

February 3, 2023

# Morning Briefing

## Economy

**Federal govt servants must disclose assets to open bank accounts**

**Economy | Neutral**

Acceding to another demand of the International Monetary Fund (IMF), the government has finally allowed banks access to asset declarations of civil servants of BS17-22 as a prior condition for the opening of bank accounts as part of good governance and anti-corruption measures. (Dawn) | [Click for more info.](#)

**Dar gives go-ahead to Saylani, other charities to help raise \$2bn from overseas Pakistanis**

**Economy | Neutral**

Finance Minister Ishaq Dar on Thursday gave his green signal to a reported plan by charitable organizations to help raise around \$2 billion from overseas Pakistanis as the country's economy battles challenges on the foreign exchange front. (BR) | [Click for more info.](#)

**SBP reserves plummet to nine-year low of \$3.1bn**

**Economy | Negative**

The central bank's foreign exchange reserves have hit a nine-year low of \$3.1 billion as of January 27, making it extremely difficult for the cash-strapped country to finance imports. The reserves can barely cover two to three weeks' worth of imports due to a lack of US dollars. The country has \$8.7 billion in reserves in total, including \$5.7 billion held by commercial banks. (The News) | [Click for more info.](#)

**Pakistan's Trade Deficit at USD 19.632bn in 7 months of FY23**

**Economy | Positive**

Pakistan's trade deficit for 7 months (July-January) FY23 was USD 19.63 billion compared to a deficit of USD 28.86 billion from the corresponding period from FY22. According to data released by the Pakistan Bureau of Statistics (PBS), the trade deficit for the month of January 2023 was recorded at USD 2.645 billion compared to a deficit of USD 2.841 billion from December 2022 showing an improvement of 6.9 percent. (Mettis) | [Click for more info.](#)

**Exports fall over 15pc in January**

**Economy | Negative**

The country's exports shrank for the fifth month in a row dropping by 15.42 per cent year-on-year to \$2.21 billion in January raising fears about the closure of industrial units especially textile and clothing across the country. On a month-on-month basis, export proceeds decreased by 4.41pc in January, official data showed on Thursday. (Dawn) | [Click for more info.](#)

**New historic low: rupee settles at 271.36 against US dollar**

**Economy | Negative**

As per the State Bank of Pakistan (SBP), the currency settled at 271.36, a decline of Rs2.53 or 0.93% against the US dollar. In the open market, the PKR lost 1.50 rupees for buying and 50 paisas for selling against USD, closing at 273.50 and 275.50, respectively. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,085.1	27,132.4	47.4	0.2%
KSE100	40,620.0	40,733.5	113.6	0.3%
KSE30	15,170.4	15,229.8	59.4	0.4%
KMI30	69,371.1	69,928.6	557.5	0.8%

### Top Five Gainers

	Open	Close	Chg.	%
NESTLE	5,205.0	5,300.0	95.0	1.8%
MARI	1,421.7	1,454.4	32.6	2.3%
PMRS	590.0	620.0	30.0	5.1%
LUCK	405.1	416.8	11.7	2.9%
JDWS	350.6	361.9	11.3	3.2%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.1	1.2	0.0	20.61
PPL	76.6	75.4	-1.3	12.29
DFML	14.1	14.5	0.4	6.20
GGL	9.9	10.5	0.5	5.49
OGDC	87.3	87.0	-0.3	5.16

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	2.14	-1.40	0.74
O/S Pakistanis	2.93	-2.79	0.13
<b>Net</b>	<b>5.06</b>	<b>-4.19</b>	<b>0.87</b>
LIPI			
Individuals	20.21	-20.40	-0.18
Companies	6.52	-1.29	5.23
Comm. Banks	1.39	-1.25	0.14
NBFC	0.00	-0.01	0.00
Mutual Funds	1.22	-1.91	-0.69
Other	0.16	-0.18	-0.02
Brokers Proprietary	5.99	-5.64	0.34
Insurance	0.07	-5.77	-5.70
<b>Net</b>	<b>35.57</b>	<b>-36.44</b>	<b>-0.87</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	75.97	-1.1%
Brent oil	USD/bbl.	82.22	-1.0%
Gold	USD/t oz.	1915.16	-1.8%
Silver	USD/t oz.	23.46	-2.2%
Coal	USD/ton	145.35	1.8%
Steel Scrap (LME)	USD/ton	430.00	0.0%
Steel Rebar (LME)	USD/ton	704.50	0.4%
USD/PKR	Interbank	8.29	1.8%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

## Oil & Gas

**KSA links oil refinery's setup with political consensus**

**Refinery | Negative**

Saudi Arabia has reportedly linked establishment of billions of dollars oil refinery in Pakistan with political consensus, cabinet approval and stringent conditions proposed by M/s Aramco, well informed sources in Petroleum Division told. (BR) | [Click for more info.](#)

**Panel asks PD to broker agreements between govt, gas producing provinces**

**Gas | Negative**

A parliamentary panel, on Thursday, asked the Petroleum Division to provide gas sale and purchase agreements between the federal government and the gas producing provinces. Member Committee Shamim said that areas in Khyber-Paktunkhwa and Balochistan were facing an acute shortage of gas which was a violation of 18 constitutional amendments and the Constitution of Pakistan. (BR) | [Click for more info.](#)

**Senate body asks PSO to charter PNSC fleet for HSD import**

**PSO | Neutral**

Chairman of Senate Standing Committee on Petroleum, Abdul Qadir has asked the PSO to charter PNSC fleet for import of high-speed diesel (HSD) and petroleum products in Pakistan which will be help in saving around \$200 million per year. (Nation) | [Click for more info.](#)

## Power

**PM inaugurates 1,100MW K-3 nuclear power plant**

**Power | Neutral**

Prime Minister Shehbaz Sharif on Thursday inaugurated K-3, the third unit of Karachi Nuclear Power Plant (Kanup), which will produce 1,100 megawatts of electricity. The project has been completed with assistance from China. (The News) | [Click for more info.](#)

## Miscellaneous

**Auto industry seeks end to import curbs**

**Autos | Negative**

In contrast to ongoing construction of an auto assembly plant in Hub for rolling out Skoda and Volkswagen vehicles, the existing auto players and vendors are in a state of paralysis due to severe paucity of foreign exchange and supply issues in parts. (Dawn) | [Click for more info.](#)

**Pakistan's textile exports significantly decline in January: APTMA**

**Textile | Negative**

Pakistan's textile sector exports witnessed a significant decline of 12.4%, clocking in at \$1.36 billion in January 2023 in comparison to \$1.55 billion recorded in the same month of the previous year. It added that the country's textile exports in the first 7 months of FY23 decreased by 8% to \$10.08 billion, declining from \$10.93 billion recorded in 7MFY22. (BR) | [Click for more info.](#)

# Morning Briefing

### World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	59,932.2	224.16	0.38%
Taiwan - TWII	15,595.2	175.03	1.14%
PAK (KSE-100)	40,733.5	113.57	0.28%
US - S&P 500	4,179.8	60.55	1.47%
INDONESIA - IDX	6,890.6	28.31	0.41%
CHINA - Shanghai	3,285.7	0.75	0.02%
US - Dow 30	34,053.9	-39.02	-0.11%
PHILP - PSEI	6,986.2	-49.57	-0.70%
KSA - Tadawul	10,701.8	-81.94	-0.76%
HK - Hang Seng	21,958.4	-113.82	-0.52%

### Board Meetings

Script	Day	Agenda	Time
MCBAH	Friday	HY A/c as of 31-Dec-22	3:00 PM
EPCL	Tuesday	Ann. A/c as of 31-Dec-22	10:00 AM
PRL	Tuesday	HY A/c as of 31-Dec-22	10:00 AM
ALIFE	Tuesday	Ann. A/c as of 31-Dec-22	12:00 PM
SAZEW	Tuesday	HY A/c as of 31-Dec-22	2:45 PM
EPQL	Wednesday	Ann. A/c as of 31-Dec-22	10:00 AM
MCB	Wednesday	Ann. A/c as of 31-Dec-22	11:00 AM
FCEPL	Wednesday	Ann. A/c as of 31-Dec-22	2:00 PM
TRIPF	Wednesday	Ann. A/c as of 31-Dec-22	2:30 PM
JGICL	Thursday	Ann. A/c as of 31-Dec-22	10:00 AM
EFERT	Thursday	Ann. A/c as of 31-Dec-22	10:30 AM
LOTCHEM	Friday	Ann. A/c as of 31-Dec-22	10:00 AM
INDU	Friday	HY A/c as of 31-Dec-22	4:00 PM

Source: PSX

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**Country heading towards digital catastrophe****Telecom | Negative**

The chief executive officers of Pakistan's largest telecom companies have warned that the country is heading towards a digital catastrophe due to the wrong policy of pegging telecom licence price with the US dollar. "Due to the uncertainty caused by the fluctuating exchange rate, rising interest rates, fuel and electricity tariffs, made it impossible for them to make a business plan," they added. (BR) | [Click for more info.](#)

**Political News****PM Shehbaz invites Imran Khan to APC to tackle challenges**

Prime Minister Shehbaz Sharif Thursday invited Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan to an all-parties conference (APC) aimed at finding solutions to surmount the daunting economic and political crises. (The News) | [Click for more info.](#)

**International News****Oil Set for Weekly Loss as China Optimism Dims, Stockpiles Swell**

Oil headed for a second weekly drop as optimism over a recovery in Chinese demand dimmed and US stockpiles kept rising. West Texas Intermediate held above \$76 a barrel, set for a loss of more than 4% this week. (Bloomberg) | [Click for more info.](#)

**Asia Stocks Inch Up, US Futures Drop as Tech Drags: Markets Wrap**

Asian shares opened higher in cautious trading on Friday after disappointing earnings after-hours from some big-tech names weighed on sentiment following a surge in US equities during official trading. (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 FCF based DCF methodology.

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