

October 11, 2022

Economy

Govt getting \$4bn as bonds take battering after floods: SBP

Economy | Positive

Additional financial international commitments to Pakistan in the wake of devastating floods will offset any current account deterioration and delays in the issuing of \$2 billion in bonds, central bank officials told a briefing on Monday. Pakistan's ability to tap the international market has been affected by its bonds taking a battering in the secondary market and a ratings downgrade by Moody's last week, while Fitch and S&P Global have downgraded the country's outlook. The deputy governor of the State Bank of Pakistan, Murtaza Syed, said Pakistan had secured an additional \$4 billion in funds from multilateral lenders, attendees of a post-monetary policy briefing for analysts told Reuters. (BR) | [Click for more info.](#)

PM's upcoming China visit likely to deepen economic ties

Economy | Neutral

Prime Minister Shehbaz Sharif is to visit China next month with a wide-ranging agenda starting from project financing to financial support, well informed sources told. (BR) | [Click for more info.](#)

Dar moves to secure rescheduling of \$27bn in bilateral debt

Economy | Neutral

To secure greater breathing space in foreign loan repayments amid tight external account conditions, Pakistan is seeking rescheduling of bilateral debt, which now stands at around \$27 billion. "Rescheduling of bilateral debt is fine," said Finance Minister Ishaq Dar while ruling out rescheduling of international debt from wealthy western nations under Paris Club, multilaterals and international sovereign bonds. (Dawn) | [Click for more info.](#)

SBP forecasts high inflation, weak growth; Policy rate kept unchanged at 15pc

Economy | Negative

While maintaining the key policy rate at 15 percent, the Monetary Policy Committee (MPC) of State Bank of Pakistan (SBP) has estimated GDP growth around 2 percent in FY23 against the previous forecast of 3-4 percent before the floods. (BR) | [Click for more info.](#)

PKR still going strong

Economy | Positive

Pakistan's rupee maintained its upward trajectory against the US dollar for the 12th successive session, and appreciated nearly 0.9% in the inter-bank market on Monday. As per the State Bank of Pakistan (SBP), the rupee closed at 217.97 after appreciating Rs1.95 or 0.89%. In the last twelve trading sessions, the rupee has cumulatively appreciated Rs21.73 or 10%. In the open market, the PKR gained 2 rupees for both buying and selling against USD, closing at 218 and 220, respectively. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,585.9	28,644.0	58.1	0.2%
KSE100	42,085.3	42,211.6	126.4	0.3%
KSE30	15,857.1	15,889.5	32.4	0.2%
KMI30	69,999.0	70,091.7	92.8	0.1%

Top Five Gainers

	Open	Close	Chg.	%
UPFL	25,500.0	25,949.5	449.5	1.8%
NESTLE	5,750.0	5,850.0	100.0	1.7%
RMPL	10,350.0	10,390.0	40.0	0.4%
RCML	494.5	531.0	36.5	7.4%
PMPK	479.2	515.0	35.8	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.6	1.6	0.0	31.15
PAEL	16.3	17.5	1.2	27.14
TRG	144.1	151.4	7.3	26.75
UNITY	23.1	23.9	0.8	12.65
LOTCEM	30.3	32.6	2.2	11.57

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	-0.01	0.00
F-Corporates	7.37	-0.39	6.98
O/S Pakistanies	2.76	-2.62	0.14
Net	10.13	-3.01	7.12
LIPI			
Individuals	45.80	-44.22	1.57
Companies	2.07	-6.37	-4.30
Comm. Banks	3.78	-4.41	-0.64
NBFC	0.03	-0.06	-0.04
Mutual Funds	1.18	-3.97	-2.80
Other	0.06	-0.68	-0.62
Brokers Proprietary	15.95	-15.43	0.52
Insurance	0.54	-1.36	-0.82
Net	69.39	-76.51	-7.12

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	90.78	-2.0%
Brent oil	USD/bbl.	96.02	-1.9%
Gold	USD/t oz.	1667.96	-1.6%
Silver	USD/t oz.	19.65	-2.4%
Coal	USD/ton	242.00	-2.0%
Steel Scrap (LME)	USD/ton	369.50	0.3%
Steel Rebar (LME)	USD/ton	688.00	0.3%
USD/PKR	Interbank	5.75	-1.2%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

Oil & Gas

November 22 to March 23; SLL spot cargoes to be exempted from PPRA rules

SSGC | Positive

The federal government is to exempt LPG spot cargoes from November 2022 to March 2023 from PPRA rules meant to allow SSGC LPG Limited (SLL) to procure approximately 20,000 MT LPG per month, well informed sources told. (BR) | [Click for more info.](#)

Power

PM terms Thar power project 'game-changer'

Power | Positive

Prime Minister Shehbaz Sharif on Monday said amid skyrocketing fuel prices, the inexpensive energy production from Thar Coal Mines Project would prove to be a game-changer of development for the entire country. The Thar Coal Project, he said, could help the government save up to \$6 billion as the expenditure on the import of energy including petrol and liquid petroleum touched \$24 billion. (BR) | [Click for more info.](#)

Net metering; Nepra to protect interests of 'all' consumers

Power | Neutral

National Electric Power Regulatory Authority (Nepra) is to protect interest of both net metering consumers, as well as, remaining non net metering 35 million consumers across the country. (BR) | [Click for more info.](#)

Senate passes resolution to end monopoly in power sector

Power | Neutral

The government and the opposition in the Senate Monday passed a rare unanimous resolution for abolition of monopoly in the power sector and evolving a mechanism to help generate and provide low-cost electricity to consumers. (The News) | [Click for more info.](#)

Miscellaneous

FFC shuts down plant for 20 days due to maintenance

FFC | Neutral

Fauji Fertilizer Company Limited (FFC) on Monday shut down its Plant-I for a period of 20 days as part of its scheduled maintenance, filings on the stock exchange showed on Monday. (Mettis) | [Click for more info.](#)

ECC approves Rs100bn power subsidy for exporters

Textile | Positive

The Economic Coordination Committee (ECC) of the Cabinet on Monday formally approved a Rs100 billion electricity subsidy package for five export sectors. The ECC approved the continuation of regionally competitive electricity tariff (RCET) at Rs19.99 per kWh, all-inclusive, to five export-oriented sectors — textile (including jute), leather, carpet, surgical and sports goods — across Pakistan from Oct 1 to June 30, 2023. (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	42,211.6	126.39	0.30%
US - S&P 500	3,612.4	-27.27	-0.75%
INDONESIA - IDX	6,994.4	-32.38	-0.46%
KSA - Tadawul	11,530.4	-36.08	-0.31%
CHINA - Shanghai	2,974.2	-50.24	-1.66%
US - Dow 30	29,202.9	-93.91	-0.32%
PHILP - PSEi	5,832.6	-99.61	-1.68%
Taiwan - TWII	13,702.3	-189.77	-1.37%
INDIA - SENSEX	57,991.1	-200.18	-0.34%
HK - Hang Seng	17,216.7	-523.39	-2.95%

Board Meetings

Scrip	Day	Agenda	Time
EFERT	Wednesday	3Q A/c as at 30-Sep-22	9:00 AM
EPCL	Wednesday	3Q A/c as at 30-Sep-22	1:00 PM
EPQL	Thursday	3Q A/c as at 30-Sep-22	10:00 AM
MZNPETF	Thursday	1Q A/c as at 30-Sep-22	10:30 AM
PTC	Thursday	3Q A/c as at 30-Sep-22	1:30 PM
MACFL	Friday	1Q A/c as at 30-Sep-22	4:00 PM
BAFL	Monday	3Q A/c as at 30-Sep-22	11:00 AM
AKBL	Tuesday	3Q A/c as at 30-Sep-22	10:00 AM
ENGRO	Tuesday	3Q A/c as at 30-Sep-22	2:30 PM
UBL	Wednesday	3Q A/c as at 30-Sep-22	9:30 AM
MEBL	Wednesday	3Q A/c as at 30-Sep-22	12:00 PM
FCCL	Monday	1Q A/c as at 30-Sep-22	10:30 AM
UPFL	Monday	3Q A/c as at 30-Sep-22	2:30 PM
FFBL	Tuesday	3Q A/c as at 30-Sep-22	10:30 AM
HAFI	Friday	1Q A/c as at 30-Sep-22	11:30 AM

Source: PSX

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SCBPL partners with insurersEFU, IGI | **Positive**

Standard Chartered Bank Pakistan Limited (SCBPL) has signed a memorandum of understanding with EFU Life Assurance Limited and IGI Life Insurance Limited, whereby the partner companies will deploy dedicated sales staff at the bank's branches for cross selling of insurance solutions to SCBPL's client base. (The News) | [Click for more info.](#)

JDW Sugar to buy back 2m sharesJDWS | **Neutral**

The share price of JDW Sugar Mills Ltd hit the upper limit for intraday gains on Monday after the company told investors it's going to buy back and cancel up to two million of its shares from the stock market. (Dawn) | [Click for more info.](#)

International News**Stocks Slide Amid Inflation, Geopolitical Angst: Markets Wrap**

Shares declined in Asia following a fourth straight drop in US equities amid persistent concern that rising interest rates and geopolitical threats will crimp global growth. (Bloomberg) | [Click for more info.](#)

Oil prices slide as dollar strengthens, China COVID-19 woes dampen demand

Oil prices fell on Tuesday, extending nearly 2% losses in the previous session, as a stronger U.S. dollar and a flare-up in COVID-19 cases in China increased fears of slowing global demand. (Reuters) | [Click for more info.](#)

MORNING BRIEFING

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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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