuesday	3Q A/c as of 31-Mar-23	11:30 AM
JSIL	Tuesday	1Q A/c as of 31-Mar-23	11:30 AM
PSMC	Tuesday	1Q A/c as of 31-Mar-23	11:30 AM
AWTX	Tuesday	3Q A/c as of 31-Mar-23	12:00 PM
GATI	Tuesday	3Q A/c as of 31-Mar-23	2:30 PM
MEBL	Tuesday	1Q A/c as of 31-Mar-23	2:30 PM
THALL	Tuesday	3Q A/c as of 31-Mar-23	2:30 PM
MERIT	Tuesday	3Q A/c as of 31-Mar-23	5:00 PM
SYS	Tuesday	Ann A/c as of 31-Dec-22	5:00 PM
JSGCL	Wednesday	1Q A/c as of 31-Mar-23	9:30 AM
BERG	Wednesday	3Q A/c as of 31-Mar-23	10:00 AM
ISL	Wednesday	3Q A/c as of 31-Mar-23	10:00 AM
SILK	Wednesday	Multiple Periods	10:00 AM
DINT	Wednesday	3Q A/c as of 31-Mar-23	10:30 AM
ENGRO	Wednesday	1Q A/c as of 31-Mar-23	10:30 AM
FCCL	Wednesday	3Q A/c as of 31-Mar-23	10:30 AM
DGKC	Wednesday	3Q A/c as of 31-Mar-23	11:00 AM
ISIL	Wednesday	3Q A/c as of 31-Mar-23	11:00 AM
KHYT	Wednesday	3Q A/c as of 31-Mar-23	11:00 AM
MDTL	Wednesday	3Q A/c as of 31-Mar-23	11:00 AM
PRL	Wednesday	3Q A/c as of 31-Mar-23	11:00 AM
RUBY	Wednesday	3Q A/c as of 31-Mar-23	11:00 AM

Source: PSX

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited
 (021) 32429665, Ext. 106

April 18, 2023

MORNING BRIEFING

Textile exports plummet 22.6pc in March**Textile | Negative**

Pakistan textile exports suffered a decline for a sixth consecutive month in March 2023, dropping by 22.6 percent to \$1.257 billion year-on-year, as well as witnessing a decline in volumetric sales, the Pakistan Bureau of Statistics (PBS) said on Monday. (The News) | [Click for more info.](#)

Political News**State Bank 'allocates' Rs21bn for polls**

The State Bank of Pakistan has allocated Rs21 billion for elections to Punjab and Khyber Pakhtunkhwa assemblies on Supreme Court's order and sought finance ministry's nod to release the amount, SBP's chief spokesman told. (Dawn) | [Click for more info.](#)

International News**Oil drops 2% on higher dollar, interest rate concerns**

Oil prices turned lower on Monday as the U.S. dollar strengthened and as investors mulled over a possible May interest rate hike by the U.S. Federal Reserve, which could dampen economic recovery hopes. (Reuters) | [Click for more info.](#)

Most Asian Stocks Fall Before Key China Data: Markets Wrap

Asian stocks markets moved on a cautious note Tuesday ahead of key economic data from China and after stocks on Wall Street eked out small gains late in the session. (Bloomberg) | [Click for more info.](#)

Research Teamresearch@abaalihabib.comAba Ali Habib Securities (Pvt) Limited
(021) 32429665, Ext. 106

Disclaimer

This report has been prepared by Aba Ali Habib Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Aba Ali Habib Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Aba Ali Habib Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents.

In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Aba Ali Habib Securities' Research Department and do not necessarily reflect those of the company or its directors. Aba Ali Habib as a firm may have business relationships, including investment- banking relationships, with the companies referred to in this report. Aba Ali Habib Securities or any of its officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the subject company, may have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company, may serve or may have served in the past as a director or officer of the subject company, may have received compensation from the subject company for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from the subject company for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the subject company.

All rights reserved by Aba Ali Habib Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Aba Ali Habib Securities. Action could be taken for unauthorized reproduction, distribution or publication.

Rating Criteria

Rating - Expected Total Return

Buy - Greater than 10%

Hold - Neither Buy nor Sell

Sell - Less than and equal to -10%

Valuation Methodology

To arrive at our 12-months Price Target, ABA Ali Habib Research uses different valuation methods which include: 1). DCF methodology, 2). Relative valuation methodology, and 3). Asset-based valuation methodology. In this report, our PT is founded on FCFF based DCF methodology.

Analyst Certification ^{AC}

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 s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

Zaheer Ahmed - Head of Equity Sales & Business Dev.
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Mr. Salman Naqvi - Head of Retail Sales
(021) 32431925

Fahed Fazal- Manager Equity Sales
Fahedfazal@abaalihabib.com
(021) 32431925

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Shoaib- Equity Trader
shoibgadri@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Karachi Office

Suite# 505, 5th Floor, Business Plaza,
Mumtaz Hussan Road, Off I.I. Chundrigar
Road, Karachi

Contact: 021-32429664-7

Cell: [+92 3312766771](tel:+923312766771)