

January 3, 2023

MORNING BRIEFING

## Economy

**Equities, bonds see \$187m outflow**

**PSX | Neutral**

Pakistan's equities, treasury bills and bonds could attract a meagre sum of \$112.9 million against a much higher outflow of \$187m during the first half of the current fiscal year. The persisting political and economic instability was a key reason for this higher outflow as foreigners seemed least interested to invest even in high-return Pakistan Investment Bonds (PIBs). (Dawn) | [Click for more info.](#)

**Inflation jumps to 24.47pc in December**

**Economy | Negative**

Pakistan's Consumer Price Index (CPI) inflation in December 2022 rose to 24.47 percent from 23.84 percent a month earlier, as the elevated food item prices in the month jacked up the general inflation, the Pakistan Bureau of Statistics (PBS) Monday reported. (The News) | [Click for more info.](#)

**Floods, political instability have taken heavy toll on economy: experts**

**Economy | Neutral**

The economic outlook of the country has deteriorated significantly owing to the floods and political bickering, experts said. Real GDP growth is expected to slow from 6.0 percent in FY22 to around 2.1 percent in FY23, as a result of high-base effects, flood-related damages and disruptions, a tight monetary stance, high inflation, and a less conducive global environment, they added. (BR) | [Click for more info.](#)

## Oil & Gas

**PARCO dispatches 50,000 tonnes furnace oil to Singapore**

**Oil | Positive**

Furnace oil glut has forced the country's refining sector to start exporting the fuel, with Pak Arab Refinery Limited (PARCO) taking lead by exporting the first cargo of 55,000 metric tonnes on Sunday night. The tender for this cargo was floated by PARCO at the beginning of December 2022, and Dubai-based E3 Energy DMCC won the tender for the export. (The News) | [Click for more info.](#)

**PL on HSD hiked**

**Oil | Neutral**

After maxing out on the legislated petroleum levy on petrol at 50 rupees per litre effective 1 November, the government raised the levy on high speed diesel (HSD) from 30 rupees per litre to 32.50 rupees per litre effective 1st January 2023. (BR) | [Click for more info.](#)

## Power

**NTDC asked to redo Rs370bn investment plan to address provinces' concerns**

**Power | Neutral**

Almost all the provinces on Monday raised serious objections over the Rs370 billion worth of the three-year investment plan of the National Transmission & Despatch Company (NTDC) for allegedly ignoring their power generation projects to be linked with the national grid including those already cleared for construction. (Dawn) | [Click for more info.](#)

# Morning Briefing

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,532.6	27,713.8	181.1	0.7%
KSE100	40,420.5	40,815.9	395.5	1.0%
KSE30	14,836.4	15,026.3	189.9	1.3%
KMI30	68,277.9	69,032.9	755.1	1.1%

### Top Five Gainers

	Open	Close	Chg.	%
SAPL	958.0	1,000.0	42.0	4.4%
MARI	1,547.0	1,567.1	20.1	1.3%
COLG	1,850.0	1,870.0	20.0	1.1%
PECO	270.0	287.9	17.9	6.6%
RCML	685.0	700.0	15.0	2.2%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PPL	68.1	71.4	3.2	14.96
PRL	13.0	13.6	0.6	12.73
HASCOL	5.6	6.6	1.0	12.23
CNERGY	3.7	3.9	0.2	10.33
WTL	1.2	1.2	0.0	9.33

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	0.00	0.00
F-Corporates	0.00	-0.04	-0.04
O/S Pakistanies	1.69	-2.15	-0.46
<b>Net</b>	<b>1.69</b>	<b>-2.20</b>	<b>-0.51</b>
<b>LIPI</b>			
Individuals	28.16	-29.42	-1.25
Companies	3.59	-1.56	2.03
Comm. Banks	1.86	-1.93	-0.07
NBFC	0.00	0.00	0.00
Mutual Funds	2.03	-2.35	-0.31
Other	0.31	-0.24	0.06
Brokers Proprietary	7.46	-6.96	0.50
Insurance	0.26	-0.71	-0.45
<b>Net</b>	<b>43.68</b>	<b>-43.18</b>	<b>0.51</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	80.47	0.0%
Brent oil	USD/bbl.	85.91	4.4%
Gold	USD/t oz.	1823.69	0.0%
Silver	USD/t oz.	23.99	0.1%
Coal	USD/ton	186.10	0.0%
Steel Scrap (LME)	USD/ton	386.41	0.0%
Steel Rebar (LME)	USD/ton	664.93	0.0%
USD/PKR	Interbank	6.56	1.2%

**News Source:** Local / Int'l Newspapers and websites

**Research Team**

[research@abaalihabib.com](mailto:research@abaalihabib.com)

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

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## Fertilizer

**GST or duty on imported DAP fertiliser**

**Fertilizer | Neutral**

The government has constituted a committee to analyse a proposal of the domestic industry to impose general sales tax (GST) or duty on imported DAP fertiliser. (BR) | [Click for more info.](#)

## Miscellaneous

**Fateh Sports trying to release stuck up amount of \$2bn**

**FSWL | Positive**

The management of Fateh Sports Wear Limited (FSWL) is constantly pursuing the case for releasing stuck-up amount of \$2 million and expecting vacation of stay order in nearest future, a notice issued by company to PSX showed. (Mettis) | [Click for more info.](#)

**JDW Sugar completes share buyback exercise**

**JDWS | Neutral**

JDW Sugar Mills Ltd said on Monday it completed the buyback of two million shares for ultimate cancellation in less than two months of initiating the exercise. (Dawn) | [Click for more info.](#)

## Political News

**Punjab Assembly session on 9<sup>th</sup>**

Punjab Assembly Speaker Sibtain Khan has summoned provincial assembly session on January 9 (Monday), according to the assembly secretariat. Punjab Chief Minister Chaudhry Pervaiz Elahi is likely to take the vote of confidence from the provincial assembly next week, it emerged earlier. Pakistan Muslim League-Nawaz (PMLN), meanwhile, withdrew its no-confidence motion against the speaker and deputy speaker of the Punjab Assembly. (The News) | [Click for more info.](#)

## International News

**Stocks Fall After Fledgling Rally, Yen Strengthens: Markets Wrap**

US and European equity futures fell and shares across Asia dropped on Tuesday in a sign that further pain lies ahead after global stocks tumbled by a fifth last year. (Bloomberg) | [Click for more info.](#)

**Oil Declines as Demand Concerns Dominate at Start of the Year**

Oil declined in the year's first session as looming slowdowns in major economies threatened to crimp near-term energy demand. (Bloomberg) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	40,815.9	395.45	0.98%
INDIA - SENSEX	61,167.8	327.05	0.54%
Taiwan - TWII	14,137.7	52.67	0.37%
HK - Hang Seng	19,781.4	40.27	0.20%
KSA - Tadawul	10,578.3	31.67	0.30%
CHINA - Shanghai	3,089.3	15.56	0.51%
INDONESIA - IDX	6,851.0	0.36	0.01%
PHILP - PSEI	6,566.4	-0.15	0.00%
US - S&P 500	3,839.5	-9.78	-0.25%
US - Dow 30	33,147.3	-73.55	-0.22%

### Board Meetings

Scrip	Day	Agenda	Time
CHAS	Tuesday	Ann A/c for 30-Sep-22	11:00 AM
CHBL	Tuesday	Ann A/c for 30-Sep-22	11:00 AM
PMRS	Tuesday	Ann A/c for 30-Sep-22	11:30 AM
JDWS	Thursday	Ann A/c for 30-Sep-22	11:00 AM
SSGC	Thursday	Ann A/c for 30-Sep-22	2:00 PM
HWQS	Thursday	Ann A/c for 30-Sep-22	4:00 PM
AGSML	Friday	Ann A/c for 30-Sep-22	10:00 AM
FRSM	Friday	Ann A/c for 30-Sep-22	11:30 AM
TSML	Friday	Ann A/c for 30-Sep-22	3:00 PM

Source: PSX

Research Team

[research@abaalihabib.com](mailto:research@abaalihabib.com)

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

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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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## THE TEAM

### CEO

Zahid Ali Habib  
[Zahid@abaalihabib.com](mailto:Zahid@abaalihabib.com)  
(021) 32425022

### RESEARCH TEAM

**Contact:** (021) 32429665, Ext. 106

Muhammad Ali - Research Analyst  
[Muhammadali@abaalihabib.com](mailto:Muhammadali@abaalihabib.com)

Kainat Rohra- Research Analyst  
[Kainatrohra@abaalihabib.com](mailto:Kainatrohra@abaalihabib.com)

Ayesha Abid – Research Analyst  
[ayasha.abid@abaalihabib.com](mailto:ayasha.abid@abaalihabib.com)

### SALES TEAM

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

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

Fahed Fazal- Manager Equity Sales  
[Fahedfazal@abaalihabib.com](mailto:Fahedfazal@abaalihabib.com)  
(021) 32431925

Syed Khalid Ahmed - Equity Trader  
[Syedkhalid@abaalihabib.com](mailto:Syedkhalid@abaalihabib.com)  
(021) 32429664

Shoaib- Equity Trader  
[shoibqadri@abaalihabib.com](mailto:shoibqadri@abaalihabib.com)  
(021) 32429664

Muhammad Faisal - Equity Trader  
[faisal@abaalihabib.com](mailto:faisal@abaalihabib.com)  
(021) 32464835

### Karachi Office

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