

November 10, 2022

Economy

AiIB to give us \$500m to counter social fallout
Economy | Positive

Pakistan will receive \$500 million as co-financing for the BRACE development program from the Asian Infrastructure Investment Bank (AIIB), the finance minister Ishaq Dar said on Wednesday. The BRACE (Building Resilience with Active Countercyclical Expenditures Program) is an Asian Development Bank financing programme to counter the social fallouts of economic crisis. (BR) | [Click for more info.](#)

Cabinet approved \$900m escrow account for Reko Diq in March, SC told
Economy | Neutral

The federal cabinet approved the creation of a \$900 million escrow account for payments to the Chilean firm Antofagasta on March 14, 2022, whereas negotiations to reach a settlement with Barrick Gold Corporation (BCG) for the Reko Diq mining project were finalised on March 17. (Dawn) | [Click for more info.](#)

Pakistan, Kenya dollar bonds rise
Economy | Neutral

Pakistan and Kenya's sovereign dollar bonds rose sharply on Tuesday, as investors bought back into some frontier market issuers amid dollar weakness, Reuters reported. Pakistan's shorter-dated dollar denominated bonds were up as much as 8.7 cents in the dollar, Tradeweb data showed, though still traded at deeply distressed levels of around half its face value. (The News) | [Click for more info.](#)

Govt raises Rs46b through Sukuk
Economy | Neutral

The government has raised Rs46.44 billion through the issuance of Ijarah Sukuks under the new series launched in October 2022 to finance the budget deficit and promote Shariah-compliant banking in Pakistan. (ET) | [Click for more info.](#)

Q1 non-tax collection dips 16.29pc to Rs202.159bn YoY
Economy | Negative

The federal non-tax collection has fallen by 16.29 percent to Rs202.159 billion during the first quarter of the current fiscal year as opposed to Rs241.536 billion for the same period of last fiscal year consequent to zero surplus profit of the State Bank of Pakistan (SBP). (BR) | [Click for more info.](#)

SBP takes big step to contain forex outflow
Economy | Neutral

In a major move to contain the outflow of foreign exchange from the country, the State Bank of Pakistan (SBP) has reduced the existing foreign currency cash carrying limits by 50 percent for travel purposes with immediate effect. (BR) | [Click for more info.](#)

Oil & Gas

Gas utilities seek up to 237pc hike in tariffs
SSGC, SNGP | Neutral

Sui Northern Gas Pipelines Ltd (SNGPL) and Sui Southern Gas Company Ltd (SSGCL) have demanded up to 237 per cent increase in natural gas rates to generate about Rs660 billion in additional funds during the current fiscal year. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,639.3	28,743.5	104.1	0.4%
KSE100	42,047.4	42,265.4	218.0	0.5%
KSE30	15,299.9	15,377.6	77.7	0.5%
KMI30	70,984.6	71,588.8	604.2	0.9%

Top Five Gainers

	Open	Close	Chg.	%
RCML	590.0	633.9	43.9	7.4%
KHTC	433.2	465.7	32.5	7.5%
SCL	270.5	289.0	18.5	6.8%
INDU	913.8	929.2	15.4	1.7%
AABS	311.0	325.0	14.0	4.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
FFL	5.8	6.4	0.5	31.07
WTL	1.6	1.6	0.0	22.92
CNERGY	4.9	5.0	0.1	14.28
HASCOL	8.2	7.9	-0.3	13.44
HBLTETF	10.3	10.3	0.0	8.83

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	-0.02	-0.02
F-Corporates	0.51	-0.25	0.26
O/S Pakistanies	1.33	-1.45	-0.12
Net	1.84	-1.72	0.12
LIPI			
Individuals	24.86	-23.12	1.74
Companies	1.35	-1.78	-0.43
Comm. Banks	0.80	-0.79	0.01
NBFC	0.02	-0.03	-0.01
Mutual Funds	1.99	-1.91	0.08
Other	0.29	-0.11	0.18
Brokers Proprietary	5.57	-5.61	-0.04
Insurance	0.09	-1.74	-1.65
Net	34.97	-35.09	-0.12

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	85.81	-3.5%
Brent oil	USD/bbl.	95.36	0.0%
Gold	USD/t oz.	1706.32	-0.4%
Silver	USD/t oz.	21.05	-1.4%
Coal	USD/ton	183.85	-2.0%
Steel Scrap (LME)	USD/ton	340.00	-0.3%
Steel Rebar (LME)	USD/ton	633.50	0.6%
USD/PKR	Interbank	5.94	0.6%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

Four exploration blocks awarded

PPL, OGDC, MARI | Positive

The government provisionally awarded four new exploration blocks to the joint ventures of Pakistan Petroleum Ltd (PPL), Oil and Gas Development Company Ltd (OGDC) and Mari Petroleum Company Ltd (MPCL), the companies announced on the Pakistan Stock Exchange on Tuesday. The operator of Shaigalu block will be PPL with a 40 per cent stake while MPCL and OGDC will control 30pc shareholding each. (Dawn) | [Click for more info.](#)

OGDC, PPL to fork out over \$187.5m each for Reko Diq project

OGDC, PPL | Neutral

Two state-owned energy companies announced separately on Tuesday they'll seek approval from their respective shareholders to subscribe to 33.3 per cent shares of Pakistan Minerals Ltd for taking part in the reconstituted Reko Diq project. (Dawn) | [Click for more info.](#)

Diversion of costly RLNG into domestic sector: Petroleum Division to seek Rs100bn

Gas | Negative

While the gas deficit is feared to surge by up to 1.35 billion cubic feet per day in winter, the top man of the government wants smooth supply of gas to domestic consumers with reasonable pressure to avoid any backlash from the masses. To this effect, the Petroleum Division is set to seek from the Finance Division a huge amount of Rs100 billion for the costly RLNG to be injected into the domestic sector in the winter season 2022-23. (The News) | [Click for more info.](#)

Power

Nepra approves fuel cost increase for Discos, KE
KEL | Neutral

The National Electric Power Regulatory Authority (Nepra) on Tuesday notified about eight paise per unit additional fuel cost adjustment (FCA) in power tariff for ex-Wapda Discos for one month and cleared about 51 paise per unit increase for K-Electric for three months under quarterly tariff adjustment (QTA). (Dawn) | [Click for more info.](#)

Cement

Maple Leaf Cement begins Line 4 production
MLCF | Positive

Maple Leaf Cement Factory Ltd (MLCF) has informed Pakistan Stock Exchange (PSX) that an additional dry process clinker production line of 7000tpd grey clinker, a brownfield expansion at the company's existing site in Iskanderabad, Punjab, successfully started production on 3 November 2022. (Cement.com) | [Click for more info.](#)

Tech. & Communication

IT companies striving to tap into new frontiers
Technology | Positive

Pakistani companies are endeavouring to offer services in new areas of the internet such as non-fungible tokens (NFTs), metaverse and Web3. Systems Limited (SYS), an IT export company, in a recent corporate briefing apprised participants that it had constituted a research team of highly skilled professionals to explore opportunities in NFTs, metaverse and Web3. (ET) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
Taiwan - TWII	13,638.8	291.05	2.18%
PAK (KSE-100)	42,265.4	218.00	0.52%
INDONESIA - IDX	7,070.1	19.95	0.28%
CHINA - Shanghai	3,048.2	-16.32	-0.53%
PHILP - PSEi	6,241.7	-47.42	-0.75%
KSA - Tadawul	11,407.2	-79.35	-0.69%
US - S&P 500	3,748.6	-79.54	-2.08%
INDIA - SENSEX	61,033.6	-151.60	-0.25%
HK - Hang Seng	16,358.5	-198.79	-1.20%
US - Dow 30	32,513.9	-646.89	-1.95%

Board Meetings

Scrip	Day	Agenda	Time
HASCOL	Thursday	Multiple Periods	12:00 PM
PGLC	Thursday	ANN A/c as at 30-Sep-22	3:00 PM
SGABL	Monday	ANN A/c as at 30-Sep-22	10:30 AM
HCAR	Wednesday	HYA/c as at 30-Sep-22	11:30 AM

Source: PSX

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MORNING BRIEFING

Mobile operator Veon close to picking buyer for Pakistan towers**Technology | Neutral**

Wireless operator Veon Ltd. is in advanced talks to sell its tower assets in Pakistan, Bloomberg reported on Tuesday. Veon has 10,000 to 12,000 towers in Pakistan and the sale process "is very close to conclusion," Chief Executive Officer Kaan Terzioğlu said in an interview. (The News) | [Click for more info.](#)

Miscellaneous**Govt withdraws appeal against Sharia court's decision to eliminate Riba****MEBL, FABL | Positive**

Finance Minister Ishaq Dar on Wednesday announced that the government of Pakistan would withdraw its appeals against Federal Shariat Court's (FSC) decision regarding the interest-free banking system in Pakistan. (ET) | [Click for more info.](#)

Steps afoot to ink trade pacts with CARs**Economy | Neutral**

Prime Minister has directed relevant Ministries to expedite signing and implementation of trade pacts with Central Asian Republics (CARs), cooperation in defence production, sale of JF-17 aircraft to Azerbaijan and possibility of high-level visits from Belarus. (BR) | [Click for more info.](#)

WB to restructure \$188m PHCSP**Economy | Neutral**

The World Bank will restructure "Pakistan Hydromet and Climate Services Project (PHCSP)" worth about \$188 million by mid of the current month as the project has already faced significant delays. (BR) | [Click for more info.](#)

Political News**Disagreements should be expressed peacefully: US**

The United States of America has reacted to the ongoing tense situation in Pakistan where Pakistan Tehreek-e-Insaf (PTI) supporters have all but laid siege to Islamabad and has suggested that all parties should have the freedom to express disagreements but must do so peacefully. (BR) | [Click for more info.](#)

International News**Oil prices plunge 3% on U.S. inventory build, China COVID worries**

Asian stocks weakened after US shares fell and fear swept through cryptocurrencies, denting risk appetite ahead of crucial inflation data due later Thursday. (Bloomberg) | [Click for more info.](#)

Asian Stocks Fall Amid Crypto Slump Before CPI: Markets Wrap

Oil prices sank by roughly \$3 a barrel on Wednesday after industry data showed that U.S. crude stockpiles rose more than expected and on concerns that a rebound in COVID-19 cases in top importer China would hurt fuel 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 FCFF based DCF methodology.

Analyst Certification ^{AC}

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