

April 5, 2023

Morning Briefing

Economy

WB, ADB cut Pakistan GDP forecast to below 1pc

Economy | Negative

Projecting a massive decline in GDP growth to 0.4 percent, the World Bank (WB) warns that the non-completion of IMF programme, failure to secure financing from key bilateral partners and political instability may result in eruption of a major macroeconomic crisis. (The News) | [Click for more info.](#)

Debt restructuring will be 'very difficult': ex-SBP chief

Economy | Neutral

Former central bank chief Dr Reza Baqir said on Tuesday debt restructuring for Pakistan will be "very difficult as a process" given that most of its foreign loans are "very hard to restructure". "All the warning signs are there that the process will be difficult because of the type of debt that dominates on the balance sheet of Pakistan," said Dr Baqir. The country faces dollar-denominated loan repayments of \$73 billion in the next three years amid depleting foreign exchange reserves. (Dawn) | [Click for more info.](#)

SBP hikes interest rate to 21pc to tame inflation

Economy | Negative

The State Bank of Pakistan on Tuesday raised its key interest rate to a record 21 percent in an effort to contain the spiralling inflation amid the International Monetary Fund's programme hanging in balance. (The News) | [Click for more info.](#)

Rupee touches record low as IMF talks drag

Economy | Negative

The rupee closed at 287.29 per dollar, down from 285.04 in the previous session, after hitting a fresh record low of 288 early in the trade. Money exchange dealers reported that in the open market, the unit weakened by 3.50 rupees or 1.21 percent against the dollar and was selling at 291 per dollar, compared to 287.50 on Monday. (The News) | [Click for more info.](#)

Oil & Gas

With effect from Jan 1 2023; Category-wise consumer gas prices revised by govt

Gas | Negative, SSGC, SNGP | Positive

The federal government revised the category-wise consumer gas prices with effect from January 1, this year, to meet revenues of Sui companies during current financial year and to avoid flow of circular debt — and the concept of protected and non-protected was introduced with the aim that poor segment to be protected from price increase whereas high-end user to pay for the actual cost of gas. (BR) | [Click for more info.](#)

Power

DHP-1: WB projects \$1.3bn financing gap

Power | Negative

Terming implementation progress on Dasu-1 hydropower project moderately satisfactory, the World Bank (WB) has estimated total financing gap of \$ 1.3 billion due to increased forex requirements. The mission argues that despite delay in implementation, the total cost is expected to be increased only 3% for the hydropower component. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	26,333.8	26,230.4	-103.5	-0.4%
KSE100	39,889.9	39,687.3	-202.6	-0.5%
KSE30	14,821.2	14,751.0	-70.2	-0.5%
KMI30	69,284.5	68,821.2	-463.3	-0.7%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	5,017.5	5,115.0	97.5	1.9%
KHYT	459.3	493.7	34.4	7.5%
PRET	415.6	446.8	31.2	7.5%
AABS	357.9	384.7	26.8	7.5%
PSEL	840.1	857.0	16.9	2.0%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TELE	8.0	8.0	0.0	10.94
PPL	64.4	63.0	-1.4	6.70
HASCOL	5.9	6.0	0.1	5.79
WTL	1.2	1.2	0.0	5.68
BOP	4.0	3.9	-0.1	3.59

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.93	-0.05	0.88
O/S Pakistanies	0.47	-0.42	0.04
Net	1.40	-0.47	0.93
LIPI			
Individuals	6.71	-6.26	0.45
Companies	0.20	-0.55	-0.34
Comm. Banks	1.00	-0.29	0.71
NBFC	0.00	-0.02	-0.02
Mutual Funds	0.37	-1.70	-1.33
Other	0.56	-0.02	0.54
Brokers Proprietary	2.24	-1.72	0.52
Insurance	0.10	-1.55	-1.45
Net	11.19	-12.11	-0.93

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	80.71	0.3%
Brent oil	USD/bbl.	84.55	-0.3%
Gold	USD/t oz.	2019.97	1.8%
Silver	USD/t oz.	25.02	4.4%
Coal	USD/ton	139.00	-3.0%
Steel Scrap (LME)	USD/ton	437.00	-1.8%
Steel Rebar (LME)	USD/ton	678.50	-0.5%
USD/PKR	Interbank	8.39	1.3%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

Pharmaceutical

Drap, pharma producers decide against 'blanket' price hike

Pharma | Neutral

The regulator and pharmaceutical manufacturers have agreed to not raise medicines prices across the board and discuss the increase on a molecule-to-molecule basis. (Dawn) | [Click for more info.](#)

Textile

Nepra, KE told to issue revised bills to textile, leather exporters

Textile | Neutral

The Sindh High Court (SHC) has directed the National Electric Power Regulatory Authority (Nepra) and K-Electric to issue revised electricity bills to textile and leather exporters for the month of March in accordance with the concessionary rate of Rs19.99/kW. (The News) | [Click for more info.](#)

Miscellaneous

'Sodium Naphthalene Sulphate FON-A'; FBR imposes lower rate of 3pc duty on import

Chemical | Neutral

The Customs classification committee of the Federal Board of Revenue (FBR) on Tuesday imposed a lower rate of 3 percent Customs duty on the import of "Sodium Naphthalene Sulphate FON-A" a raw material used in making different chemicals in local markets of Pakistan. (BR) | [Click for more info.](#)

Documented steel sector; PM urged to 'rationalise' turnover tax rate

Steel | Neutral

The documented steel sector has strongly recommended Prime Minister Shehbaz Sharif to rationalise turnover tax rate and increase the turnover tax adjustment period to five years to stabilise and boost exports of local steel industry. (BR) | [Click for more info.](#)

Cigarette factories; PM orders installation of track-and-trace system

Tobacco, Sugar | Neutral

Prime Minister Shehbaz Sharif has directed installation of the track and trace system in all cigarette factories in the next two weeks and expressed displeasure over the non-installation of automatic track and trace system in all the sugar mills. (BR) | [Click for more info.](#)

Services exports shrink

Economy | Negative

Exports of services contracted 5.40 per cent in February after posting steady growth in the preceding months, according to the latest data compiled by the Pakistan Bureau of Statistics. (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
KSA - Tadawul	10,948.6	141.71	1.31%
INDIA - SENSEX	59,106.4	114.92	0.19%
Taiwan - TWII	15,868.1	18.63	0.12%
CHINA - Shanghai	3,312.6	16.16	0.49%
INDONESIA - IDX	6,833.2	6.00	0.09%
US - S&P 500	4,100.6	-23.91	-0.58%
PHILP - PSEi	6,472.0	-57.95	-0.89%
HK - Hang Seng	20,274.6	-134.59	-0.66%
US - Dow 30	33,402.4	-198.77	-0.59%
PAK (KSE-100)	39,687.3	-202.64	-0.51%

Board Meetings

Scrip	Day	Agenda	Time
PKGI	Wednesday	Ann. A/c as of 31-Dec-22	10:00 AM
PIL	Wednesday	Ann. A/c as of 31-Dec-22	10:00 AM
SILK	Friday	Multiple Periods	9:00 AM
PRIC	Friday	Ann. A/c as of 31-Dec-22	11:00 AM
EPQL	Tuesday	1st. A/c as of 31-Mar-22	10:00 AM
EFERT	Tuesday	1st. A/c as of 31-Mar-22	10:30 AM

Source: PSX

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Political News

ECP meeting called to mull over SC ruling today

The Election Commission of Pakistan (ECP) has convened an emergency meeting on Wednesday (today) for consultations on the Supreme Court verdict, directing it to hold the elections to the Punjab Assembly on May 14. (The News) | [Click for more info.](#)

Coalition partners to take stock of situation today

Prime Minister Shehbaz Sharif has called an important meeting of the ruling coalition partners today (Wednesday) to deliberate upon the Supreme Court's three-member bench's decision, directing the government to provide all necessary assistance to the Election Commission of Pakistan (ECP) to hold elections in Punjab on May 14. (BR) | [Click for more info.](#)

Sana hints at option of emergency

"The option of emergency is available in the Constitution and it is not going anywhere," Rana Sanaullah said. Rana Sanaullah said Prime Minister Shehbaz Sharif and the law minister very clearly presented the government's stance over the three-member bench in the Parliament. (The News) | [Click for more info.](#)

International News

Asia Equities Struggle as US Banking Fears Persist: Markets Wrap

A gauge of Asian shares fell as continuing concerns over the health of US banks snapped a four-day winning streak on Wall Street. New Zealand's dollar rose after the central bank raised interest rates by more than expected. (Bloomberg) | [Click for more info.](#)

Oil Extends Rally as Focus Shifts From OPEC+ Cut to Inventories

Oil rose as signs of a further drawdown in US inventories helped prices to extend a rally driven by an unexpected OPEC+ supply cut. (Bloomberg) | [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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