

December 1, 2022

Economy

CPI Preview: Inflation likely to ease at 25% in November

Economy | Neutral

After enduring rough tides in the previous few months, the headline inflation, with a relatively stable economic landscape, will likely ease at 25% YoY in November 2022, compared to 26% YoY in the last month and 11.50% YoY in November 2021. (Mettis) | [Click for more info.](#)

Pakistan remittances drop as illegal flows rise

Economy | Negative

Remittances to two of South Asia's largest countries dropped to their lowest level in eight months, with migrant workers finding it more profitable to send money through illegal non-banking channels, Bloomberg reported on Tuesday. Pakistan's remittances fell to \$2.2 billion and Bangladesh's to \$1.5 billion in October, according to central bank data. (The News) | [Click for more info.](#)

Finance Bill 2023; SEZs: FBR to withdraw turnover tax exemption

Economy | Negative

The Federal Board of Revenue (FBR) will withdraw exemption of turnover tax for Special Economic Zones (SEZs) through the next Finance Bill. (BR) | [Click for more info.](#)

Cabinet approves auction of Pak building in US

Economy | Neutral

Mariyum said the cabinet gave approval to a proposal of auctioning one of the two buildings in Washington, owned by the Pakistan Embassy. (The News) | [Click for more info.](#)

Revenue collection jumps 15pc to Rs2.688tr

Economy | Positive

The Federal Board of Revenue (FBR) collected Rs2.688 trillion in the first five months of the current fiscal year, exceeding the target set for the period by just Rs8 billion, showed provisional data released on Thursday. (Dawn) | [Click for more info.](#)

REER index appreciates to 100.4 in October

Economy | Neutral

Pakistan's real effective exchange rate (REER), the value of the rupee against a basket of trading partner currencies, rose to 100.4 in October from 90.7 in the previous month, data from the State Bank of Pakistan showed. (The News) | [Click for more info.](#)

Oil & Gas

No change in petrol, diesel prices

Oil | Neutral

Despite a drop in international prices, the government on Wednesday left the prices of major petroleum products – petrol and high speed diesel (HSD) – unchanged for the next fortnight ending Dec 15. (Dawn) | [Click for more info.](#)

AGP rejects IMF demands for special audits

SSGC, Power | Negative

The auditor general of Pakistan has turned down demands of the International Monetary Fund (IMF) for conducting special audits of state-owned enterprises, including Sui Southern Gas Company Limited (SSGCL), Hyderabad Electric Supply Corporation (Hesco) and Peshawar Electric Supply Company (Pesco). (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,671.3	28,693.3	22.0	0.1%
KSE100	42,373.6	42,348.6	-25.0	-0.1%
KSE30	15,665.4	15,632.2	-33.3	-0.2%
KMI30	71,632.8	71,768.6	135.8	0.2%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	10,380.0	10,990.0	610.0	5.9%
SAPT	1,041.0	1,100.2	59.2	5.7%
PSEL	702.1	754.7	52.7	7.5%
KHTC	392.0	417.4	25.4	6.5%
GATI	327.5	352.1	24.6	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.4	1.4	0.0	8.48
NCPL	14.1	15.2	1.1	6.67
DFML	12.0	13.0	1.0	5.84
KEL	2.6	2.6	0.0	5.66
TRG	144.7	142.8	-1.9	4.70

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	4.35	-1.78	2.56
O/S Pakistanies	1.31	-0.61	0.70
Net	5.66	-2.40	3.26
LIPI			
Individuals	15.37	-15.29	0.08
Companies	1.54	-3.22	-1.68
Comm. Banks	0.42	-1.68	-1.26
NBFC	0.00	-0.10	-0.10
Mutual Funds	1.95	-2.04	-0.09
Other	0.17	-0.43	-0.26
Brokers Proprietary	4.90	-4.95	-0.05
Insurance	0.20	-0.10	0.10
Net	24.54	-27.80	-3.26

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	80.56	2.3%
Brent oil	USD/bbl.	86.66	2.0%
Gold	USD/t oz.	1773.41	1.4%
Silver	USD/t oz.	22.35	5.3%
Coal	USD/ton	250.75	4.0%
Steel Scrap (LME)	USD/ton	348.56	0.0%
Steel Rebar (LME)	USD/ton	636.89	-0.4%
USD/PKR	Interbank	6.35	-0.2%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

 Aba Ali Habib Securities (Pvt) Limited
 (021) 32429665, Ext. 106

December 1, 2022

MORNING BRIEFING

Power

Regulator orders KE to refund Rs3.6bn in next bill

KEL | Neutral

The National Electric Power Regulatory Authority (Nepra) on Wednesday cleared a Rs2.15 per unit cut in monthly fuel cost adjustment (FCA) and Rs7.83 per unit in quarterly tariff adjustment (QTA) for K-Electric consumers. (Dawn) | [Click for more info.](#)

Encashment of SBLC: Resolve Hubco-CPHGC dispute, PM asks authorities concerned

HUBC | Neutral

Prime Minister Shehbaz Sharif has directed the concerned authorities to resolve a dispute between Hub Power Company (Hubco) and M/s China Power Hub Generation Company (CPHGC) on "encashment of Hubco's Standby Letter of Credit (SBLC) of \$150 million", well informed sources told. (BR) | [Click for more info.](#)

Haveli Bahadur Shah power plant faces closure

Power | Negative

National Power Parks Management Company (Pvt) Ltd (NPPMCL) has cautioned the Private Power & Infrastructure Board (PPIB) that its 1230-MW RLNG-fired Haveli Bahadur Shah power plant will stop operation if State Bank of Pakistan (SBP) does not approve its four transactions to import equipment/ spares. (BR) | [Click for more info.](#)

Two wind power plants of 110MW inaugurated in Jhimpir

Power | Positive

Federal Power Minister Khurram Dastgir Khan inaugurated two new wind energy projects set in Jhimpir, Thatta District, Sindh, with an aim to produce cheaper and clean electricity through indigenous energy sources, a statement said on Wednesday. (The News) | [Click for more info.](#)

Cement

THCCL increases cement price by Rs1200/MTs

THCCL | Positive

In the wake of rising input cost, the management of Thatta Cement Company Limited (PSX: THCCL) has decided to increase prices on all the products only by Rs1200 per MTons on both Loose and Bags. (Mettis) | [Click for more info.](#)

Miscellaneous

Riba may go in five years: Ishaq Dar

MEBL, FABL | Neutral

Finance Minister said on Wednesday that the government would look into a proposal to ban the opening of interest-based branches of conventional banks. He hoped that interest-based banking might be done away with in five years. (The News) | [Click for more info.](#)

Manufacturers hail panel for drug pricing

Pharma | Positive

The Pakistan Pharmaceutical Manufacturers' Association (PPMA) on Wednesday welcomed the formation of a committee for resolution of drug pricing issues prevailing in the industry. The industry claims that hardship cases and price increases were not up to the mark when compared to the huge cost increase and pressures faced by drug manufacturers. (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	34,589.8	737.24	2.18%
INDIA - SENSEX	63,099.7	417.81	0.67%
HK - Hang Seng	18,597.2	392.55	2.16%
Taiwan - TWII	14,879.6	169.91	1.16%
KSA - Tadawul	10,896.9	144.90	1.35%
US - S&P 500	4,080.1	122.48	3.09%
PHILP - PSEi	6,780.8	99.31	1.49%
INDONESIA - IDX	7,081.3	69.24	0.99%
CHINA - Shanghai	3,151.3	1.59	0.05%
PAK (KSE-100)	42,348.6	-24.96	-0.06%

Board Meetings

Scrip	Day	Agenda	Time
SNAI	Monday	Other Matters	11:00 AM
JSCL	Monday	Other Matters	12:00 PM
GSKCH	Monday	Other Matters	2:00 PM
MCB	Wednesday	Other Matters	11:00 AM
FFBL	Thursday	Other Matters	11:00 AM

Source: PSX

Research Team
research@abaalihabib.com

 ABA ALI HABIB SECURITIES (PVT) LIMITED
 (021) 32429665, Ext. 106

December 1, 2022

Ban on GMO soyabean: govt, importers take divergent positions**Vanaspati | Neutral**

Federal Minister for National Food Security and Research, Tariq Bashir Cheema said that the import of GMO soyabean is banned in Pakistan. Customs authorities have seized nine shipments of GMO soyabean seeds that were illegally imported, he said. "GMO soyabean causes cancer and we will not allow its import", he said. He said that the law only allows the import of non-GMO soyabean. (BR) | [Click for more info.](#)

Political News**PTI 'starts' preparations for general elections**

The Pakistan Tehreek-e-Insaf (PTI) has started the preparations for the general elections by starting work on the formation of parliamentary boards for Punjab, which will be responsible for the distribution of party tickets for national and provincial assemblies. (BR) | [Click for more info.](#)

PML-N struggling to beat impression it's 'afraid of snap polls'

There appears to be an impression in political circles that the PML-N is 'running away' from elections in Punjab, something that seems to stem from the party's insistence that it wants to save the Punjab Assembly 'at any cost'. (Dawn) | [Click for more info.](#)

International News**US rate hikes could slow 'as soon as' December: Fed chair**

The US central bank could ease its pace of interest rate hikes "as soon as" December, Federal Reserve Chair Jerome Powell said Wednesday, as its campaign to cool prices trickles through the economy. (The News) | [Click for more info.](#)

Stocks Rally on Powell, China Covid; Dollar Slides: Markets Wrap

Stocks extended gains in Asia after China appeared to soften its Covid stance and Federal Reserve Chair Jerome Powell signaled a slowdown in the pace of interest-rate hikes. (Bloomberg) | [Click for more info.](#)

Oil settles up \$2 on tighter supply; OPEC+ talks limit gains

Oil prices settled up by over \$2 per barrel on Wednesday on signs of tighter supply, a weaker dollar and optimism over a Chinese demand recovery. (Reuters) | [Click for more info.](#)

MORNING BRIEFING

Research Teamresearch@abaalihabib.comAba Ali Habib Securities (Pvt) Limited
(021) 32429665, Ext. 106

Disclaimer

This report has been prepared by ABA Ali Habib Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, ABA Ali Habib Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and ABA Ali Habib Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents.

In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of ABA Ali Habib Securities' Research Department and do not necessarily reflect those of the company or its directors. ABA Ali Habib as a firm may have business relationships, including investment- banking relationships, with the companies referred to in this report. ABA Ali Habib Securities or any of its officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the subject company, may have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company, may serve or may have served in the past as a director or officer of the subject company, may have received compensation from the subject company for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from the subject company for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the subject company.

All rights reserved by ABA Ali Habib Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of ABA Ali Habib Securities. Action could be taken for unauthorized reproduction, distribution or publication.

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}

The research Analyst(s) hereby certify that the views about the company/companies and the security/securities discussed in this report accurately reflect his or her or their personal views and that s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Muhammad Ali - Research Analyst
Muhammadali@abaalihabib.com

Kainat Rohra- Research Analyst
Kainatrohra@abaalihabib.com

Ayesha Abid – Research Analyst
ayasha.abid@abaalihabib.com

SALES TEAM

Zaheer Ahmed - Head of Equity Sales & Business Dev.
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Mr. Salman Naqvi - Head of Retail Sales
(021) 32431925

Fahed Fazal- Manager Equity Sales
Fahedfazal@abaalihabib.com
(021) 32431925

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Shoaib- Equity Trader
shoibqadri@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Karachi Office

Suite# 505, 5th Floor, Business Plaza,
Mumtaz Hussan Road, Off I.I. Chundrigar
Road, Karachi
Contact: 021-32429664-7
Cell: [+92 3312766771](tel:+923312766771)