

November 15, 2022

Economy

Default risks surge, 5-year CDS widens to 64.19pc

Economy | Negative

Pakistan's five-year credit default swap, used to insure against restructuring or default, has sharply widened as investors become wary of the country's ability to meet its bond obligations. On November 11 (Friday), the CDS increased by 394 basis points (bps) day-on-day to 64.19 percent, according to data from Arif Habib Limited. The CDS has surged by 4,210bps since October 11, 2022. (The News) | [Click for more info.](#)

'Global Shield': Pakistan to be among the first to get G7 climate funding

Economy | Neutral

Pakistan, Ghana and Bangladesh will be among the first recipients of funding from a G7 'Global Shield' initiative to provide funding to countries suffering climate disasters, the program announced on Monday at the COP27 summit in Egypt, a British wire service reported. (The News) | [Click for more info.](#)

Pakistan has enough dollars to meet foreign obligations, says SBP governor

Economy | Neutral

State Bank of Pakistan (SBP) Governor Jameel Ahmad said on Monday the country has enough dollars in its coffers to meet foreign debt obligations. (Dawn) | [Click for more info.](#)

Oil & Gas

SNGPL pleads its case for tariff hike at Ogra hearing

SNGP | Neutral

The Oil and Gas Regulatory Authority (Ogra) on Monday organised a public hearing on a Sui Northern Gas Pipelines Ltd (SNGPL) petition for the review of the estimated revenue requirement for 2022-23, seeking an increase in the average prescribed gas price by Rs488.08 per mmBtu from July 1. (Dawn) | [Click for more info.](#)

SSGC denies reports about suspending regular gas supply to industry

SSGC | Neutral

SSGC has categorically clarified on the misleading news circulating in media with regard to the suspension of gas supplies to the industrial sector through below given statement. It may be noted that SSGC has written letters to each industrial customer that has been using gas for POWER GENERATION for suspension of gas supplies only for power generation and not for their regular usage. (BR) | [Click for more info.](#)

HSD: ECC allows increase in premium

OMCs | Neutral

The Economic Coordination Committee (ECC) of the Cabinet has allowed increase in premium on high-speed diesel (HSD) subject to maximum capping at US\$ 16.75 per barrel for importing Oil Marketing Companies (OMCs) other than PSO for the month of November 2022. (BR) | [Click for more info.](#)

POL products' prices may be adjusted in PL

Oil | Neutral

The government may likely to adjust the prices of petroleum products in petroleum levy (PL) which the government committed with the IMF to increase each month. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,300.5	29,120.0	-180.5	-0.6%
KSE100	43,093.0	42,850.8	-242.1	-0.6%
KSE30	15,798.5	15,729.0	-69.4	-0.4%
KMI30	73,105.1	72,333.0	-772.1	-1.1%

Top Five Gainers

	Open	Close	Chg.	%
GATI	402.0	430.0	28.0	7.0%
RCML	615.0	634.0	19.0	3.1%
PECO	265.0	283.0	18.0	6.8%
TRG	136.0	146.2	10.2	7.5%
SAPL	1,090.0	1,100.0	10.0	0.9%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HASCOL	7.6	7.9	0.3	26.56
PTC	7.4	7.6	0.2	12.83
LOTCHEM	28.6	30.8	2.1	10.23
TRG	136.0	146.2	10.2	10.08
WTL	1.6	1.6	0.0	8.83

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	-0.04	-0.04
F-Corporates	0.35	-0.18	0.17
O/S Pakistanies	2.82	-2.35	0.47
Net	3.17	-2.57	0.60
LIPI			
Individuals	28.05	-29.82	-1.77
Companies	3.45	-0.72	2.73
Comm. Banks	0.39	-0.76	-0.37
NBFC	0.05	-0.01	0.04
Mutual Funds	0.85	-1.36	-0.51
Other	0.32	-0.05	0.27
Brokers Proprietary	7.57	-8.32	-0.75
Insurance	0.07	-0.31	-0.23
Net	40.73	-41.34	-0.60

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	85.30	-4.1%
Brent oil	USD/bbl.	92.50	-3.6%
Gold	USD/t oz.	1769.51	-0.1%
Silver	USD/t oz.	21.93	1.1%
Coal	USD/ton	187.65	1.8%
Steel Scrap (LME)	USD/ton	342.00	0.0%
Steel Rebar (LME)	USD/ton	639.00	0.6%
USD/PKR	Interbank	6.20	1.4%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

Pakistan seeks UAE deal to import 1.5m tonnes of petrol annually Oil | Neutral

The government has decided to write a letter to the UAE government in the current week for the initiation of a process to sign an inter-governmental agreement (IGA) paving way for a government-to-government deal for the import of 1.5 million-ton petrol per annum. (The News) | [Click for more info.](#)

Russia ready to offer coal, not LNG

Gas | Neutral

Russia has reportedly declined to sell Liquefied Natural Gas (LNG) to Pakistan on short notice but is ready to offer coal, well informed sources in Ministry of Energy (Petroleum Division) told. (BR) | [Click for more info.](#)

Power

Power sector needs 315,730 MTs of fuel in 3 months

Power | Neutral

National Power Control Centre (NPPC) has determined the accumulated fuel requirement of 315,730 MTs for power sector for three months, i.e., November and December 2022 and January 2023, subject to supply of 165 MMCFD of RLNG each month, official sources told. (BR) | [Click for more info.](#)

Miscellaneous

NETSOL signs tri-partite contract with IGNITE

NETSOL | Positive

NETSOL Technologies Limited (NETSOL) has signed a tri-partite contract with IGNITE-National Technology Fund and Aviation City Pakistan, for setting up the operations of the National Incubation Center for Aerospace Technologies (NICAT). (Mettis) | [Click for more info.](#)

MCB added to MSCI Frontier Market Small Cap Index

MCB | Negative

MSCI in its semi-annual review announcement on Nov-ember 10, removed MCB Bank (MCB) from main FM Index and added it to MSCI frontier market Small Cap Index. Pakistan has now only two constituents left in MSCI FM index which are Lucky Cement (LUCK) and Oil and Gas Development Company (OGDC). (BR) | [Click for more info.](#)

Export-oriented textile sector sends out an 'SOS'

Textile | Negative

All Pakistan Textile Association (APTMA) has urged Prime Minister for intervention to save export-oriented textile industry of Sindh and Balochistan from total closure due to unavailability of gas. (BR) | [Click for more info.](#)

Uptick in exports to 9 regional states in July-September

Economy | Positive

Pakistan's exports to nine regional countries posted a paltry growth of 0.72 per cent in the first quarter (July to September) of 2022-23 from a year ago, the latest data released by the State Bank of Pakistan showed. (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	17,619.7	294.05	1.70%
Taiwan - TWII	14,174.9	167.34	1.19%
PHILP - PSEi	6,354.8	67.99	1.08%
CHINA - Shanghai	3,083.4	-3.89	-0.13%
US - S&P 500	3,957.3	-35.68	-0.89%
KSA - Tadawul	11,197.5	-49.47	-0.44%
INDONESIA - IDX	7,019.4	-69.82	-0.98%
INDIA - SENSEX	61,624.2	-170.89	-0.28%
US - Dow 30	33,536.7	-211.16	-0.63%
PAK (KSE-100)	42,850.8	-242.12	-0.56%

Board Meetings

Scrip	Day	Agenda	Time
PGLC	Tuesday	ANN A/c as at 30-Jun-22	03:30 PM
PTC	Wednesday	Other Matters	11:00 AM
HCAR	Wednesday	HY A/c as at 30-Sep-22	11:30 AM
EPQL	Thursday	Other Matters	11:00 AM
OBOY	Friday	1QA/c as at 30-Jun-22	11:00 AM

Source: PSX

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MORNING BRIEFING

Political News

Things moving for smooth appointment of COAS

The new army chief is now expected to be controversy-free as the PTI seems to have decided not to make the incoming COAS controversial, whereas Nawaz Sharif has too learnt the lesson of compromising seniority for the sake of a “loyal” army chief. (The News) | [Click for more info.](#)

International News

Asia Shares Mixed as Investors Weigh China Outlook: Markets Wrap

Stocks were mixed Tuesday amid fragile sentiment following a choppy session on Wall Street and as investors tried to gauge China’s economic outlook. (Bloomberg) | [Click for more info.](#)

Oil settles \$3 lower on China COVID surge and firmer dollar

Oil prices settled around \$3 lower on Monday, dragged down by a firmer U.S. dollar while surging coronavirus cases in China dashed hopes of a swift reopening of the economy for the world’s biggest crude importer. (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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