

December 8, 2022

Economy

Saudi Arabia aims at further deepening economic ties with Pakistan: Envoy

Economy | Neutral

Finance Minister Ishaq Dar on Wednesday thanked Saudi Arabia on extending the term of \$3 billion deposit in State Bank of Pakistan (SBP) by Saudi Fund for Development (SFD). (Nation) | [Click for more info.](#)

Business confidence score declines as economic fundamentals worsen

Economy | Negative

Pakistan's business confidence score (BCS) decreased to negative 4 percent in September-October 2022, against positive 17 percent in March-April 2022, Overseas Investors Chamber of Commerce and Industry (OICCI) announced on Wednesday. (The News) | [Click for more info.](#)

Foreign banks threaten to pull out if forced to implement interest-free regime, Senate panel told

Economy | Negative

Amid reports that foreign banks, including those from China, may find it difficult to operate in Pakistan after the financial system becomes fully compliant with Sharia, the central bank has conceded challenges related to public debt, foreign banks, external debt commitments and monetary policy that would need to be addressed by a steering committee of all stakeholders under a five-year transformation plan. (Dawn) | [Click for more info.](#)

Government borrows Rs1.21tr from banks to bridge fiscal gap

Economy | Negative

The government has been borrowing extensively from the banking system to bridge the widening fiscal gap. The State Bank of Pakistan (SBP) data showed that the federal government borrowed Rs1,213 billion from the banks during the first five months of FY23 against the net debt retirement of Rs38.7bn during July-Nov FY22. (Dawn) | [Click for more info.](#)

Pakistan projected to be sixth-largest economy by 2075

Economy | Neutral

A research paper published by Goldman Sachs on Tuesday projected Pakistan to be the sixth largest economy in the world by 2075 given "appropriate policies and institutions" are in place. (BR) | [Click for more info.](#)

Oil & Gas

Pakistan sends oil import deal draft to UAE

PSO | Positive

Pakistan has sent the draft of Inter-Governmental Agreement (IGA) to the UAE for an official nod from authorities concerned in Abu Dhabi. Once it is approved, negotiation for a commercial agreement for the import of Mogas under GtG mode will start between officials of Pakistan State Oil (PSO) and Abu Dhabi National Oil Company (ADNOC). The government wants to import from the UAE under GtG mode 1.5 million tonnes of Motor Spirit per annum, which means 30 cargoes in one year under the expected 5-8 year deal. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,085.0	28,202.3	117.3	0.4%
KSE100	41,539.9	41,819.3	279.3	0.7%
KSE30	15,365.3	15,448.1	82.9	0.5%
KMI30	69,828.4	70,245.9	417.6	0.6%

Top Five Gainers

	Open	Close	Chg.	%
PSEL	975.6	1,048.8	73.2	7.5%
SFL	971.4	1,044.0	72.6	7.5%
COLG	1,943.3	1,980.0	36.7	1.9%
PRET	639.9	664.0	24.1	3.8%
PECO	269.0	289.0	20.0	7.4%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
DCL	5.5	6.0	0.5	29.56
WTL	1.4	1.4	0.0	21.47
KOSM	2.7	3.2	0.4	13.60
SSGC	9.5	10.2	0.7	12.05
HASCOL	7.8	7.9	0.2	11.05

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	1.32	-1.03	0.29
O/S Pakistanies	1.92	-1.99	-0.06
Net	3.24	-3.01	0.23
LIPI			
Individuals	23.94	-22.93	1.02
Companies	1.46	-1.00	0.47
Comm. Banks	1.50	-1.81	-0.31
NBFC	0.01	-0.06	-0.06
Mutual Funds	0.76	-1.70	-0.95
Other	0.36	-0.22	0.14
Brokers Proprietary	6.00	-5.96	0.04
Insurance	1.25	-1.82	-0.57
Net	35.28	-35.51	-0.23

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	72.58	-2.5%
Brent oil	USD/bbl.	77.37	-2.9%
Gold	USD/t oz.	1786.22	0.9%
Silver	USD/t oz.	22.73	2.5%
Coal	USD/ton	243.50	-2.4%
Steel Scrap (LME)	USD/ton	382.50	-0.6%
Steel Rebar (LME)	USD/ton	675.00	0.1%
USD/PKR	Interbank	6.38	-0.3%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited
 (021) 32429665, Ext. 106

December 8, 2022

MORNING BRIEFING

Pakistan Largest Gas Distribution Company UFG Losses Reduced by 34.6% in Last Three Years

SNGP | Positive

Sui Northern Gas Pipelines Limited (SNGP), the largest gas distribution of Pakistan, Unaccounted for Gas (UFG) losses decreased to 8.06 percent in FY 2021-22 compared with a 12.32 percent in FY 2019-20, according to petroleum ministry. (Augaf) | [Click for more info.](#)

Govt readies plan to import Turkmen LPG via Afghanistan

Gas | Neutral

Faced with a gas shortage crisis as winter sets in across the country, the government has drawn up comprehensive plans to import Liquefied Petroleum Gas (LPG) over land from Turkmenistan via Afghanistan, Pakistan Today learnt on Thursday – plans that could come into play with immediate effect once necessary approvals come through. (PT) | [Click for more info.](#)

Saudi Leadership Committed to Invest \$20 Billion In Pakistan's Refinery, Petrochemical Complex Says Ex Envoy

PRL | Neutral

Saudi Arabia is committed to avert Pakistan's current economic crisis worsened by the recent flood disaster, as this is crucial for achieving political stability and safeguarding national security, said Kingdom's former ambassador to Pakistan, Dr Ali Awadh Asseri who is currently a board member at RASANAHA, the premier Saudi think-tank on Iranian affairs. (Augaf) | [Click for more info.](#)

Power

Forex reserve levels attract PM's attention

LPL, PPIs | Negative

Prime Minister Office (PMO) has reportedly sought a report from Finance Ministry on pending foreign exchange approvals from the State Bank of Pakistan (SBP), well informed sources told. PMO has referred to letters written on October 3, 2022, October 10, 2022, November 8, 2022 and November 16, 2022, which were unanswered by the Finance Ministry. PPIB argued that the maintenance of the complex of Lalpir power project has been scheduled from February 1, 2023 and the matter of approval for opening of Letters of Credit (L/Cs) is still pending and many IPPs have not been facilitated on this matter till date. (BR) | [Click for more info.](#)

Fertilizer

EnVen plant resumes commercial operation: EFERT

EFERT | Positive

Engro Fertilizers Limited resumed its commercial operations from EnVen plant on December 06, 2022, the company's stock filings on the stock exchange showed. (Mettis) | [Click for more info.](#)

Miscellaneous

SHE announces investing \$50m in 3 years

Banks | Positive

The Sustainable Housing Ecosystems (SHE), a joint consortium between Altair, AMC and Trellis on Wednesday announced to invest 50 million dollars in Pakistan during the next three years, aimed at providing affordable homes to the lower and middle income people of the country. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	41,819.3	279.35	0.67%
US - Dow 30	33,597.9	1.58	0.00%
US - S&P 500	3,933.9	-7.34	-0.19%
CHINA - Shanghai	3,199.6	-12.91	-0.40%
INDONESIA - IDX	6,818.8	-73.82	-1.07%
Taiwan - TWII	14,630.0	-98.87	-0.67%
PHILP - PSEi	6,525.2	-149.22	-2.24%
INDIA - SENSEX	62,410.7	-215.68	-0.34%
KSA - Tadawul	10,185.1	-259.13	-2.48%
HK - Hang Seng	18,814.8	-626.36	-3.22%

Board Meetings

Scrp	Day	Agenda	Time
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
SYS	Friday	Other Matters	11:00 AM
HASCOL	Friday	Other Matters	12:00 PM
EWIC	Friday	Other Matters	3:00 PM

Source: PSX

Research Team
research@abaalihabib.com

 Aba Ali Habib Securities (Pvt) Limited
 (021) 32429665, Ext. 106

December 8, 2022

MORNING BRIEFING

Authority launched for digital certification**Technology | Positive**

IT and Telecommunication Minister Syed Amin Ul Haque on Wednesday inaugurated the Public Key Infrastructure (PKI) for National Root Certification Authority (NRCA). The minister said the establishment of NRCA is a step towards the achievement of “accelerated digitisation”. (Dawn) | [Click for more info.](#)

Textile value chain; APTMA demands restoration of ‘zero rating’**Textile | Neutral**

All Pakistan Textile Association (APTMA) has urged the federal government for immediate restoration of ‘Zero Rating’ for the entire textile value chain in order to make available working capital for a cash-strapped textile industry. (BR) | [Click for more info.](#)

Political News**PTI to dissolve KP, Punjab assemblies within next few days:****Qureshi**

PTI Vice Chairman Shah Mehmood Qureshi Wednesday announced that party’s chairman Imran Khan has decided to dissolve Punjab and Khyber Pakhtunkhwa assemblies within the next few days. Qureshi further revealed that the PTI wants to form a new government in the town provinces as soon as possible. (The News) | [Click for more info.](#)

Next elections on basis of existing delimitation: CEC

Chief Election Commissioner (CEC) Sikandar Sultan Raja Wednesday rejected, what he called, the baseless propaganda that the Election Commission of Pakistan (ECP) was opposed to use of technology, insisting that no one should expect overnight implementation of the plan. (The News) | [Click for more info.](#)

International News**Asian Stocks Feel the Weight of US Recession Fears: Markets Wrap**

Stocks opened under pressure in Asia on Thursday after US shares declined and Treasuries flashed warning signs of the risk of recession. (Bloomberg) | [Click for more info.](#)

Oil Edges Higher After Four-Day Retreat as Traders Look to China

Oil rose after a four-day drop as investors weighed the impact of China’s moves to ease virus curbs against a looming US slowdown. (Bloomberg) | [Click for more info.](#)

Research Teamresearch@abaalihabib.comAba Ali Habib Securities (Pvt) Limited
(021) 32429665, Ext. 106

Disclaimer

This report has been prepared by ABA Ali Habib Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, ABA Ali Habib Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and ABA Ali Habib Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents.

In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of ABA Ali Habib Securities' Research Department and do not necessarily reflect those of the company or its directors. ABA Ali Habib as a firm may have business relationships, including investment- banking relationships, with the companies referred to in this report. ABA Ali Habib Securities or any of its officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the subject company, may have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company, may serve or may have served in the past as a director or officer of the subject company, may have received compensation from the subject company for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from the subject company for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the subject company.

All rights reserved by ABA Ali Habib Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of ABA Ali Habib Securities. Action could be taken for unauthorized reproduction, distribution or publication.

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.

Analyst Certification ^{AC}

The research Analyst(s) hereby certify that the views about the company/companies and the security/securities discussed in this report accurately reflect his or her or their personal views and that s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Muhammad Ali - Research Analyst
Muhammadali@abaalihabib.com

Kainat Rohra- Research Analyst
Kainatrohra@abaalihabib.com

Ayesha Abid – Research Analyst
ayasha.abid@abaalihabib.com

SALES TEAM

Zaheer Ahmed - Head of Equity Sales & Business Dev.
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Mr. Salman Naqvi - Head of Retail Sales
(021) 32431925

Fahed Fazal- Manager Equity Sales
Fahedfazal@abaalihabib.com
(021) 32431925

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Shoaib- Equity Trader
shoibqadri@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Karachi Office

Suite# 505, 5th Floor, Business Plaza,
Mumtaz Hussan Road, Off I.I. Chundrigar
Road, Karachi
Contact: 021-32429664-7
Cell: [+92 3312766771](tel:+923312766771)