

November 11, 2022

## Economy

### Pakistan, KSA to sign several pacts

#### Economy | Neutral

Pakistan and Saudi governments are giving final touches to several pacts including Bilateral Investment Treaty (BIT) during the forthcoming visit of Saudi Crown Prince and Prime Minister, Muhammad bin Salman to Pakistan, well informed sources told. (BR) | [Click for more info.](#)

### 9th IMF review; Framework yet to be finalized

#### Economy | Neutral

The International Monetary Fund (IMF) and Finance Division have yet to agree on the starting date for negotiations on the ninth review under the Extended Fund Facility (EFF) programme, as the government has not yet finalized the economic framework, a Fund requirement. (BR) | [Click for more info.](#)

### \$400m tax reforms project reviewed

#### Economy | Neutral

The World Bank and the Federal Board of Revenue (FBR) on Thursday reviewed the implementation status of various measures agreed upon for broadening the tax base and taxpayers' facilitation under the Pakistan Raises Revenue Programme (PRRP) soft loan of \$400 million. (Dawn) | [Click for more info.](#)

### SBP-held foreign exchange reserves plunge \$956mn, stand at \$7.96bn

#### Economy | Neutral

Foreign exchange reserves held by the State Bank of Pakistan (SBP) plunged \$956 million on a weekly basis, clocking in \$7.96 billion as of November 4, 2022, according to data released on Thursday. Total liquid foreign reserves held by the country stood at \$13.72 billion. Net foreign reserves held by commercial banks clocked in at \$5.76 billion. (BR) | [Click for more info.](#)

### Rupee registers third consecutive gain, settles at 221.42 against US dollar

#### Economy | Neutral

Pakistan's rupee registered a gain for the third consecutive session against the US dollar, and appreciated 0.1% in the inter-bank market on Thursday. As per the State Bank of Pakistan (SBP), the rupee closed at 221.42 after an appreciation of Re0.23. In the open market, the PKR remained unchanged for both buying and selling against USD, closing at 225.50 and 227.75, respectively. (BR) | [Click for more info.](#)

## Oil & Gas

### SNGPL calls for RLNG contracts for gas supply in winters

#### SNGPL | Neutral

The Sui Northern Gas Pipelines Limited (SNGPL) has urged commercial consumers to sign RLNG contracts to receive gas supply during the winter season. SNGPL team highlighted that over 6,000 commercial consumers had signed Re-Gasified Liquefied Natural Gas (RLNG) contracts while more were in the offing. The team informed that in case of non-signing of RLNG contracts, SNGPL would not be able to supply gas to commercial consumers in order to ensure gas supply to the domestic sector. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,743.5	29,084.5	341.0	1.2%
KSE100	42,265.4	42,901.3	635.9	1.5%
KSE30	15,377.6	15,661.0	283.4	1.8%
KMI30	71,588.8	72,656.1	1067.4	1.5%

### Top Five Gainers

	Open	Close	Chg.	%
SAPL	1,028.0	1,090.0	62.0	6.0%
ISIL	423.5	455.3	31.8	7.5%
JDWS	420.0	445.0	25.0	6.0%
EXIDE	254.3	273.4	19.1	7.5%
ABOT	545.7	564.5	18.7	3.4%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HASCOL	7.9	7.7	-0.2	41.55
BAFL	31.9	34.3	2.4	21.32
WTL	1.6	1.6	0.0	16.11
GGL	16.2	17.1	0.9	14.11
OGDC	71.7	74.1	2.4	12.08

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	3.47	-0.02	3.45
F-Corporates	1.87	-9.73	-7.86
O/S Pakistanians	2.31	-2.65	-0.35
<b>Net</b>	<b>7.65</b>	<b>-12.40</b>	<b>-4.75</b>
LIPI			
Individuals	39.38	-39.16	0.22
Companies	4.58	-3.34	1.24
Comm. Banks	6.09	-2.59	3.50
NBFC	0.04	-0.05	-0.01
Mutual Funds	6.16	-3.04	3.12
Other	0.17	-1.00	-0.83
Brokers Proprietary	10.60	-9.88	0.72
Insurance	0.91	-4.11	-3.20
<b>Net</b>	<b>67.93</b>	<b>-63.18</b>	<b>4.75</b>

### 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	6.01	0.2%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

### Govt unlikely to ensure 8-hour smooth supply of gas during winter SSGC, SNGP | **Negative**

The federal government cannot ensure smooth supply of eight-hour gas during cooking hours in the coming winters to domestic consumers of both gas companies- Sui Northern Gas Pipeline Limited (SNGPL) and Sui Southern Gas Company (SSGC) as \$37 per mmbtu subsidy is required. Additional Secretary (Incharge) for the Ministry of Energy (Petroleum Division) apprised a parliamentary panel on Thursday that the government or gas companies had no finance to heavily subsidise the domestic gas consumers. "We can't supply gas at \$3 per mmbtu against a current purchase of \$40 per mmbtu," the secretary said. (BR) | [Click for more info.](#)

### HASCOL to raise equity for company restructuring

#### HASCOL | **Neutral**

The board of HASCOL Petroleum Limited has received feedback from its financial advisor on the various equity-raising options for the restructuring of the company, the company's filings on the stock exchange showed on Thursday. (Mettis) | [Click for more info.](#)

## Autos

### KIA says Lucky Motor holds exclusive rights to sell its cars, SUVs in Pakistan

#### DFML | **Neutral**

KIA Corporation, the South Korean automaker, has clarified that Lucky Motor Corporation (LMC) is its exclusive licensee holder to manufacture, assemble, market, distribute, and sell KIA Cars and SUVs in Pakistan. KIA clarified that the contract signed between its "Special Vehicle Division" and DFML is limited only to special purpose commercial vehicles (SPVs) including PU (Bongo), and DFML is not and shall not in future be allowed to produce any other KIA cars and SUVs in Pakistan as long as Korean automaker and LMC maintain the CKD business in Pakistan. (BR) | [Click for more info.](#)

## Miscellaneous

### Bank Alfalah says will buy back 200mn shares

#### BAFL | **Neutral**

Bank Alfalah Limited (BAFL) has decided to buy back up to 200,000,000 ordinary shares through the bourse, it said in a notice to the Pakistan Stock Exchange (PSX) on Thursday. The statement added that these shares, having a face value of Rs10 each, constitute up to approximately 11.25% of the current issued and paid up share capital of the bank. (BR) | [Click for more info.](#)

### Pakistan-GCC Free Trade Agreements

#### Economy | **Neutral**

Foreign Minister Bilawal Bhutto-Zardari on Thursday emphasized the need for early finalisation of the ongoing negotiations on Pakistan-GCC Free Trade Agreements and asked technical teams from both sides to synergize their efforts to achieve this common objective. (BR) | [Click for more info.](#)

## Political News

### General Qamar Javed Bajwa on farewell visits

Chief of the Army Staff (COAS) General Qamar Javed Bajwa on Thursday visited Sialkot and Mangla Garrisons as part of his farewell visits to various formations. (The News) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
US - Dow 30	33,715.4	1201.43	3.70%
PAK (KSE-100)	42,901.3	635.91	1.50%
US - S&P 500	3,954.2	205.61	5.49%
CHINA - Shanghai	3,036.1	-12.04	-0.39%
PHILP - PSEi	6,167.6	-74.11	-1.19%
INDONESIA - IDX	6,966.8	-103.24	-1.46%
Taiwan - TWII	13,503.8	-135.05	-0.99%
KSA - Tadawul	11,211.7	-195.48	-1.71%
HK - Hang Seng	16,081.0	-277.48	-1.70%
INDIA - SENSEX	60,613.7	-419.85	-0.69%

### Board Meetings

Scrip	Day	Agenda	Time
MUGHAL	Friday	Other Matters	11:30 AM
SGABL	Monday	ANN A/c as at 30-Jun-22	10:30 AM
AGP	Monday	Other Matters	12:00 PM
PGLC	Tuesday	ANN A/c as at 30-Jun-22	03:30 PM
PTC	Wednesday	Other Matters	11:00 AM
HCAR	Wednesday	HY A/c as at 30-Sep-22	11:30 AM

Source: PSX

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MORNING BRIEFING

**Consensus in London: 'our way or the highway'**

As crucial discussions among various stakeholders around the next army chief's appointment gain momentum within and outside the country, the Sharif brothers have reportedly decided in a London huddle that the prime minister will not buckle under any 'pressure' to make the all-important appointment — come what may. Meanwhile, it emerged on Thursday that former prime minister Nawaz Sharif had been issued a diplomatic passport, paving the way for his impending return to the country. (Dawn) | [Click for more info.](#)

**International News****Oil prices settle 1% higher on tepid U.S. inflation data**

Oil prices settled 1% higher on Thursday, ending lower for the first time this week, as tamer-than-expected U.S. inflation data offset worries that renewed COVID-19 curbs in China would hurt fuel demand. (Reuters) | [Click for more info.](#)

**Asian Equities, US Futures Extend Post-CPI Rally: Markets Wrap**

The buy-everything rally on Wall Street rolled on in Asia on Friday after slower-than-projected US inflation spurred bets the Federal Reserve will moderate its aggressive rate-hike path. (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 FCFF based DCF methodology.

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