

April 12, 2023

Morning Briefing

Economy

IMF slashes Pakistan's growth outlook to 0.5pc

Economy | Negative

Hinting at entrenched high inflation, the International Monetary Fund (IMF) on Tuesday lowered its forecast for Pakistan's economic growth rate for the current fiscal year to just 0.5 per cent, with inflation going beyond 27pc and the unemployment rate increasing to 7pc. (Dawn) | [Click for more info.](#)

One year of coalition govt: Pakistan restored credibility amid challenges, says PM

Economy | Neutral

Prime Minister Shehbaz Sharif on Tuesday said the completion of the one-year coalition government marked a successful tenure that resulted in Pakistan's restored credibility, and overcoming of the country's financial and energy challenges. (The News) | [Click for more info.](#)

OICCI warns of 'mass industrial layoffs'

Economy | Negative

Overseas Investors Chamber of Commerce and Industry (OICCI) President Amir Paracha warned on Tuesday of "mass industrial unemployment" caused by the curbs on raw material imports. Speaking to a group of journalists at the OICCI head office, the chief representative of 200-plus multinational companies from 35 countries and 14 sectors said business continuity is at stake for most foreign players operating in Pakistan. (Dawn) | [Click for more info.](#)

Rupee sinks to fresh all-time low amid IMF bailout uncertainty

Economy | Negative

The local unit fell 0.46 percent to close at 288.43 per dollar in the interbank market. In the open market, the domestic currency dropped by 2 rupees against the dollar. The rupee was selling at 295 per dollar, compared with 293 on Monday, according to the rates provided by the Exchange Companies Association of Pakistan. (The News) | [Click for more info.](#)

Oil & Gas

Setting up of big refinery in Balochistan: proposals sought

Refinery | Neutral

The Board of Investment (BoI) has sought response to questions from concerned Ministries posed by a consortium which intends to set up 10 Million Tons Per Annum (MTPA) refinery in Balochistan. Capital Strategies Group (Pvt.) Ltd (CSG) and a Chinese consortium are coordinating to setup a 10 million MTPA refinery project in Pakistan. (BR) | [Click for more info.](#)

Pakistan committed to IP gas pipeline project, NA panel told

Gas | Neutral

The National Assembly Standing Committee on Foreign Affairs was informed on Tuesday that Pakistan remains committed to the Iran-Pakistan Gas pipeline project being a "matter of high priority" and the two sides are extensively engaged with each other in this regard. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	26,279.5	26,287.6	8.1	0.0%
KSE100	39,835.9	39,804.7	-31.2	-0.1%
KSE30	14,833.2	14,807.2	-26.0	-0.2%
KMI30	69,358.2	69,345.4	-12.8	0.0%

Top Five Gainers

	Open	Close	Chg.	%
UPFL	18,000.0	18,400.0	400.0	2.2%
NESTLE	5,023.7	5,100.1	76.4	1.5%
KHYT	570.5	610.0	39.5	6.9%
PAKT	585.1	609.5	24.4	4.2%
JSGCL	322.5	346.0	23.5	7.3%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	2.0	2.0	0.0	9.27
WTL	1.2	1.2	0.0	7.14
MLCF	26.0	26.5	0.5	3.10
ILP	47.6	48.0	0.4	2.61
PPL	65.1	64.9	-0.2	2.01

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.27	-0.06	0.22
O/S Pakistanies	0.44	-1.12	-0.68
Net	0.71	-1.17	-0.46
LIPI			
Individuals	6.75	-5.05	1.69
Companies	0.96	-1.89	-0.92
Comm. Banks	0.16	-0.08	0.08
NBFC	0.00	0.00	0.00
Mutual Funds	0.21	-0.59	-0.39
Other	0.08	-0.08	0.01
Brokers Proprietary	1.66	-1.29	0.38
Insurance	0.11	-0.49	-0.38
Net	9.94	-9.48	0.46

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	81.47	2.0%
Brent oil	USD/bbl.	85.53	1.4%
Gold	USD/t oz.	2004.80	0.6%
Silver	USD/t oz.	25.06	0.7%
Coal	USD/ton	130.85	-0.8%
Steel Scrap (LME)	USD/ton	435.00	1.5%
Steel Rebar (LME)	USD/ton	680.00	0.9%
USD/PKR	Interbank	8.43	-0.2%

News Source: Local / Int'l Newspapers and websites

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Power

Govt decides to use local, not imported, furnace oil for power generation: Dastgir

Power | Neutral

To reduce the impact of dollar exchange rate on the electricity cost, the government has decided to ban the import of furnace oil and use locally produced furnace oil for power generation. (Nation) | [Click for more info.](#)

Autos

Car sales plunge by 68.4% YoY in March

Autos | Negative

The passenger car sales witnessed a massive decline of around 68.41% YoY in March 2023, clocking in at 7,201 units compared to 22,799 units recorded in the same month last fiscal year, the latest data from the Pakistan Automotive Manufacturers Association (PAMA) showed today. This sharp decline is attributed to higher interest rates, measures taken by regulators to curb auto imports, and cost-led price hikes. (Mettis) | [Click for more info.](#)

Miscellaneous

Raast users reach 25.8 million in second quarter of FY23

Banks | Positive

The number of users of Raast, a central bank's initiative to encourage instant end-to-end digital payments, reached 25.8 million in the second quarter (October-December) of the current fiscal year, data showed on Tuesday. (The News) | [Click for more info.](#)

E-commerce transactions fall, paper-based deals rise

Banks, Economy | Negative

Despite mounting pressure on banks to go digital, the number of e-commerce transactions declined in the first half of the current fiscal year while the total e-banking value in the first quarter also dipped. (Dawn) | [Click for more info.](#)

Inflation, economic downturn: Telcos say they can't meet network rollout obligations

Telecom | Negative

The cellular mobile operators (CMOs) have conveyed their concerns to the government that due to high inflation and economic downturn, it was becoming difficult to meet the obligations of network rollout, acknowledging that their quality of service has deteriorated. (The News) | [Click for more info.](#)

Sweden shuts down its embassy in Islamabad

Economy | Negative

Sweden has closed its embassy in Islamabad for an indefinite period over security risks. According to Swedish Embassy, it will remain shut for visitors and would not be able to send any documents to its consulates, Gerry centres and on home addresses of its applicants. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	60,157.7	311.21	0.52%
HK - Hang Seng	20,485.2	154.04	0.76%
US - Dow 30	33,684.8	98.27	0.29%
INDONESIA - IDX	6,811.3	40.07	0.59%
Taiwan - TWII	15,913.9	37.71	0.24%
US - S&P 500	4,108.9	-0.17	0.00%
CHINA - Shanghai	3,313.6	-1.79	-0.05%
PHILP - PSEI	6,479.6	-8.88	-0.14%
PAK (KSE-100)	39,804.7	-31.19	-0.08%
KSA - Tadawul	10,849.1	-56.43	-0.52%

Board Meetings

Scrp	Day	Agenda	Time
MZNPETF	Wednesday	3Q A/c as of 31-Mar-23	10:00 AM
PTL	Wednesday	3Q A/c as of 31-Mar-23	12:30 PM
HCL	Wednesday	3Q A/c as of 31-Mar-23	3:00 PM
SSGC	Thursday	1Q A/c as of 31-Mar-23	11:30 AM
LOTCHEM	Thursday	1Q A/c as of 31-Mar-23	1:30 PM
EPCL	Friday	1Q A/c as of 31-Mar-23	10:00 AM
PIM	Friday	3Q A/c as of 31-Mar-23	10:00 AM
GAMON	Monday	3Q A/c as of 31-Mar-23	11:00 AM
PSX	Monday	3Q A/c as of 31-Mar-23	12:00 PM
GIL	Tuesday	3Q A/c as of 31-Mar-23	11:00 AM
MEBL	Tuesday	1Q A/c as of 31-Mar-23	2:30 PM
BERG	Wednesday	3Q A/c as of 31-Mar-23	10:00 AM
ISL	Wednesday	3Q A/c as of 31-Mar-23	10:00 AM
ENGRO	Wednesday	1Q A/c as of 31-Mar-23	10:30 AM
FCCL	Wednesday	3Q A/c as of 31-Mar-23	10:30 AM
UPFL	Tuesday	3Q A/c as of 31-Mar-23	2:30 PM
OML	Thursday	3Q A/c as of 31-Mar-23	11:00 AM
HAFI	Thursday	3Q A/c as of 31-Mar-23	11:30 AM

Source: PSX

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MORNING BRIEFING

Political News

SC bill challenged in apex court

The Supreme Court (Practice and Procedure) Bill, 2023 was challenged before the Supreme Court, with prayer to declare the “impugned” bill as ultra vires and unconstitutional and of no legal effect. (BR) | [Click for more info.](#)

Punjab elections: SC may issue order today on non-provision of Rs21bn funds

The Supreme Court is likely to issue an appropriate order today (Wednesday) over the non-implementation of its order passed on April 4, directing the Election Commission of Pakistan (ECP) to ensure the holding of elections in the province of Punjab on May 14. (The News) | [Click for more info.](#)

International News

Oil rises about 2% with U.S. and China inflation in focus

Oil prices rose about 2% on Tuesday on hopes that the Federal Reserve might ease up on its policy tightening after a key U.S. inflation report this week, though concerns remain over Chinese demand. (Reuters) | [Click for more info.](#)

Asia Stocks Rise, Dollar Steady Before US CPI Data: Markets Wrap

Asian stocks advanced before US inflation data that may signal whether the Federal Reserve will keep raising interest 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 FCFF based DCF methodology.

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