

December 9, 2022

Economy

Pakistan seeks \$4.2bn from Saudi Arabia after dip in forex reserves

Economy | Positive

In a bid to secure a breathing space amid the depleting foreign currency reserves, Pakistan is likely to secure a \$4.2 billion additional package from the Kingdom of Saudi Arabia, including \$3 billion deposits and a \$1.2 billion oil facility, on deferred payment. With the materialisation of augmented financial package, the total financial assistance from the KSA for Pakistan would go up to \$8.4 billion in total. (The News) | [Click for more info.](#)

SBP's forex reserves fall to near four-year low

Economy | Negative

The foreign exchange reserves held by the State Bank of Pakistan (SBP) plunged \$784 million to a nearly four-year low of \$6.72 billion during the week that ended on Dec 2, the central bank said on Thursday. According to the central bank data, the SBP reserves were last recorded below this level during the week ended on Jan 18, 2019, when it had some \$6.64bn. Net foreign reserves held by commercial banks now stand at \$5.867bn, meaning the country's total liquid foreign reserves are now \$12.58bn. (Dawn) | [Click for more info.](#)

Debt repayments on track; forex reserves to rise in second half: SBP chief

Economy | Neutral

The central bank has said Pakistan would continue to make timely loan payments, while inflows were expected to increase significantly in the second half of the current fiscal year. (The News) | [Click for more info.](#)

RDA inflows hit a two-year low in Nov

Economy | Negative

Foreign currency inflows from overseas Pakistanis through Roshan Digital Account (RDA) dropped to a 24-month low of \$141 million in November 2022, a local brokerage house, citing data from the central bank reported on Thursday. (The News) | [Click for more info.](#)

Oil & Gas

Cap lifted on oil exploration work in 11 blocks

E&P | Positive

The federal cabinet on Thursday removed the hurdle on the restoration of petroleum exploration activities in the country, green-lighted transit trade with Tajikistan and received the "post-disaster needs assessment (PDNA)" report on the devastating floods. (Dawn) | [Click for more info.](#)

Power

Amendments to power plants' documents, transition from USD Libor benchmark to SOFR

Power | Neutral

The Ministry of Finance has urged the Power Division to nominate a body as focal point to facilitate amendments to power plants documents and transition from USD Libor benchmark to SOFR proposed by the Asian Development Bank, well-informed sources told. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,202.3	28,080.2	-122.0	-0.4%
KSE100	41,819.3	41,651.6	-167.7	-0.4%
KSE30	15,448.1	15,380.1	-68.1	-0.4%
KMI30	70,245.9	69,944.7	-301.2	-0.4%

Top Five Gainers

	Open	Close	Chg.	%
PSEL	1,048.8	1,127.4	78.6	7.5%
BTL	350.0	365.0	15.0	4.3%
TSML	80.0	84.9	4.9	6.1%
NAGC	62.7	67.4	4.7	7.5%
MTL	587.5	591.8	4.3	0.7%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KOSM	3.2	3.6	0.4	25.27
HUMNL	5.5	6.0	0.5	23.69
HASCOL	7.9	7.7	-0.2	13.06
DFSM	3.6	4.6	1.0	12.88
DCL	6.0	5.8	-0.3	12.84

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.03	0.00	0.02
F-Corporates	0.61	-2.45	-1.84
O/S Pakistanies	2.67	-1.19	1.48
Net	3.31	-3.64	-0.33
LIPI			
Individuals	14.50	-14.59	-0.09
Companies	0.79	-1.62	-0.83
Comm. Banks	1.56	-1.16	0.40
NBFC	0.01	-0.01	0.00
Mutual Funds	0.82	-1.41	-0.59
Other	0.15	-0.14	0.01
Brokers Proprietary	3.35	-3.59	-0.24
Insurance	2.46	-0.78	1.68
Net	23.64	-23.30	0.33

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	72.06	-0.7%
Brent oil	USD/bbl.	76.50	-1.1%
Gold	USD/t oz.	1789.23	0.2%
Silver	USD/t oz.	23.07	1.5%
Coal	USD/ton	240.80	-1.1%
Steel Scrap (LME)	USD/ton	384.50	0.5%
Steel Rebar (LME)	USD/ton	672.50	-0.4%
USD/PKR	Interbank	6.45	0.5%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

Electricity bills; PD says doesn't want to manage tax, surcharge collection

Power | Neutral

The Power Division has expressed willingness to do away with the role of collection of taxes and surcharges on electricity except General Sales Tax (GST) to avert criticism of consumers due to heavy bills. (BR) | [Click for more info.](#)

Miscellaneous

Consignments of imported soybean feed; FTO may issue release order today

Vanaspati | Neutral

The Federal Tax Ombudsman (FTO) is expected to issue an important order on Friday (December 9) for the possible release of a huge quantity of the stuck-up consignments of imported soybean feed for the poultry sector at Port Qasim, Karachi. Nine ships carrying 0.48million metric tons of soybean and 0.12 million MT of canola have been blocked by Customs and are waiting for clearing. (BR) | [Click for more info.](#)

Post-flood rebuilding likely to boost PVC demand in 2023

EPCL | Positive

Polyvinyl chloride (PVC) downstream market in the country is expected to witness an upward trend in the coming years in the aftermath of catastrophic floods and revival of CPEC-related activities, an industry official said on Thursday. (The News) | [Click for more info.](#)

Pharma supplies; KTBA urges FBR to revisit clarification about 'further tax'

Pharma | Neutral

Karachi Tax Bar Association (KTBA) has urged the Federal Board of Revenue (FBR) to revisit its earlier clarification regarding the levy of further tax on pharmaceutical supplies to avoid unnecessary litigation. (BR) | [Click for more info.](#)

Political News

Elahi suggested extending date for assemblies' dissolution: Fawad

Pakistan Tehreek-e-Insaf (PTI) Senior Vice-President Fawad Chaudhry Thursday confirmed that Chief Minister Punjab Chaudhry Parvez Elahi had suggested to extend the date for dissolution of provincial assemblies. (The News) | [Click for more info.](#)

International News

Asian Stocks Rise with Inflation Data in Spotlight: Markets Wrap

Asian stocks advanced after US shares posted their first advance this month, with traders focused on inflation figures in China and the US. (Bloomberg) | [Click for more info.](#)

Oil falls on weakening demand, shrugs off Keystone closure

Oil settled lower for a fifth straight session on Thursday as traders shrugged off the closure of a major Canada-to-U.S. crude pipeline, focusing instead on concerns that global economic slowdowns would slash fuel demand. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	19,450.2	635.41	3.38%
US - Dow 30	33,781.5	183.56	0.55%
INDIA - SENSEX	62,570.7	160.00	0.26%
KSA - Tadawul	10,246.6	61.47	0.60%
US - S&P 500	3,963.5	29.59	0.75%
CHINA - Shanghai	3,197.4	-2.27	-0.07%
INDONESIA - IDX	6,804.2	-14.52	-0.21%
Taiwan - TWII	14,553.0	-76.97	-0.53%
PHILP - PSEi	6,525.2	-149.22	-2.24%
PAK (KSE-100)	41,651.6	-167.68	-0.40%

Board Meetings

Scrip	Day	Agenda	Time
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
NGRO	Monday	Other Matters	9:30 AM
FFBL	Monday	Other Matters	11:00 AM
THALL	Monday	Other Matters	3:30 PM

Source: PSX

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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.

Analyst Certification ^{AC}

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