

February 9, 2023

Morning Briefing

Economy

Differences with IMF on external needs, power losses persist

Economy | Negative

Differences persist over external financing needs and power sector losses between the International Monetary Fund (IMF) and Pakistani side, delaying handover of the draft memorandum of economic and financial policies (MEFP) to the Pakistan side. (The News) | [Click for more info.](#)

Primary deficit; Rs500bn waiver sought from IMF

Economy | Neutral

Pakistan has requested the International Monetary Fund (IMF) for a waiver of Rs500 billion in the primary deficit on account of flood expenditure for the current fiscal year 2022-23. (BR) | [Click for more info.](#)

ADB again offers funding for ML-1

Economy | Neutral

Amid delays in financing arrangements with China for the \$10 billion Karachi-Peshawar railway line (Main Line-1), the Asian Development Bank (ADB) has re-emerged as a funding contender for the mega project. (Dawn) | [Click for more info.](#)

PM for expediting sell-off process

Economy | Positive

Prime Minister Shehbaz Sharif has directed that the process of privatization of public sector enterprises (PSEs) recommended by the Privatization Board should be expedited. The prime minister stated this while chairing a review meeting regarding the privatization of public sector enterprises (PSEs) on Wednesday. (BR) | [Click for more info.](#)

Real estate owned by overseas Pakistanis; UAE authorities do not share info

Economy | Neutral

UAE tax authorities had not shared information about the real estate owned by overseas Pakistani resident in the UAE with the FBR. The immovable property details are not shared with the Pakistani tax authorities. (BR) | [Click for more info.](#)

First six months; Fiscal deficit swells to 2pc of GDP

Economy | Neutral

Fiscal deficit has been recorded at two per cent of the GDP or Rs1,683 billion during the first six months of the current fiscal year, according to the Finance Ministry. A summary of consolidated federal and provincial fiscal operation for July-December 2022-23, showed that total revenue stood at Rs4,698 billion against the total expenditure of Rs6,382 billion during the first six months of the current fiscal year. (BR) | [Click for more info.](#)

Govt raises Rs464bn via MTBs' sale

Economy | Neutral

The government on Wednesday raised Rs464 billion through an auction of the Market Treasury Bills (MTBs) against a target of Rs800 billion, with yields on a short-duration paper rising slightly. The cut-off yield on the three-month T-bill increased by 6 basis points to 17.9996 percent. The yield on six-month paper stood at 17.8400 percent. The yield on 12-month paper was 17.9499 percent. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,639.8	27,744.9	105.0	0.4%
KSE100	41,522.8	41,723.3	200.6	0.5%
KSE30	15,662.9	15,745.9	83.0	0.5%
KMI30	71,952.3	72,446.1	493.8	0.7%

Top Five Gainers

	Open	Close	Chg.	%
BHAT	1,020.1	1,096.6	76.5	7.5%
LCI	526.0	560.7	34.7	6.6%
ABOT	398.2	423.4	25.2	6.3%
JSGCL	323.3	344.6	21.3	6.6%
SIEM	584.9	600.9	15.9	2.7%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.2	1.3	0.1	64.46
OGDC	99.3	99.8	0.5	22.26
PPL	81.1	80.1	-1.1	15.89
LOTCHEM	25.0	26.3	1.2	13.16
KEL	2.3	2.3	0.0	11.85

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	1.69	-0.49	1.20
O/S Pakistanians	2.17	-2.53	-0.36
Net	3.86	-3.02	0.84
LIPI			
Individuals	36.25	-36.74	-0.50
Companies	2.83	-1.81	1.02
Comm. Banks	2.43	-1.48	0.95
NBFC	0.02	-0.05	-0.03
Mutual Funds	2.87	-3.27	-0.40
Other	0.16	-0.24	-0.08
Brokers Proprietary	11.48	-12.29	-0.80
Insurance	2.70	-3.69	-1.00
Net	58.73	-59.57	-0.84

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	78.48	1.2%
Brent oil	USD/bbl.	85.13	1.2%
Gold	USD/t oz.	1875.08	0.1%
Silver	USD/t oz.	22.29	0.5%
Coal	USD/ton	146.00	-2.9%
Steel Scrap (LME)	USD/ton	427.00	1.4%
Steel Rebar (LME)	USD/ton	709.00	-0.1%
USD/PKR	Interbank	8.16	-0.1%

News Source: Local / Int'l Newspapers and websites

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Oil & Gas

Qatar agrees to buy OGDCL, PPL shares

OGDC, PPL | Positive

Qatar has reportedly agreed to consider Pakistan's offer to buy shares/ stakes of Oil and Gas Development Company Limited (OGDCL) and Pakistan Petroleum Limited (PPL) and sell Mirage-2000 fighter aircrafts to Pakistan. (BR) | [Click for more info.](#)

Petrol shortage persists as minister warns hoarders

Economy | Neutral

As an artificial petrol shortage has left motorists high and dry, the government on Wednesday warned petroleum products hoarders to end the criminal activity that creates a deliberate fuel shortage or be ready for dire consequences, including revoking the licences of oil marketers. (The News) | [Click for more info.](#)

Power

330 govt buildings; PD blames uncertainty over LCs for failure of solarisation plan

Power | Neutral

Power Division has reportedly held State Bank of Pakistan (SBP) responsible for failure of solarization of 330 government buildings project as there is uncertainty among vendors regarding opening of LCs, well informed sources told. (BR) | [Click for more info.](#)

Autos

Material shortage forces Pak Suzuki to halt plant for 5 more days

PSMC | Negative

Pak Suzuki Motor Co Ltd (PSMC) has announced another five-day closure of its automobile plant, from February 13 till February 17, 2023, a bourse filing said on Wednesday. (The News) | [Click for more info.](#)

Fertilizer

DAP price increased by Rs300 per bag amid weak rupee

Fertilizer | Positive

Amidst the sharp depreciation of the Pakistani rupee (PKR) and surging input cost, the prices of diammonium phosphate (DAP) has increased by Rs300 to Rs10,886 per bag. Since the start of this month, the DAP price raised by Rs510 per bag. (Mettis) | [Click for more info.](#)

Miscellaneous

Pakistani pharma firms keen to invest in Ethiopia

Pharma | Positive

The pharmaceutical companies in Pakistan have expressed keen interest to produce raw materials of different life-saving drugs for the Federal Democratic Republic of Ethiopia (FDRE) by investing in its health sector. (Nation) | [Click for more info.](#)

Banks' refusal to clear LCs a devastating blow to local steel industry

Steel | Negative

In a major setback for the local steel industry, the steel companies are facing closure due to the denial of clearing Letters of Credit (LCs) by banks. (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	60,663.8	377.75	0.63%
Taiwan - TWII	15,618.2	217.26	1.41%
PAK (KSE-100)	41,723.3	200.56	0.48%
PHILP - PSEi	6,923.1	41.82	0.61%
KSA - Tadawul	10,507.7	38.22	0.37%
INDONESIA - IDX	6,940.1	4.82	0.07%
HK - Hang Seng	21,283.5	-15.18	-0.07%
CHINA - Shanghai	3,232.1	-15.98	-0.49%
US - S&P 500	4,117.9	-46.14	-1.11%
US - Dow 30	33,949.0	-207.68	-0.61%

Board Meetings

Scrip	Day	Agenda	Time
JGICL	Thursday	Ann. A/c as of 31-Dec-22	10:00 AM
BCL	Thursday	HY. A/c as of 31-Dec-22	10:30 AM
EFERT	Thursday	Ann. A/c as of 31-Dec-22	10:30 AM
GLAXO	Thursday	Ann. A/c as of 31-Dec-22	11:00 AM
HRPL	Thursday	HY. A/c as of 31-Dec-22	11:00 AM
LOTCHEM	Friday	Ann. A/c as of 31-Dec-22	10:00 AM
JOPP	Friday	HY. A/c as of 31-Dec-22	11:00 AM
ALIFE	Friday	Ann. A/c as of 31-Dec-22	11:30 AM
INDU	Friday	HY. A/c as of 31-Dec-22	4:00 PM
ADMM	Friday	HY. A/c as of 31-Dec-22	4:00 PM

Source: PSX

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Tyre industry fears closures due to shutdowns across auto industry GTJR | **Negative**

Tyre manufacturers fear that they may be on the precipice of industry wide closures due to the fallout of demand destruction and non-production days across the automotive industry. (PT) | [Click for more info.](#)

SECP registers record 2,409 companies in February with Rs2.7bn capitalization

Economy | Neutral

The Securities and Exchange Commission of Pakistan (SECP) has registered 2,409 new companies, bringing the total number of registered companies to 185,173 in February 2023, as per the statement issued by the commission on Wednesday. (Mettis) | [Click for more info.](#)

Political News

President urges ECP to announce election dates

President Dr Arif Alvi, Wednesday, wrote a letter to the Election Commission of Pakistan (ECP) to announce the election date for the dissolved assemblies of Khyber-Pakhtunkhwa (KP) and Punjab at the earliest or else it would be held responsible for violation of the Constitution. (BR) | [Click for more info.](#)

PA elections, NA by-polls: Defence, finance ministries say unable to cooperate

The defence and finance ministries as well as the judiciary have expressed their inability to support the general election process in Punjab and Khyber-Pakhtunkhwa (KPK) and the National Assembly by-elections, citing security, high expenses and lack of manpower as the reasons, according to official sources. (The News) | [Click for more info.](#)

International News

Oil settles up for third day as interest rate concerns ease

Oil rose for a third straight day on Wednesday as investors felt more comfortable with risk a day after the Federal Reserve chair's remarks eased concerns about future interest rate hikes. (Reuters) | [Click for more info.](#)

Asian Equities Headed Lower, Stung by Fed Hawks: Markets Wrap

Stocks in Asia edged lower Thursday as hawkish comments from Federal Reserve officials prompted investors to rethink expectations about US peak rates. (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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