

April 7, 2023

Morning Briefing

Economy

KSA commits financial support to help secure IMF deal: govt

Economy | Positive

Minister of State for Finance, Dr Aisha Ghaus Pasha Thursday said Saudi Arabia has made the commitment to the International Monetary Fund (IMF) and Pakistan got this indication from the Fund in this regard. The UAE's support will play an important role in reaching staff-level agreement with the IMF on the 9th review and subsequent release of the next tranche. (BR) | [Click for more info.](#)

US to 'help Pakistan' unlock IMF deal

Economy | Positive

US Ambassador to Pakistan Donald Blome assured Finance Minister Ishaq Dar of extending his nation's support to help Pakistan reach an agreement with the International Monetary Fund (IMF) for reviving the bailout programme, sources said Thursday, as the economy remains on tenterhooks. (The News) | [Click for more info.](#)

Standing committee on finance and revenue, rules out FX deposit amnesty

Economy | Neutral

Talking to the Standing Committee on Finance and Revenue, State minister for Finance Aisha Pasha said that the government is not considering any scheme to give one-time permission to the account holders to deposit cash foreign currency in their bank accounts without asking the source. Dr. Pasha made her statement in response to a proposal by the President of the Exchange Companies Association of Pakistan (ECAP), Malik Bostan. (PT) | [Click for more info.](#)

SBP-held forex reserves register meagre drop

Economy | Neutral

As the International Monetary Fund (IMF) programme remains stalled and Islamabad's economic woes persist, the State Bank of Pakistan (SBP)-held foreign exchange reserves fell further. The central bank, in its weekly bulletin, said that its forex reserves have decreased by \$36 million to \$4.2 billion as of the week ended March 31, which will provide an import cover of less than a month. (The News) | [Click for more info.](#)

Rupee bounces back on IMF bailout revival bets

Economy | Neutral

The local unit, in the interbank market, closed at 284.42 against the US dollar, up 1.2% or Rs3.43 from Wednesday's close of 287.85, according to the State Bank of Pakistan (SBP). (The News) | [Click for more info.](#)

Oil & Gas

Parco shuts refinery for five days for maintenance

PARCO | Neutral

Pak-Arab Refinery Ltd temporarily shut down its refinery operations for five days as part of its scheduled maintenance work. The refinery will resume its operations by April 11, 2023. The scheduled maintenance will not affect the supply of both diesel and gasoline (petrol). (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	26,220.2	26,619.4	399.2	1.5%
KSE100	39,717.2	40,350.9	633.7	1.6%
KSE30	14,761.6	15,046.1	284.5	1.9%
KMI30	68,823.9	70,432.7	1608.8	2.3%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	5,030.0	5,198.2	168.2	3.3%
SFL	942.1	990.0	47.9	5.1%
PRET	480.3	500.0	19.7	4.1%
TOWL	259.1	278.5	19.4	7.5%
MARI	1,505.9	1,519.5	13.6	0.9%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
SILK	1.0	1.1	0.1	21.29
PPL	63.2	67.9	4.7	13.57
TELE	7.9	8.1	0.2	10.98
OGDC	81.7	87.3	5.7	10.59
WTL	1.2	1.2	0.1	10.56

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	1.87	-0.46	1.41
O/S Pakistanies	1.09	-1.25	-0.17
Net	2.96	-1.72	1.24
LIPI			
Individuals	15.53	-14.90	0.63
Companies	0.51	-0.89	-0.39
Comm. Banks	0.74	-0.32	0.42
NBFC	0.01	-0.01	0.00
Mutual Funds	1.54	-0.77	0.78
Other	0.43	-0.28	0.15
Brokers Proprietary	3.55	-4.16	-0.61
Insurance	0.42	-2.64	-2.22
Net	22.72	-23.96	-1.24

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	80.70	0.1%
Brent oil	USD/bbl.	84.67	-0.2%
Gold	USD/t oz.	2008.01	-0.6%
Silver	USD/t oz.	25.01	0.3%
Coal	USD/ton	131.85	-3.1%
Steel Scrap (LME)	USD/ton	428.50	-1.5%
Steel Rebar (LME)	USD/ton	674.00	-2.0%
USD/PKR	Interbank	8.35	-1.0%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

Power

'Overdue' payments to Chinese IPPs

Power, IPPs | Positive

Minister for Planning, Development and Special Initiatives, AhsanIqbal has directed the Central Power Purchasing Agency-Guaranteed (CPPA-G) to prepare innovative instrument to make 14 percent overdue payments to Chinese IPPs, well-informed sources told. The meeting was informed that currently overdue payments to CPEC IPPs stand at Rs 350 billion which is 14 per cent of total amount; whereas 86 per cent of the payments are being regularly made to these IPPs and CPPA-G noted that it is being further improved. (BR) | [Click for more info.](#)

Banks

Subscription shares: South Sudan's ICB shows interest in Silkbank SILK | Positive

M/s. International Commercial Bank (ICB) of South Sudan has expressed an interest in subscribing to the shares of Silkbank Limited up to the extent of fifty million euros, subject to all regulatory requirements and financial due diligence. (BR) | [Click for more info.](#)

\$3bn loan at zero interest rate

Banks | Neutral

The National Assembly Standing Committee on Finance, Thursday, directed the State Bank of Pakistan (SBP) to submit details with names and amount of 600 people who were provided \$3 billion loan at zero interest rate. The representative of the SBP said that the facility was provided by commercial banks during corona. Commercial banks very thoughtfully provided loans to experienced people, he added. (BR) | [Click for more info.](#)

Miscellaneous

Levying IT on deemed rental income 'illegal': LHC

RIET | Neutral

The Lahore High Court declared levying income tax on 'deemed rental income' of properties as illegal. The court allowed several identical petitions filed by Ahmad Iqbal and others who claimed that the federal government is eating up revenues which rightfully belong to local governments. (BR) | [Click for more info.](#)

Global currency; Govt supports China's efforts to expand use of RMB

DCR | Neutral

Pakistan had been a long-time supporter of China's efforts to expand the use of the Renminbi (RMB) as a global currency, said Minister of Planning, Development and Special Initiatives, Prof. Ahsan Iqbal. "We are also promoting transactions in RMB for big projects under CPEC like the ML-1 project, which is almost \$8 to \$9 billion. (BR) | [Click for more info.](#)

Kharif season; IRSA projects massive water shortage

Fertilizer | Negative

IRSA Advisory Committee on Thursday projected up to 27 percent shortage of water during Kharif season (April- September) 2023 as total availability will be 70 MAF of water during six months of season. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	40,350.9	633.74	1.60%
INDIA - SENSEX	59,833.0	143.66	0.24%
HK - Hang Seng	20,331.2	56.61	0.28%
PHILP - PSEi	6,488.5	16.47	0.25%
US - S&P 500	4,105.0	14.64	0.36%
US - Dow 30	33,485.3	2.57	0.01%
CHINA - Shanghai	3,312.6	0.07	0.00%
KSA - Tadawul	10,906.2	-14.48	-0.13%
INDONESIA - IDX	6,792.8	-26.91	-0.39%
Taiwan - TWII	15,810.8	-57.29	-0.36%

Board Meetings

Scrip	Day	Agenda	Time
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
PTL	Wednesday	3Q A/c as of 31-Mar-22	12:30 PM
HCL	Wednesday	3Q A/c as of 31-Mar-22	3:00 PM

Source: PSX

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Political News

ECP issues code of conduct ahead of Punjab elections

Having completed consultation with the political parties, the Election Commission of Pakistan (ECP) has issued a code of conduct regarding the election campaign ahead of elections for the Punjab assembly set for May 14. The electoral body said in the directives that political parties would not speak against the judiciary and the Pakistan Army during electioneering. Political parties have also been urged to avoid ridiculing the Election Commission. (The News) | [Click for more info.](#)

NA rejects SC 'minority' ruling on Punjab poll

The National Assembly on Thursday adopted a resolution declaring that parliament rejected a recent "minority" judgment of the Supreme Court wherein it ordered the authorities concerned that the election in Punjab should be held on May 14. (ET) | [Click for more info.](#)

International News

US Equity Futures Hold Steady Ahead of Jobs Report: Markets Wrap

US stock futures were little changed after underlying indexes eked out gains in thin trading ahead of a three-day weekend that will also bring a crucial jobs report. The yen fluctuated, after declining against the dollar for the first time this week on Thursday. While much of the Asian region including Australia, Hong Kong and Singapore is closed for holidays, financial markets in Japan and mainland China will trade as usual. (Bloomberg) | [Click for more info.](#)

Oil steady, notches 3rd weekly gain after shock OPEC+ cuts

Oil prices were little changed on Thursday but posted a third weekly gain as markets weighed further production cuts targeted by OPEC+ and falling U.S. oil inventories against fears about the global economic outlook. (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.

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