

November 3, 2022

## Economy

### China to help stabilise Pak economy: Xi

#### Economy | Positive

China will continue to support Pakistan as it tries to stabilise its financial situation, state media quoted President Xi Jinping as saying on Wednesday, during a visit by Pakistan's prime minister to Beijing. (BR) | [Click for more info.](#)

### Pakistan, China agree to expand, accelerate CPEC

#### Economy | Positive

China on Wednesday assured Pakistan of its continued support to the country's sustainable economic and strategic projects, including expansion of the China-Pakistan Economic Corridor (CPEC), Main Line-1 (ML-1) rail track besides an additional assistance package of RMB 500 million for the country's flood-relief efforts. (Dawn) | [Click for more info.](#)

### Pakistan, World Bank sign \$500m loan agreements

#### Economy | Positive

Pakistan and the World Bank signed \$500 million worth of loan agreements for agriculture and climate mitigation projects in Punjab and Khyber Pakhtunkhwa provinces. (The News) | [Click for more info.](#)

### CJP suggests consultative body to monitor Reko Diq matter

#### Economy | Neutral

The \$10 billion fine slapped on Pakistan by the International Court of Justice (ICJ) in the "Tethyan Copper versus Pakistan" case is a nuclear bomb, which can have consequences for the country, a Supreme Court (SC) of Pakistan judge remarked on Wednesday. (The News) | [Click for more info.](#)

### T-bill yields inch down

#### Economy | Neutral

Yields on market treasury bills edged lower on Wednesday as investors expect that the interest rates would remain steady in coming months. The cut-off yield on the three-year T-bill inched down by 1 basis points (bps) to 15.7100 percent. The yield on the six-month paper remained unchanged, while the cut-off yield on the 12-month paper slightly fell by 1 bps to 15.7399 percent. (The News) | [Click for more info.](#)

### Jul-Oct trade deficit narrows down 26.59pc

#### Economy | Positive

The country's trade deficit narrowed down by 26.59 percent to \$11.469 billion during the first four months of the current fiscal year compared to \$15.624 billion during the same period of last year, says Pakistan Bureau of Statistics (PBS). (BR) | [Click for more info.](#)

### PKR declines

#### Economy | Negative

Pakistan's rupee registered a depreciation of 0.35% in the inter-bank market on Wednesday. As per the State Bank of Pakistan (SBP), the rupee closed at 221.43 after a depreciation of Re0.78. In the open market, the PKR lost 50 paises for both buying and selling against USD, closing at 225 and 227, respectively. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,450.5	28,546.2	95.7	0.3%
KSE100	41,808.7	41,944.6	135.9	0.3%
KSE30	15,286.4	15,349.1	62.8	0.4%
KMI30	70,424.3	70,948.7	524.3	0.7%

### Top Five Gainers

	Open	Close	Chg.	%
SIEM	841.3	904.4	63.1	7.5%
BATA	2,100.0	2,134.5	34.5	1.6%
KHTC	370.1	397.9	27.8	7.5%
JDWS	395.0	421.9	26.9	6.8%
PAKT	864.1	880.0	15.9	1.8%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HASCOL	6.5	7.3	0.8	55.74
WTL	1.5	1.5	0.0	23.57
CNERGY	4.8	4.9	0.1	16.09
GTECH	8.8	8.6	-0.2	10.67
TPLP	17.8	18.3	0.5	10.61

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.16	-0.70	-0.53
O/S Pakistanies	2.26	-1.66	0.59
<b>Net</b>	<b>2.42</b>	<b>-2.36</b>	<b>0.06</b>
<b>LIPI</b>			
Individuals	29.27	-28.90	0.37
Companies	0.63	-0.90	-0.27
Comm. Banks	0.91	-0.72	0.19
NBFC	0.02	-0.12	-0.10
Mutual Funds	1.09	-1.21	-0.12
Other	0.44	-0.24	0.20
Brokers Proprietary	8.07	-7.46	0.61
Insurance	0.15	-1.09	-0.94
<b>Net</b>	<b>40.58</b>	<b>-40.64</b>	<b>-0.06</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	88.97	0.3%
Brent oil	USD/bbl.	95.57	0.9%
Gold	USD/t oz.	1634.89	-0.7%
Silver	USD/t oz.	19.28	-1.8%
Coal	USD/ton	224.35	2.3%
Steel Scrap (LME)	USD/ton	346.00	-2.7%
Steel Rebar (LME)	USD/ton	640.00	0.5%
USD/PKR	Interbank	5.87	0.6%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

## Power

**Shounter hydropower project: Saudi Fund's financing available, Ecneec told**

**Power | Positive**

A meeting of the Executive Committee of the National Economic Council (Ecneec) has been informed that financing for 48MW Shounter Hydro-power project is available from Saudi Development Fund (SDF). The cost of the project is Rs11.274 billion with a foreign exchange component of Rs9.575 billion and a local component Rs1.698 billion. (BR) | [Click for more info.](#)

**Circular debt touching Rs2.6trn mark**

**Power | Negative**

The country's power sector's circular debt is reportedly touching Rs 2.6 trillion mark at present against Rs 2.252 trillion on June 30, 2022, posting a growth of Rs 303 billion in just the first four months of FY 2022-23, well informed sources told. (BR) | [Click for more info.](#)

**KE approaches Dar for resolution of issues**

**KEL | Neutral**

Karachi-Electric (KE) has approached Finance Minister Ishaq Dar for release of net receivables, issuance of tariff notifications and verification of claims amounting to about Rs 419 billion. (BR) | [Click for more info.](#)

**Investment in solar, water, other projects**

**Power | Neutral**

The leading Chinese companies during the official visit of Prime Minister Shehbaz Sharif to China have shown their keen interest in making investment in Pakistan's solar, water and other infrastructure projects. (BR) | [Click for more info.](#)

## Miscellaneous

**RMB clearance; SBP signs MoU with Chinese bank**

**Economy | Positive**

The State Bank of Pakistan (SBP) and Peoples Bank of China (PBoC) signed a Memorandum of Understanding (MoU) on establishing RMB (Chinese currency) clearing arrangements in Pakistan. RMB clearing arrangements in Pakistan will further boost usage of RMB for cross-border transactions among Chinese and Pakistani enterprises and financial institutions. (BR) | [Click for more info.](#)

**Track-and-trace system**

**Fertilizer | Neutral**

Fertilizer industry Wednesday categorically conveyed to the Finance Minister Ishaq Dar and Federal Board of Board (FBR) that the Track and Trace System installed on fertilizer plants is suffering from serious operational issues. (BR) | [Click for more info.](#)

**Modarabas; NA body voices its concerns over fraudulent schemes**

**Modaraba | Neutral**

National Assembly Standing Committee on Finance, Wednesday, raised serious concern over the fraudulent schemes in the name of Modarabas, which prompted the Securities and Exchange Commission of Pakistan (SECP) to further amend the law for the protection of the investments made by the general public. (BR) | [Click for more info.](#)

World Indices	Last	Chg.	Chg. %
HK - Hang Seng	15,827.2	371.90	2.41%
PAK (KSE-100)	41,944.6	135.90	0.33%
Taiwan - TWII	13,100.2	62.96	0.48%
PHILP - PSEi	6,206.2	52.81	0.86%
CHINA - Shanghai	3,003.4	34.17	1.15%
KSA - Tadawul	11,530.3	-0.15	0.00%
INDONESIA - IDX	7,015.7	-36.61	-0.52%
US - S&P 500	3,759.7	-96.41	-2.50%
INDIA - SENSEX	60,906.1	-215.26	-0.35%
US - Dow 30	32,147.8	-505.44	-1.55%

### Board Meetings

Scrip	Day	Agenda	Time
QUICE	Friday	Ann A/c as at 30-Jun-22	11:00 AM
MWMP	Friday	Ann A/c as at 30-Jun-22	12:30 PM
DNCC	Friday	Ann A/c as at 30-Jun-22	2:30 PM
OBOY	Saturday	Ann A/c as at 30-Jun-22	10:00 AM

Source: PSX

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**Textile millers warn of reversal in export progress****Textile | Negative**

The country's textile exports have dipped by 16.3 percent in October to \$1.34 from \$1.60 billion in the same month of the last fiscal year 2021-22. (The News) | [Click for more info.](#)

## Political News

**Polls to be held on Oct 13, 2023: Ahsan Iqbal**

Federal Minister for Planning Ahsan Iqbal on Wednesday, while responding to PTI leader Pervaiz Khattak's tweet, said that elections would be held on Oct 13, 2023. He said that doors are open for Pakistan Tehreek-e-Insaf (PTI) chief Imran Khan to hold talks with the incumbent government through President Dr Arif Alvi. (The News) | [Click for more info.](#)

**Long march could go on for 10 months: Imran**

It seems that Pakistan Tehreek-i-Insaf (PTI) Chairman Imran Khan's campaign for 'real freedom' could be a protracted one, after he hinted on Wednesday that the long march could last for 10 months instead of simply culminating upon reaching Islamabad. (Dawn) | [Click for more info.](#)

## International News

**Powell Signals Smaller Rate Hikes Ahead on Path to Higher Peak**

Federal Reserve Chair Jerome Powell left little doubt that he's prepared to push rates as high as needed to stamp out inflation, even as the central bank eyes a downshift to a slower pace of increases. (Bloomberg) | [Click for more info.](#)

**Asian Shares Tumble as Powell Primes Further Hikes: Markets Wrap**

Asian stocks slumped after Jerome Powell said the Federal Reserve would raise interest rates more than previously anticipated, sapping risk appetite and sending global equities to their worst day in nearly a month. (Bloomberg) | [Click for more info.](#)

**Oil slips as dollar firms, but supply worries check losses**

Oil futures fell early on Thursday as the dollar firmed on the Federal Reserve's hawkish stance, but concerns over looming supply risks kept a floor under prices. (Investing) | [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.

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