

December 26, 2022

Economy

IMF asks Pakistan to meet all demands in three weeks

Economy | Neutral

The IMF has shared lists of prerequisite actions and told Pakistani authorities in plain words that Islamabad will have to move towards implementing all demands in the next 15 to 20 days for reviving the stalled Fund programme. Now the time has come for taking "all required actions" by Pakistani authorities and there is a timeframe of two to three weeks for implementing all required actions that could pave the way for striking a staff-level agreement and releasing of \$1 billion tranche under the Extended Fund Facility (EFF). (The News) | [Click for more info.](#)

IMF wants market-base rupee value

Economy | Negative

The International Monetary Fund (IMF) has pressed Pakistan to let its currency gain the real value amid the country's tighter currency controls, which have now created a black market for dollars and also discouraging foreign inflows through regular channels. However, Islamabad has not accepted the IMF's stance on the grounds that the State Bank of Pakistan (SBP) was not throwing sacred dollars in the interbank market. (ET) | [Click for more info.](#)

ADB says Pakistan needs \$62bn to \$155bn for energy sector until 2030

Economy | Neutral

Pakistan's energy investment needs range from \$62 billion to \$155 billion until 2030 based on three different scenarios. According to ADB's Central Asia Regional Economic Cooperation (CAREC) Energy Outlook for 2030 report, energy investment needs until 2030 vary significantly across the three scenarios, with estimates ranging from \$62 billion to \$155 billion. (The News) | [Click for more info.](#)

Govt fails to achieve growth, price stability

Economy | Neutral

The countries that prioritise growth at the expense of price and financial stability are not able to sustain growth and face repeated boom-bust cycles, says the annual report issued by the central bank recently. (Dawn) | [Click for more info.](#)

PM seeks new export enhancement plan

Economy | Neutral

Prime Minister Shehbaz Sharif has directed the Ministry of Commerce, the State Bank of Pakistan (SBP), the Federal Board of Revenue (FBR) and the Board of Investment (BoI) to bring exports enhancement plan with an addition of \$ 5 billion in exports target, sources close to the commerce minister told. (BR) | [Click for more info.](#)

Pakistan 'ill-prepared' to combat new Covid variants

Economy | Neutral

As new variants of coronavirus spread at a rapid pace in parts of the globe, including India, China, and the United States, health authorities in Pakistan seem to be ill-prepared to stop the arrival of the virus in the country. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	26,952.0	26,796.0	-156.0	-0.6%
KSE100	39,838.3	39,669.2	-169.1	-0.4%
KSE30	14,683.2	14,600.6	-82.7	-0.6%
KMI30	67,003.6	66,824.6	-179.1	-0.3%

Top Five Gainers

	Open	Close	Chg.	%
PSEL	1,432.0	1,500.0	68.0	4.7%
PRET	642.3	669.4	27.1	4.2%
BATA	1,725.0	1,745.0	20.0	1.2%
BHAT	1,105.0	1,123.9	18.9	1.7%
SCL	210.1	225.9	15.8	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HUBC	60.7	62.9	2.2	8.32
PPL	54.7	57.5	2.8	6.85
PRL	13.2	12.6	-0.6	6.11
WTL	1.2	1.2	0.0	5.34
DFML	11.4	12.1	0.7	5.23

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.02	0.00	0.02
F-Corporates	0.18	-0.16	0.02
O/S Pakistanies	1.50	-0.99	0.51
Net	1.70	-1.15	0.54
LIPI			
Individuals	16.90	-17.49	-0.59
Companies	1.55	-0.66	0.90
Comm. Banks	1.71	-2.23	-0.52
NBFC	0.05	-0.01	0.04
Mutual Funds	2.55	-2.89	-0.34
Other	0.36	-0.15	0.21
Brokers Proprietary	5.07	-5.55	-0.48
Insurance	0.52	-0.27	0.24
Net	28.70	-29.24	-0.54

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	79.56	1.4%
Brent oil	USD/bbl.	83.92	2.8%
Gold	USD/t oz.	1798.20	0.3%
Silver	USD/t oz.	23.73	0.7%
Coal	USD/ton	208.85	1.6%
Steel Scrap (LME)	USD/ton	385.50	0.4%
Steel Rebar (LME)	USD/ton	667.00	0.7%
USD/PKR	Interbank	6.50	-0.3%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

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MORNING BRIEFING

Oil & Gas

Import of petroleum products drops 26pc in Jul-Nov

Oil | Neutral

The import of petroleum products in the country plunged by 26 percent in the first five months of the current financial year on the back of depressed demand of petroleum products due to slowdown in economic activities and high prices. (The News) | [Click for more info.](#)

Local gas, RLNG; Ogra underscores need for revising tariffs

Gas | Neutral

The Oil and Gas Regulatory Authority (Ogra) has proposed to the government to rationalise tariffs of indigenous gas and RLNG in the wake of recent amendments to the OGRA Ordinance, 2002, as there is a massive difference in the actual cost of gas and the consumer sale prices of the gas companies which is leading to massive cross-subsidy, well-informed sources told. (BR) | [Click for more info.](#)

Power

Hubco, Chinese firm resolve dispute

HUBC | Positive

The Hub Power Company Ltd (Hubco) said on Friday its joint-venture (JV) partner in a coal-based 1,320-megawatt power plant has withdrawn the encashment notice it served on Hubco's bank last month. (Dawn) | [Click for more info.](#)

MoFA opposes 'alteration' in IPPs' revised agreement

IPPs | Neutral

Ministry of Foreign Affairs (MoFA) has reportedly opposed alteration in IPPs' revised agreements of 2019 on a foreign country's demand, saying that by raising prospects for re-opening already signed agreements with the government, in the wake of a 'leaked' report, would raise apprehensions in business circles and amongst prospective investors. (BR) | [Click for more info.](#)

Govt seeks another extension in closing date of WB loan

Power | Neutral

The government has requested the World Bank for extending the closing date of credit for Tarbela Fourth Hydropower project for fifth time, aimed at enabling Water and Power Development Authority (Wapda), to finance remaining payments on ongoing contracts, complete activities to support sustainable operation of project and address remedial measures for fixing issue identified at the intake of the power tunnels constructed under the project. (BR) | [Click for more info.](#)

ADB for higher investments in hydropower

Power | Neutral

Pakistan's energy investment needs until 2030 vary significantly. Considering three scenarios –business-as-usual (BAU), government commitments and green growth - the estimates for energy investment range from \$62 billion to \$155 billion, highlighting significant requirements for transitioning to more sustainable sources of energy generation and implementing extensive energy efficiency measure, says the Asian Development Bank (ADB). (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	33,203.9	176.44	0.53%
US - S&P 500	3,844.8	22.43	0.59%
KSA - Tadawul	10,234.5	18.73	0.18%
CHINA - Shanghai	3,045.9	-8.56	-0.28%
INDONESIA - IDX	6,800.7	-23.76	-0.35%
PHILP - PSEi	6,541.0	-35.91	-0.55%
HK - Hang Seng	19,593.1	-86.16	-0.44%
PAK (KSE-100)	39,669.2	-169.13	-0.42%
Taiwan - TWII	14,271.6	-171.31	-1.19%
INDIA - SENSEX	59,845.3	-980.93	-1.61%

Board Meetings

Scrip	Day	Agenda	Time
SHSML	Monday	Ann A/c for 30-Sep-22	11:00 AM
HABSM	Monday	Ann A/c for 30-Sep-22	11:00 AM
ALNRS	Tuesday	Ann A/c for 30-Sep-22	11:00 AM
BAFS	Tuesday	Ann A/c for 30-Sep-22	11:00 AM
TICL	Tuesday	Ann A/c for 30-Sep-22	12:00 PM
AABS	Tuesday	Ann A/c for 30-Sep-22	4:00 PM

Source: PSX

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MORNING BRIEFING

Chinese firms have adopted go-slow policy?

Power | **Negative**

Beijing has reportedly acknowledged that Chinese companies in Pakistan opted for a “go-slow” policy due to delay in payment to the IPPs, rising exchange rate, and “unhelpful behaviour of the National Electric Power Regulatory Authority (Nepra) with its companies”. This information has been shared by Chinese ambassador to Pakistan. (BR) | [Click for more info.](#)

Banks

Mobile phone banking transactions surge 100%

Banks | **Neutral**

The number of transactions for mobile phone banking increased by 100% to 387.5 million in fiscal year 2021-22 as banking through cellphones gained acceptance as an alternative channel for e-banking transactions, said the Payment Systems Review for FY22. (ET) | [Click for more info.](#)

Textile

APTMA warns textile exports may slump below \$1bn/month from Jan 2023

Textile | **Negative**

The All-Pakistan Textile Mills Association (APTMA) has warned the government that the country’s textile exports could fall below \$1 billion a month from 2023 onwards and sought their help to save the sector from destruction. (Nation) | [Click for more info.](#)

Miscellaneous

BWL extends plant closure

BWHL | **Negative**

Auto vendor Baluchistan Wheels Ltd (BWL) has extended the plant shutdown till Dec 30 after keeping it suspended from Dec 12-23 citing a drop in orders from the assemblers due to depressed demand for vehicles, the company said in a stock filing on Friday. (Dawn) | [Click for more info.](#)

Exports touch \$30b for the first time in history: Alvi

Economy | **Neutral**

President Dr Arif Alvi, on Saturday, lauded the business community for hitting the \$30 billion mark in exports this year despite the prevailing economic conditions. (ET) | [Click for more info.](#)

Thar coal to be linked with PQ thru rail system

Economy | **Neutral**

The government has decided to link Thar coal and Port Qasim (PQ) with Pakistan Railways network through Rs 58.240 billion project in order to provide bulk transportation facilities as per requirement of the economy. Sources said that the PC-I of the project has been prepared and is expected to be approved soon. They added that the total project cost of Rs 58.240 billion would be financed through Public Sector Development Programme and Annual Development Plan on equal cost sharing basis. (BR) | [Click for more info.](#)

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MORNING BRIEFING

Market capital plummets 35pc in dollar terms

PSX | **Negative**

The outgoing 2022 was another bad year for Pakistan stocks where the market capitalization of listed companies at Pakistan Stock Exchange (PSX) fell by 17 percent reaching Rs6.4trillion. In USD terms it plummeted 35 percent reaching \$28billion. (BR) | [Click for more info.](#)

SECP decides to move towards single rating regime

PSX | **Neutral**

The Securities and Exchange Commission of Pakistan (SECP) has decided to move towards a single rating regime for the stock market brokers to further rationalize the rating requirements for such brokers. Last date for submission of feedback by brokers is December 27, 2022. The UAE has emerged as the leading country for Pakistan's export of goods as it saw a decline of 11.04pc to \$614.88m in 5MFY23 from \$691.23m over the corresponding months of last year. Nearly 65pc of the total exports to the region go alone to the UAE market. (BR) | [Click for more info.](#)

Political News

The senior **Elahi to take trust vote before Jan 11, PTI decides**

leadership of the Pakistan Tehreek-i-Insaf (PTI) decided that Chief Minister Chaudhry Parvez Elahi will take a vote of confidence ahead of Jan 11 — when the Lahore High Court will take up the case pertaining to his de-notification — to pave the way for Punjab Assembly's dissolution. (Dawn) | [Click for more info.](#)

Govt dodges Alvi's refusal to greenlight LG polls bill

Steering clear of President Arif Alvi's refusal to give assent to the polls bill, the Senate on Friday passed the Islamabad Capital Territory Local Government (Amendment) Act, 2022, after Senate Chairman Sadiq Sanjrani hurriedly summoned a session of the upper house of the parliament on government's requisition after the president did not. The Senate session, which was summoned at almost an hour's notice, had only one objective to achieve: to pass the bill so that the local government elections could be delayed for an "indefinite period", a senator revealed. (ET) | [Click for more info.](#)

International News

Currencies, Stocks Mixed in Cautious Asian Trading: Markets Wrap

Stocks and currencies were mixed in Asia on Monday amid cautious trading and reduced liquidity with many markets closed for holidays. (Bloomberg) | [Click for more info.](#)

Oil rises \$3/bbl after Russia signals output cut due to price cap

Oil prices settled about \$3 per barrel higher on Friday for a second straight week of gains after Moscow said it could cut crude output in response to the G7 price cap on Russian exports. (BR) | [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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