

March 7, 2023

MORNING BRIEFING

Morning Briefing

Economy

Pakistan has to give assurances on financing balance of payments deficit: IMF

Economy | Neutral

Pakistan will be required to give an assurance that its balance of payments deficit is fully financed for the remaining period of an International Monetary Fund (IMF) programme, the lender's resident representative said. (Dawn) | [Click for more info.](#)

China requested to roll over \$2bn deposits, Pakistan tells IMF

Economy | Neutral

Pakistan has informed the International Monetary Fund (IMF) that Islamabad had made a request to China for the rollover of \$2 billion SAFE (State Administration of Foreign Exchange) deposits for another one-year period. (The News) | [Click for more info.](#)

Pakistan improves risk score on global AML index

Economy | Neutral

Following Pakistan's exit from the Financial Action Task Force's (FATF) grey list, a global body of banking supervisory authorities has acknowledged the progress made by the country in the overall regulation of the financial affairs slightly lowering the risk score of the country. (Dawn) | [Click for more info.](#)

ECC approves Hajj Policy 2023 with \$90m forex cover

Economy | Neutral

The Economic Coordination Committee (ECC) of the Cabinet has approved the Hajj Policy for 2023 with foreign exchange cover of US\$ 90 million and decided to provide Rs12 billion for conducting the 7th Population and Housing Census in the country. (BR) | [Click for more info.](#)

Power

Nepra okays additional surcharge of Rs3.39/unit

Power | Negative, KEL | Positive

The National Electric Power Regulatory Authority (Nepra) on Monday approved the imposition of an additional surcharge of Rs3.39 per unit on the power consumers of all power distribution companies (DISCOs), including K-Electric. (The News) | [Click for more info.](#)

Autos

Suzuki Sales Reach All-Time Low Due to Production Issues

PSMC | Negative

Pak Suzuki Motor Company's (PSMC) sales have hit rock bottom for the second time this year due to insufficient inventory and import restrictions. As per the latest update from the oft-reliable autojournal, Pak Suzuki sold fewer than 1,000 units in February. This is the automaker's worst performance yet since countrywide COVID-19 lockdowns in April 2020, which saw production and sales reach zero. (Propakistani) | [Click for more info.](#)

GNL halts production on parts shortages

GHNL | Negative

Ghandhara Nissan Ltd (GNL), the assembler of Dongfeng and JAC vehicles, on Monday announced production suspension from March 6-10 due to a shortage of parts. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,044.4	27,065.0	20.5	0.1%
KSE100	41,337.0	41,434.3	97.3	0.2%
KSE30	15,583.8	15,576.0	-7.8	0.0%
KMI30	70,737.6	70,874.7	137.1	0.2%

Top Five Gainers

	Open	Close	Chg.	%
PSEL	2,193.0	2,310.0	117.0	5.3%
BATA	1,700.0	1,750.0	50.0	2.9%
ABOT	380.6	407.1	26.5	7.0%
BTL	360.0	385.0	25.0	6.9%
GATI	305.5	325.0	19.5	6.4%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.3	1.3	0.0	42.07
TELE	5.9	6.9	1.0	18.07
TPLP	14.5	14.7	0.2	10.64
OGDC	85.9	86.5	0.6	8.79
PPL	67.7	70.1	2.4	8.01

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	-0.01	0.00
F-Corporates	0.16	-0.18	-0.02
O/S Pakistanies	1.76	-3.03	-1.27
Net	1.92	-3.22	-1.30
LIPI			
Individuals	26.00	-25.66	0.34
Companies	0.84	-0.96	-0.13
Comm. Banks	1.38	-0.39	0.99
NBFC	0.00	-0.01	0.00
Mutual Funds	1.25	-1.70	-0.46
Other	0.32	-0.48	-0.16
Brokers Proprietary	7.40	-7.28	0.12
Insurance	1.75	-1.16	0.59
Net	38.94	-37.64	1.30

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	80.52	1.1%
Brent oil	USD/bbl.	86.26	0.5%
Gold	USD/t oz.	1846.39	-0.5%
Silver	USD/t oz.	21.05	-1.0%
Coal	USD/ton	124.00	-6.3%
Steel Scrap (LME)	USD/ton	456.00	-0.9%
Steel Rebar (LME)	USD/ton	474.00	-36.1%
USD/PKR	Interbank	8.05	-0.1%

News Source: Local / Int'l Newspapers and websites

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SAZGAR resumes car plant's operations

SAZEW | Neutral

Sazgar Engineering Works Limited (PSX: SAZEW) has resumed its production operations of the Car Plant (Four-Wheeler Plant). This announcement follows the company's earlier announcement wherein the company decided to temporarily shut down its Four Wheeler Plant starting from February 27, 2023, until March 04, 2023. (Mettis) | [Click for more info.](#)

Fertilizer

EFERT's base plant undergoes unplanned shutdown

EFERT | Negative

The base plant of Engro Fertilizers Limited (PSX: EFERT) is undergoing an unplanned shutdown from March 4, 2023, the notification issued to PSX revealed on Monday. The company has commenced relevant analysis to understand the root cause and is undertaking appropriate measures to resume operations at the earliest. (Mettis) | [Click for more info.](#)

GIDC outstanding amount reaches Rs445.6bn

Fertilizer | Negative

The total outstanding amount of the Gas Infrastructure Development Cess (GIDC) is approximately Rs445.6 billion, the public document revealed on Monday. Among the major sectors, the fertilizer (feed) sector has the highest outstanding amount of Rs171bn, followed by the CNG sector with Rs82bn, the captive industry with Rs78.9bn, the electric sector with Rs39bn, and the textile sector with Rs22bn. (Mettis) | [Click for more info.](#)

Miscellaneous

TPLP's HKC Private Limited receives construction permit for new project in Sindh

TPLP | Positive

HKC Private Limited, a subsidiary of TPL REIT Management Company Limited, received a Construction Permit from the Sindh Building Control Authority on March 3rd, 2023. (Mettis) | [Click for more info.](#)

JS Group stopped from acquiring BankIslami

JSBL | Neutral

The Sindh High Court on Monday restrained the JS Group from acquiring majority shares of BankIslami till next hearing. The AKD Investment Management Ltd along with three individuals filed a lawsuit and submitted that they were shareholders of BankIslami. (Dawn) | [Click for more info.](#)

Textile exports plunge 28pc to \$1.2bn: APTMA

Textile | Negative

Pakistan's textile exports plunged a massive 28 percent to stand at \$1.2 billion in February this fiscal compared to \$1.67 billion in the corresponding month of last fiscal, the leading textile body of the country reported on Monday. (The News) | [Click for more info.](#)

SOEs: MoF prepares draft policy

Economy | Neutral

Ministry of Finance (MoF) has prepared a draft State-Owned Enterprises (SOEs) policy with technical support from Asian Development Board (ADB), aimed at improving their performance sans any special treatment. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	60,224.5	415.49	0.69%
Taiwan - TWII	15,763.5	155.09	0.99%
KSA - Tadawul	10,448.0	133.50	1.30%
PAK (KSE-100)	41,434.3	97.33	0.24%
US - Dow 30	33,431.4	40.47	0.12%
HK - Hang Seng	20,603.2	35.65	0.17%
PHILP - PSEi	6,671.1	15.75	0.24%
US - S&P 500	4,048.4	2.78	0.07%
CHINA - Shanghai	3,322.0	-6.36	-0.19%
INDONESIA - IDX	6,807.0	-6.64	-0.10%

Board Meetings

Scrip	Day	Agenda	Time
HCL	Wednesday	HY A/c as of 31-Dec-22	2:00 PM
SLL	Thursday	Ann. A/c as of 31-Dec-22	10:30 AM
SILK	Friday	Multiple Period	10:00 AM
KSBP	Friday	Ann. A/c as of 31-Dec-22	12:00 PM
JSCL	Monday	Ann. A/c as of 31-Dec-22	12:00 PM
HALEON	Tuesday	Ann. A/c as of 31-Dec-22	12:30 PM
SHEL	Wednesday	Ann. A/c as of 31-Dec-22	10:00 AM

Source: PSX

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Political News

Court rejects IK's plea, upholds arrest warrant

A local court on Monday rejected Pakistan Tehreek-e-Insaf (PTI) chairman Imran Khan's plea seeking the suspension of an arrest warrant issued for him in the Toshakhana case. (BR) | [Click for more info.](#)

Govt weighs options to delay Punjab, K-P polls

The ruling alliance is busy discussing not only the length of delay of the Punjab and Khyber-Pakhtunkhwa (K-P) assemblies' elections by utilising the parliamentary forum, among others, but also contemplating on holding general elections across the country in October this year, sources privy to the consultations said on Monday. (ET) | [Click for more info.](#)

International News

Asia Stocks Set for Cautious Open as US Gains Fade: Markets Wrap

Shares in Asia are poised for a muted open Tuesday following listless trading on Wall Street, where stocks gave up most of their early gains to close little changed. (Bloomberg) | [Click for more info.](#)

Oil edges higher on supply tightness, China demand hopes

Oil prices edged slightly higher on Monday, bouncing back from early losses, as top oil executives at an energy conference in Houston discussed supply tightness and hopes for rising Chinese demand. (Reuters) | [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.

Analyst Certification ^{AC}

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