

November 4, 2022

Economy

FX reserves rise to \$14.679bn

Economy | Positive

Pakistan's foreign exchange reserves increased by \$1.517 billion to \$14.679 billion during the week ended October 28 on inflows from the Asian Development Bank (ADB), the central bank said on Thursday. (The News) | [Click for more info.](#)

PKR registers back-to-back losses

Economy | Negative

Pakistan's rupee registered back-to-back losses against the US dollar on Thursday, and declined 0.23% in the inter-bank market. As per the State Bank of Pakistan (SBP), the rupee closed at 221.95 after a depreciation of Re0.52. In the open market, the PKR lost 50 paises for buying and 75 paises for selling against USD, closing at 225.50 and 227.75, respectively. (BR) | [Click for more info.](#)

Exchange firms allowed to sell 20pc of remittances in open market

Economy | Neutral

The State Bank of Pakistan (SBP) has allowed exchange companies to trade 20 percent of remittances in the open market to ease pressure on the rupee, industry officials said on Thursday. (The News) | [Click for more info.](#)

Exports contract 4pc in October

Economy | Normal

The downward trend in Pakistan merchandise export proceeds continued for the second consecutive month, raising fears about the closure of industrial units across the country, suggested provisional data of the Pakistan Bureau of Statistics released on Wednesday. The country's exports shrank 3.77 per cent in October to \$2.37 billion from \$2.64bn in the corresponding month last year. On a month-on-month basis, export proceeds decreased by 3.07pc. (Dawn) | [Click for more info.](#)

Services trade deficit shrinks more than 26pc

Economy | Positive

The international services trade deficit of Pakistan during the first quarter (July-September FY23) slashed by over 26 percent to 647.4 million from \$877.3 million recorded in the same period last fiscal, the Pakistan Bureau of Statistics (PBS) reported. (The News) | [Click for more info.](#)

Oil & Gas

SPAs on sale of subsidiaries' share capital

Oil & Gas | Neutral

The Economic Coordination Committee (ECC) of the Cabinet has approved effective change of control from M/s Eni Pakistan (Companies) to Prime International Oil and Gas Company Limited, official sources told. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,546.2	28,657.5	111.3	0.4%
KSE100	41,944.6	42,090.7	146.1	0.3%
KSE30	15,349.1	15,394.5	45.4	0.3%
KMI30	70,948.7	71,149.2	200.5	0.3%

Top Five Gainers

	Open	Close	Chg.	%
SFL	1,202.3	1,250.0	47.7	4.0%
RCML	560.0	601.9	41.9	7.5%
BATA	1,954.5	1,982.0	27.5	1.4%
PAKT	880.0	900.0	20.0	2.3%
SIEM	904.4	918.9	14.5	1.6%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HASCOL	7.3	8.3	1.0	78.51
WTL	1.5	1.5	0.1	33.10
GGL	15.7	16.6	0.9	17.51
DCL	5.3	6.2	0.9	16.11
CNERGY	4.9	5.0	0.1	11.78

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.60	-1.43	-0.83
O/S Pakistanies	1.61	-2.03	-0.42
Net	2.21	-3.46	-1.25
LIPI			
Individuals	34.47	-32.58	1.89
Companies	1.47	-1.41	0.06
Comm. Banks	0.92	-0.61	0.32
NBFC	0.04	-0.05	-0.01
Mutual Funds	1.91	-1.95	-0.04
Other	0.05	-0.12	-0.07
Brokers Proprietary	7.66	-8.33	-0.66
Insurance	0.13	-0.36	-0.22
Net	46.65	-45.40	1.25

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	88.04	-1.0%
Brent oil	USD/bbl.	94.58	-1.0%
Gold	USD/t oz.	1629.88	-0.3%
Silver	USD/t oz.	19.46	0.9%
Coal	USD/ton	212.00	-5.5%
Steel Scrap (LME)	USD/ton	350.50	1.3%
Steel Rebar (LME)	USD/ton	632.00	-1.3%
USD/PKR	Interbank	5.85	-0.2%

News Source: Local / Int'l Newspapers and websites

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Power

New market players get access to NTDC, distribution companies' networks

Power | Neutral

The National Electric Power Regulatory Authority (Nepra) on Thursday issued new rules allowing new market players to have non-discriminatory access to existing transmission and distribution networks currently maintained mostly by the public sector entities and K-Electric and provide electricity to bulk consumers. (Dawn) | [Click for more info.](#)

Autos

CKD/SKD import decreases 38.49% to \$361.353m in Q1

Autos | Neutral

The import of completely and semi-knocked down (CKD/SKD) products into the country witnessed a decrease of 38.49 per cent during the first quarter of the current fiscal year (2022-23) as compared to the corresponding period of last year. Among the CKD/SKD products, the import of buses, trucks and other heavy vehicles went down by 44.65 per cent from \$161.936m last year to \$89.635m during the quarter under review while the imports of motor cars also dipped by 36.63 per cent from \$407.365m to \$258.145m. (Pakobserer) | [Click for more info.](#)

Cement

Cement sales continue to lose strength

Cement | Negative

Cement dispatches declined by 18.46 percent in October 2022. Total Cement dispatches during October 2022 were 4.252 million tonnes against 5.215 million tonnes dispatched during the same month of last fiscal year. (The News) | [Click for more info.](#)

Miscellaneous

New paracetamol prices notified

GSKCH | Positive

The health ministry has notified new prices of paracetamol, a generic drug for reducing pain and fever that disappeared from the market after manufacturers said they couldn't make paracetamol-based tablets and syrups amid rising production costs. The notification, issued on Thursday, came almost a week after the finance ministry gave the go-ahead to pharmaceutical companies to increase paracetamol prices by over 25 per cent. (Dawn) | [Click for more info.](#)

GGGL to invest Rs300mn in GCIL

GGGL | Positive

The shareholders of Ghani Global Glass Limited (GGGL) on Thursday approved to make the investment of up to Rs300 million in Ghani Chemical Industries Limited (GCIL) an associated company, by way of advances and loans, as and when required by GCIL. The return on such advances and loans shall not be less than the rate of 3 months KIBOR +85 bps and must be repayable within three years period starting from the date of payment. (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	42,090.7	146.12	0.35%
INDONESIA - IDX	7,034.6	18.88	0.27%
CHINA - Shanghai	2,997.8	-5.56	-0.19%
US - S&P 500	3,719.9	-39.80	-1.06%
PHILP - PSEi	6,156.1	-50.13	-0.81%
INDIA - SENSEX	60,836.4	-69.68	-0.11%
KSA - Tadawul	11,439.2	-91.10	-0.79%
Taiwan - TWII	12,986.6	-113.57	-0.87%
US - Dow 30	32,001.3	-146.51	-0.46%
HK - Hang Seng	15,339.5	-487.68	-3.08%

Board Meetings

Scrip	Day	Agenda	Time
QUICE	Friday	Ann A/c as at 30-Jun-22	11:00 AM
MWMP	Friday	Ann A/c as at 30-Jun-22	12:30 PM
DNCC	Friday	Ann A/c as at 30-Jun-22	2:30 PM
OBOY	Saturday	Ann A/c as at 30-Jun-22	10:00 AM
HIRAT	Saturday	Ann A/c as at 30-Jun-22	2:30 PM
HCL	Monday	Ann A/c as at 30-Jun-22	11:00 AM
JOPP	Monday	Ann A/c as at 30-Jun-22	11:00 AM

Source: PSX

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DSL to invest Rs5bn for integration in billet furnace

DSL | Positive

The director of Dost Steels Limited (DSL), has revealed an investment of more than Rs5 billion in the company for backward integration of billet furnace, working capital, and other requirements. (Mettis) | [Click for more info.](#)

Export-oriented sectors to get power at an all-inclusive rate of Rs19.99 per unit

Textile | Positive

The country's influential five zero-rated sectors, referred to as export-oriented sectors will be charged Rs 19.99 per unit electricity all-inclusive whereas domestic consumers are being charged over Rs 40 per unit. (BR) | [Click for more info.](#)

Textile woes across the region

Textile | Neutral

Pakistan is not the only country where the basic textile industry is under stress. The spinning and weaving mills in Bangladesh and India are also under similar pressures. The common factors being high energy and power costs and high cost of doing business. (The News) | [Click for more info.](#)

Political News

Khan Stable After Shooting, Blames Government

Former Pakistan premier Imran Khan underwent surgery to remove bullet fragments after he was shot in the leg at a rally in eastern Punjab province. He is in stable condition. Khan blames Prime Minister Shehbaz Sharif and others in his administration for the attack, according Asad Umar, a senior leader of his Pakistan Tehreek-e-Insaf party. Khan spoke to two senior party members after the shooting and asked them to convey his statement, Umar said. (Bloomberg) | [Click for more info.](#)

Law and order maintenance: Order issued to seal Islamabad

The federal government on Thursday ordered to seal Islamabad for maintenance of law and order in the federal capital on the recommendations of the Ministry of Defence. The exemptions of this order include essential services and supplies like pharmacy, patients for medical aid, rationing, drinking water supplies and emergency, etc. (The News) | [Click for more info.](#)

International News

Stocks face headwinds from renewed recession fears: Markets Wrap

Renewed fears that Federal Reserve interest rate hikes may trigger a global recession looked set to weigh on Asian stocks Friday. (Bloomberg) | [Click for more info.](#)

Oil prices drop as demand fears dominate

Oil prices slid in early trade on Friday, extending losses from the previous session on fears U.S. interest rates will go higher than previously expected and fresh concerns that COVID outbreaks will dent fuel demand in China. (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.

Analyst Certification ^{AC}

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