

October 5, 2022

Morning Briefing

Economy

Global community told; Pakistan is out of money to spend on flood recovery

Economy | Positive

The United Nations and the government of Pakistan on Tuesday launched the revised flash appeal of an urgent US\$ 816 million to swiftly respond to the needs of people affected by unprecedented climate-induced floods in the country. (BR) | [Click for more info.](#)

EU scales up assistance to Rs6.7bn for flood-hit people

Economy | Positive

The European Union has announced to substantially scale up its financial assistance to PKR 6.7 billion (€30 million) to the flood-affected people in Pakistan. (BR) | [Click for more info.](#)

Dar hails Qatar Investment Authority's plans to invest \$3 billion in Pakistan

Economy | Positive

Minister for Finance and Revenue Ishaq Dar on Tuesday has welcomed the Qatar and United Arab Emirates (UAE) investment Authority's plans to invest \$3 billion in various commercial and investment sectors in Pakistan. (Nation) | [Click for more info.](#)

Senate informed: China's investment declines by 29.27pc in two years

Economy | Negative

China's investment in Pakistan has decreased by 29.27 per cent in the last two years - mainly due to Covid-19 and conclusion of CPEC (China Pakistan Economic Corridor) Phase-I, the federal government informed the Senate on Tuesday. (BR) | [Click for more info.](#)

Pakistan's total public debt Rs49.2tr in FY22

Economy | Negative

Pakistan's total public debt went up by around Rs9.326 trillion in the last fiscal year 2021-22 ending on June 30, 2022; it went up from Rs39.8 trillion in June 2021 to Rs49.2 trillion on June 30, 2022. (The News) | [Click for more info.](#)

Trade deficit shrinks 21.4pc in three months

Economy | Positive

Country's trade deficit in the first quarter (July-September) of FY2023 narrowed 21.4 percent to \$9.2 billion against \$11.72 billion in the same three months of the last fiscal, latest numbers showed on Friday, courtesy of tapering imports. (The News) | [Click for more info.](#)

SBP policy rate seen unchanged though inflation worries persist

Economy | Neutral

The central bank policymakers would likely keep interest rates unchanged next week despite an external financing shortfall as inflation eases on declining global commodity prices and flood induces an economic slowdown. (The News) | [Click for more info.](#)

Pakistan Currency-Crisis Odds Exceed 50% as Floods Undo Progress

Economy | Negative

The odds of Pakistan facing a currency crisis in the next 12 months now exceed 50% following floods that killed thousands of people and displaced millions more, a Bloomberg Economics risk model showed. (Bloomberg) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,202.3	28,239.9	37.6	0.1%
KSE100	41,211.7	41,350.4	138.7	0.3%
KSE30	15,410.0	15,477.5	67.5	0.4%
KMI30	67,956.0	68,347.0	391.0	0.6%

Top Five Gainers

	Open	Close	Chg.	%
PSEL	1,023.5	1,080.0	56.5	5.5%
SFL	1,233.0	1,289.0	56.0	4.5%
MEHT	900.0	954.0	54.0	6.0%
SIEM	685.0	728.0	43.0	6.3%
RCML	370.4	398.1	27.7	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.1	1.6	0.5	346.04
FLYNG	7.2	8.2	1.0	30.37
KEL	2.9	2.9	0.0	19.37
GTECH	8.2	9.2	1.0	19.29
TPLP	20.9	21.0	0.2	16.61

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	1.96	-0.01	1.95
F-Corporates	0.15	-0.93	-0.78
O/S Pakistanies	2.50	-2.86	-0.36
Net	4.61	-3.79	0.82
LIPI			
Individuals	45.07	-44.43	0.64
Companies	1.71	-2.12	-0.41
Comm. Banks	1.04	-1.14	-0.10
NBFC	0.02	-0.08	-0.06
Mutual Funds	1.74	-1.53	0.21
Other	0.47	-0.47	0.00
Brokers Proprietary	9.76	-10.07	-0.31
Insurance	0.11	-0.91	-0.80
Net	59.92	-60.74	-0.82

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	86.57	3.8%
Brent oil	USD/bbl.	91.80	3.5%
Gold	USD/t oz.	1725.66	1.4%
Silver	USD/t oz.	21.02	1.2%
Coal	USD/ton	289.00	-5.6%
Steel Scrap (LME)	USD/ton	365.50	0.3%
Steel Rebar (LME)	USD/ton	690.00	0.0%
USD/PKR	Interbank	6.01	-0.5%

News Source: Local / Int'l Newspapers and websites

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Morning Briefing

PKR strengthens further

Economy | Positive

As per the State Bank of Pakistan (SBP), the rupee closed at 225.64 after appreciating Rs1.65 or 0.73%. In the open market, the PKR gained 1.50 rupees for both buying and selling against USD, closing at 226.50 and 228.50, respectively. (BR) | [Click for more info.](#)

Oil & Gas

Not increasing PL is no violation of IMF deal, NA body told

Oil | Neutral

Minister of State for Finance Aisha Ghaus Pasha has informed the Finance Standing Committee of the National Assembly that the government has not violated the International Monetary Fund (IMF) agreement by not increasing petroleum levy on October 1, 2022. (BR) | [Click for more info.](#)

Oil sales slump 22pc on weak demand in September

OMCs | Negative

Oil consumption plunged 22 percent to 1.52 million tonnes in the month of September this fiscal compared to 1.96 million tonnes in the same month of the last year owing to ebbing demand and rising fuels prices, data showed on Tuesday. (Th News) | [Click for more info.](#)

Power

KE seeks exemption from ECLs for 2 years

KEL | Neutral

K-Electric (KE) has sought exemption from Expected Credit Losses (ECLs) on financial assets for two years effective from July 1, 2022, as the balance payable to Government of Pakistan and provincial governments and their departments/ entities under circular debt has accumulated to Rs. 341 billion. (BR) | [Click for more info.](#)

Two waste-to-energy plants soon

Power | Neutral

Two waste-to-energy power plants of 50 megawatts each will start production on a commercial basis by the end of 2023. (Dawn) | [Click for more info.](#)

Fertilizer

Floods destroy 70pc kharif crops, inflict Rs350bn loss: SAB

Fertilizer | Negative

The Sindh Abadgar Board (SAB) has sought 50 per cent fertiliser subsidy for upcoming rabi and kharif crops, claiming that recent monsoon rains and flash floods had destroyed almost 70pc of kharif crops in Sindh which was ready to be harvested and inflicted estimated loss of Rs350 billion to farmers, livestock farm owners. (Dawn) | [Click for more info.](#)

Miscellaneous

Worldcall Services to list on NASDAQ

WTL | Positive

Worldcall Services Limited (WSL), parent to Worldcall Telecom Limited (WTL), on Tuesday announced that it will list on NASDAQ to finance the next phase of the transformation project, a company filing on the PSX showed. (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	58,065.5	1276.66	2.25%
US - Dow 30	30,316.3	825.43	2.80%
Taiwan - TWII	13,576.5	276.04	2.08%
PHILP - PSEi	5,987.7	204.57	3.54%
KSA - Tadawul	11,780.4	172.45	1.49%
PAK (KSE-100)	41,350.4	138.73	0.34%
US - S&P 500	3,790.9	112.50	3.06%
INDONESIA - IDX	7,072.3	62.54	0.89%
CHINA - Shanghai	3,024.4	-16.82	-0.55%
HK - Hang Seng	17,079.5	-143.32	-0.83%

Board Meetings

Scrip	Day	Agenda	Time
ICIBL	Wednesday	ANN A/c for 30Jun22	10:30 AM
ZHCM	Wednesday	ANN A/c for 30Jun22	10:30 AM
DSML	Wednesday	ANN A/c for 30Jun22	11:00 AM
MSOT	Wednesday	ANN A/c for 30Jun22	11:00 AM
MDTL	Wednesday	ANN A/c for 30Jun22	11:00 AM
BFMOD	Wednesday	ANN A/c for 30Jun22	11:30 AM
FFLM	Wednesday	ANN A/c for 30Jun22	11:30 AM
SZTM	Wednesday	ANN A/c for 30Jun22	11:30 AM
AEL	Wednesday	ANN A/c for 30Jun22	12:00 PM
FCEL	Wednesday	ANN A/c for 30Jun22	12:00 PM
IDRT	Wednesday	ANN A/c for 30Jun22	12:00 PM
GEMPAPL	Wednesday	ANN A/c for 30Jun22	12:00 PM
LOADS	Wednesday	ANN A/c for 30Jun22	12:30 PM
AMTEX	Wednesday	ANN A/c for 30Jun22	2:00 PM
CTM	Wednesday	ANN A/c for 30Jun22	2:00 PM
DMTX	Wednesday	ANN A/c for 30Jun22	2:30 PM
POWER	Wednesday	ANN A/c for 30Jun22	2:30 PM
TSMF	Wednesday	ANN A/c for 30Jun22	2:30 PM
FEM	Wednesday	ANN A/c for 30Jun22	3:30 PM
UDPL	Wednesday	ANN A/c for 30Jun22	3:30 PM
GEMUNSL	Wednesday	ANN A/c for 30Jun22	3:30 PM
HAEL	Wednesday	ANN A/c for 30Jun22	4:00 PM
SNAI	Wednesday	ANN A/c for 30Jun22	5:00 PM

Source: PSX

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MORNING BRIEFING

Top banks being probed for dollar rate volatility, NA panel told Banks, Economy | **Negative**

The State Bank of Pakistan (SBP) on Tuesday told a parliamentary panel that a probe was currently in progress to get to the bottom of purported massive exchange rate manipulations by the country's top banks amid low foreign exchange reserves before taking formal action against the culprits. Members were of the view that during recent volatility in the exchange rate and the difference between the interbank rate and the rate offered by exchange companies, the banks earned exorbitant profits as reports suggest banks charged Rs10 per dollar higher premium. (Dawn) | [Click for more info.](#)

Exports contract in Sept on rising input costs

Textile, Economy | **Negative**

Pakistan's merchandise exports shrank slightly in September due to the rising cost of inputs mainly the highest-ever electricity tariff, provisional data of the Pakistan Bureau of Statistics showed on Tuesday. (Dawn) | [Click for more info.](#)

DRAP sets 6-month deadline for enlisting high-risk medications

Pharma | **Neutral**

The Drug Regulatory Authority of Pakistan (DRAP) has set a six-month deadline for public and private health facilities in the country to prepare a list of high-risk medications. (The News) | [Click for more info.](#)

Political News

High-powered body notified to oversee audio leaks probe

Prime Minister Shehbaz Sharif on Tuesday notified a 12-member high-powered committee, comprising federal ministers and heads of intelligence agencies, to oversee a probe into the security breach at PM House and come up with a foolproof security plan to plug such leaks in future. (Dawn) | [Click for more info.](#)

International News

Asian Stocks Extend Gains After US Equities Rally: Markets Wrap

Asian stocks extended a rally on Wednesday following the best two-day run for US equities in more than two years, as investors begin to anticipate a slowing to central bank tightening that could jolt risk assets higher. (Bloomberg) | [Click for more info.](#)

Oil jumps more than 3% ahead of OPEC+ meeting on supply cuts

Oil rose by nearly \$3 a barrel on Tuesday on expectations of a large cut in crude output from the OPEC+ producer group and as a weaker U.S. dollar made oil purchases less expensive. (Reuters) | [Click for more info.](#)

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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.

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