

December 5, 2022

## Economy

### SBP repays \$1bn bond

#### Economy | Positive

Pakistan repaid a \$1 billion international bond, the central bank spokesman said on Friday, amidst growing uncertainty about the country's ability to meet external financing obligations. "The payment (was) made to Citibank New York," State Bank of Pakistan (SBP) spokesman Abid Qamar told. (Dawn) | [Click for more info.](#)

### S Arabia extends term of \$3b deposit

#### Economy | Positive

The Pakistan's central bank on Friday reported that the Kingdom of Saudi Arabia (KSA) had extended the period of its deposits worth \$3 billion, shoring up the country's foreign exchange reserves and strengthening domestic economy. (ET) | [Click for more info.](#)

### Pakistan's borrowing options shrink

#### Economy | Negative

Pakistan's borrowing options have remained limited after the international credit rating agencies downgraded its outlook to negative and debt rating to junk status, experts discussed in talk show. (ET) | [Click for more info.](#)

### Pakistan fails to impress IMF on revenue plan

#### Economy | Negative

Pakistan and the IMF failed to bridge the differences - resulting in a significant delay in the arrival of an IMF mission to Pakistan for the completion of the 9th review and subsequent approval of a \$1.2 billion loan tranche. (ET) | [Click for more info.](#)

### As IMF funding delayed, Pakistan expects \$3 bln from friendly country

#### Economy | Neutral

Pakistan expects to secure \$3 billion in external financing from a friendly country in two weeks, its finance minister said on Friday as the South Asian country awaits IMF funding. (Reuters) | [Click for more info.](#)

### Debt restructuring is inevitable

#### Economy | Neutral

With dollar-denominated loan repayments of \$73 billion falling due in the next three years, the talk of a debt restructuring is gathering pace. (Dawn) | [Click for more info.](#)

### Income tax arrears; Nov collection up Rs2.33bn to Rs8.98bn YoY

#### Economy | Neutral

The Federal Board of Revenue (FBR) has recovered income tax arrears of Rs8.98 billion during November 2022 against Rs6.65 billion in November 2021, reflecting an increase of Rs2.33 billion. (BR) | [Click for more info.](#)

## Oil & Gas

### POL sales plunge 20pc as economic slowdown bites

#### Oil | Negative

The sales of petroleum products fell by twenty percent in first five months of the current financial year on an economic slowdown, low fuel oil-based power generation, and exorbitant oil prices in the country, industry data showed on Friday. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,688.3	28,496.7	-191.6	-0.7%
KSE100	42,393.5	42,150.1	-243.4	-0.6%
KSE30	15,664.0	15,588.3	-75.7	-0.5%
KMI30	71,774.5	71,298.8	-475.7	-0.7%

### Top Five Gainers

	Open	Close	Chg.	%
AWTX	3,004.5	3,229.8	225.3	7.5%
PSEL	801.6	861.7	60.1	7.5%
PRET	637.3	685.1	47.8	7.5%
NESTLE	5,760.0	5,781.0	21.0	0.4%
SCL	301.9	318.5	16.6	5.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
DFML	14.0	14.3	0.3	12.27
TRG	140.9	136.7	-4.2	10.69
WTL	1.4	1.4	0.0	10.45
HASCOL	7.8	7.7	-0.1	7.26
PIBTL	5.1	5.0	-0.1	5.65

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	1.29	-0.27	1.02
O/S Pakistanies	1.97	-1.17	0.80
<b>Net</b>	<b>3.26</b>	<b>-1.44</b>	<b>1.82</b>
LIPI			
Individuals	23.80	-23.82	-0.02
Companies	1.61	-0.84	0.77
Comm. Banks	0.76	-1.12	-0.35
NBFC	0.01	-0.01	-0.01
Mutual Funds	0.62	-2.63	-2.01
Other	0.18	-0.10	0.07
Brokers Proprietary	6.01	-6.20	-0.19
Insurance	0.04	-0.12	-0.09
<b>Net</b>	<b>33.03</b>	<b>-34.85</b>	<b>-1.82</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	79.98	-1.7%
Brent oil	USD/bbl.	85.57	-1.8%
Gold	USD/t oz.	1797.63	-0.3%
Silver	USD/t oz.	23.14	1.9%
Coal	USD/ton	246.95	-0.4%
Steel Scrap (LME)	USD/ton	387.50	1.7%
Steel Rebar (LME)	USD/ton	672.50	1.7%
USD/PKR	Interbank	6.44	1.3%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

## Power

**Effective Nov 2022; Agri consumers of Discos, KE have to pay Rs23.30/unit**

**KEL | Neutral**

The agriculture consumers of Discos and KE have to pay Rs 23.30 per unit from November 2022, all-inclusive despite Rs 3.60 per unit relief announced in base tariff by the federal government, well-informed sources told. (BR) | [Click for more info.](#)

**Provinces' power sector schemes: Rs8.11bn approved by ECC**

**Power | Neutral**

The Economic Coordination Committee (ECC) of the Cabinet has approved allocation of Rs8.109 billion through technical supplementary grant to the power sector for execution of development schemes in the provinces under "Sustainable Development Goals Achievement Program" (SAP) during the current fiscal year. (BR) | [Click for more info.](#)

**JPL seeks exemption from IFRS-9**

**Power | Neutral**

M/s Jhampir Power (Private) Limited (JPL) has sought exemption from the application of International Financial Reporting Standard-9 (IFRS-9) till the resolution of "worsening" power sector circular debt. (BR) | [Click for more info.](#)

## Cement

**Cement sales drop 16.82pc on weak demand**

**Cement | Negative**

Cement industry growth declined 16.82 percent in November 2022, with factories selling 4.009 million tonnes of the commodity against 4.820 million tonnes sold during the corresponding month of last year on account of slower demand. (The News) | [Click for more info.](#)

## Fertilizer

**ECC decides to import urea; Rs8bn okayed for MPs' schemes**

**Urea | Neutral**

The Economic Coordination Committee (ECC) has decided to import 33,000 metric tons of urea on CFR bulk basis against the tender of Swiss Singapore Overseas Enterprises at US\$ 551 MT, and approved Rs8 billion TSG for the parliamentarians' development schemes under SDGs. (BR) | [Click for more info.](#)

## Miscellaneous

**Public limited cos; Conditions for launching REITs schemes laid down**

**REIT | Positive**

The Securities and Exchange Commission of Pakistan (SECP) has laid down conditions for launching of the Real Estate Investment Trusts (REITs) schemes by the public limited companies licensed to undertake REIT Management Services. (BR) | [Click for more info.](#)

**Non-opening of LCs may cause drug shortages, says PMA**

**Pharma | Negative**

The Pakistan Medical Association (PMA) has warned that the country's health delivery system is already in shambles and a shortage of medicines due to the non-opening of letters of credit (LCs) for the import of active pharmaceutical ingredients (APIs) or raw materials will take the situation from bad to worse. (Dawn) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
US - Dow 30	34,429.9	34.87	0.10%
INDONESIA - IDX	7,019.6	-1.16	-0.02%
US - S&P 500	4,071.7	-4.87	-0.12%
CHINA - Shanghai	3,156.1	-9.33	-0.29%
Taiwan - TWII	14,970.7	-42.12	-0.28%
HK - Hang Seng	18,675.4	-61.09	-0.33%
KSA - Tadawul	10,822.7	-74.26	-0.68%
PAK (KSE-100)	42,150.1	-243.42	-0.57%
PHILP - PSEI	6,489.7	-245.34	-3.64%
INDIA - SENSEX	62,868.5	-415.69	-0.66%

### 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
UNITY	Monday	Other Matters	2:00 PM
FFL	Wednesday	Other Matters	10:30 AM
MCB	Wednesday	Other Matters	11:00 AM
FFBL	Thursday	Other Matters	11:00 AM
SILK	Thursday	Other Matters	11:00 AM
IDYM	Thursday	Ann A/c as at 30-Jun-22	12:00 PM
NICL	Friday	Other Matters	11:00 AM
EWIC	Friday	Other Matters	3:00 PM

Source: PSX

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MORNING BRIEFING

**Cotton arrivals plunge 40 percent on water crisis**Textile | **Negative**

The arrival of seed cotton at the ginning stage has witnessed a decline of 40.28 percent, with analysts saying the ginners faced extreme water shortages of up to 30 percent of average flows at the sowing time. (The News) | [Click for more info.](#)

**FBR set to fix minimum value for sugar supply**Sugar | **Neutral**

The Federal Board of Revenue (FBR) will fix minimum value on supply of sugar for the purpose of sales tax calculation in consultation with the industry. (BR) | [Click for more info.](#)

**Exports shrink for third month in a row**Economy | **Negative**

The country's exports shrank for the third month in a row on a monthly basis, slightly dropping by 0.63 per cent to \$2.37 billion in November, official data showed. (Dawn) | [Click for more info.](#)

**FY22 trade with US soars 38.3pc to \$10.5bn YoY, NA told**Economy | **Neutral**

Federal Minister for Commerce, Naveed Qamar Friday informed the National Assembly that bilateral trade between Pakistan and the US during the last financial year (2021-22) was recorded at \$10.5 billion compared to \$7.8 billion in the fiscal year 2020-21 registering an increase of 38.3 percent. In a written reply to a question, he said that bilateral trade between Pakistan and the US witnessed an increase of over 38.3 percent and touched \$10.5 billion during the last fiscal year. (BR) | [Click for more info.](#)

## Political News

**IK says will dissolve assemblies 'very soon'**

Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan has told the provincial legislators of his party in Khyber Pakhtunkhwa (KP) province to prepare for the elections: "We would dissolve the assemblies in KP and Punjab this month". (BR) | [Click for more info.](#)

## International News

**Asian Equities Boosted by China Reopening Bets: Markets Wrap**

Asian equities rose Monday amid gains in materials stocks and Chinese shares as traders bet on further reopening of the world's second-largest economy from Covid restrictions. (Bloomberg) | [Click for more info.](#)

**Oil Jumps as China Loosens Curbs and OPEC+ Keeps Output Steady**

Oil surged after OPEC+ kept output steady, sanctions on Russian crude kicked in, and China made further progress toward reopening. (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 FCFF based DCF methodology.

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