

October 12, 2022

## Economy

**Germany scales up its support to flood-hit people**

**Economy | Positive**

The Federal Republic of Germany has scaled up its support for the flood-hit Pakistan by another € 10 million and the total assistance now stands over € 60 million. (BR) | [Click for more info.](#)

**Rupee continues to appreciate against US dollar**

**Economy | Positive**

Pakistan's rupee continued to gain against the US dollar for the 13th successive session, and appreciated nearly 0.1% in the inter-bank market on Tuesday. As per the State Bank of Pakistan (SBP), the rupee closed at 217.79 after appreciating Re0.18 or 0.08%. (BR) | [Click for more info.](#)

**Dar leaves for US to hold meetings with IMF, World Bank**

**Economy | Neutral**

The finance minister is expected to make a formal request to the IMF and the WB to revise the economic targets. Pakistan will also formally request a review of the macroeconomic framework this fiscal year. (BR) | [Click for more info.](#)

**Pakistan urgently needs debt relief: UN**

**Economy | Neutral**

Cascading global crises have left 54 countries — home to more than half of the world's poorest people — in dire need of debt relief, the UN said Tuesday. According to available data, 46 of the 54 countries had amassed public debt totalling \$782 billion in 2020, the report said. The countries at the most immediate risk are Sri Lanka, Pakistan, Tunisia, Chad and Zambia, he said. (BR) | [Click for more info.](#)

**IMF's FY23 projections for Pakistan fail to account for flood impact**

**Economy | Negative**

In its World Economic Outlook (WEO) 2023 – Countering the Cost-of-Living Crisis, the global lender of last resort forecast Pakistan's GDP growth rate at 3.5pc and inflation at around 20pc with a disclaimer — “the 2022 projections for Pakistan are based on information available as of the end of August and do not include the impact of the recent floods”. (Dawn) | [Click for more info.](#)

**Remittances fall over 12pc in September**

**Economy | Negative**

Remittances sent by overseas Pakistanis declined to \$2.4 billion in September as the open and grey markets were offering much higher rates than interbank. The State Bank of Pakistan (SBP) on Tuesday said remittances decreased by 10.5 per cent month-on-month and 12.3pc year-on-year in September. (Dawn) | [Click for more info.](#)

## Oil & Gas

**European thirst for LNG puts Pakistan, Bangladesh in dark**

**Gas | Negative**

The ICIS figures confirm the extent to which LNG demand has fallen in countries outside of Europe, particularly in Asia. In Bangladesh, demand is down 10 percent compared with 2021, in Pakistan it's down 19 percent while in China there is a 22 percent drop. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,644.0	28,617.9	-26.1	-0.1%
KSE100	42,211.6	42,155.5	-56.2	-0.1%
KSE30	15,889.5	15,622.9	-266.6	-1.7%
KMI30	70,091.7	70,268.2	176.5	0.3%

### Top Five Gainers

	Open	Close	Chg.	%
SAPT	1,005.0	1,064.0	59.0	5.9%
RCML	531.0	558.0	27.0	5.1%
JDWS	311.8	335.1	23.4	7.5%
MUREB	383.0	406.0	23.0	6.0%
TICL	279.5	300.0	20.5	7.3%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.6	1.6	-0.1	39.05
CNERGY	5.0	5.2	0.2	34.13
PRL	17.5	18.2	0.8	32.41
PAEL	17.5	17.1	-0.4	27.37
GGL	16.5	16.9	0.5	14.89

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	0.00	0.01
F-Corporates	0.21	-0.26	-0.05
O/S Pakistanies	3.46	-3.14	0.32
<b>Net</b>	<b>3.68</b>	<b>-3.40</b>	<b>0.28</b>
LIPI			
Individuals	49.30	-47.12	2.19
Companies	1.51	-1.78	-0.27
Comm. Banks	0.97	-0.96	0.01
NBFC	0.03	-0.01	0.01
Mutual Funds	2.11	-2.39	-0.28
Other	0.18	-0.09	0.09
Brokers Proprietary	12.91	-14.73	-1.82
Insurance	0.35	-0.56	-0.21
<b>Net</b>	<b>67.36</b>	<b>-67.64</b>	<b>-0.28</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	88.67	-2.3%
Brent oil	USD/bbl.	93.87	-2.2%
Gold	USD/t oz.	1664.05	-0.2%
Silver	USD/t oz.	19.13	-2.7%
Coal	USD/ton	248.50	2.7%
Steel Scrap (LME)	USD/ton	363.50	-1.6%
Steel Rebar (LME)	USD/ton	691.50	0.5%
USD/PKR	Interbank	5.71	-0.2%

News Source: Local / Int'l Newspapers and websites

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## Power

**KE's controlling stake sale nears completion abroad, unbeknown to Pakistan**

**KEL | Neutral**

The sale of a large part of the controlling stake in Karachi Electric (KE) held by KES Power outside Pakistan appears to be in advanced stages, awaiting approval from a Cayman Islands court, but the government of Pakistan is not aware of the deal as it kept completely secret, according to trusted inside information. (The News) | [Click for more info.](#)

## Miscellaneous

**Suzuki announces plant shutdown again**

**PSMC | Negative**

Pak-Suzuki Motor Company (PSMC) has notified the Pakistan Stock Exchange (PSX) that it will shut down its automobile plant from October 19 to October 21. (PT) | [Click for more info.](#)

**Moody's downgrades five major banks**

**Banks | Negative**

In a follow-up to Pakistan's sovereign rating downgrade, Moody's Investors Service on Tuesday downgraded the long-term deposit ratings and long-term Foreign Currency Counter Risk Rating (CRR) to Caa1 from B3 of five leading Pakistani banks. These banks include Allied Bank Ltd (ABL), Habib Bank Ltd (HBL), MCB Bank Ltd, National Bank of Pakistan (NBP) and United Bank Ltd (UBL). "The outlook on all banks' deposit ratings remains negative," said the New York-based rating agency in a statement. (Dawn) | [Click for more info.](#)

**IFRS 9 deadline for NBFs, Modarabas extended**

**NBFC, Modaraba | Neutral**

The Securities and Exchange Commission of Pakistan (SECP) has extended the effective date for applicability of IFRS-9 for Non-Banking Finance Companies (NBFCs) including Non-Bank Microfinance Companies (NBMFCs) and Modarabas till June 30, 2024. (Mettis) | [Click for more info.](#)

## International News

**IMF warns of slowing growth, rising market risks as finance officials meet**

The International Monetary Fund warned on Tuesday that colliding pressures from inflation, war-driven energy and food crises and sharply higher interest rates were pushing the world to the brink of recession and threatening financial market stability. (Reuters) | [Click for more info.](#)

**Yen Weakens Past Critical Level; Stocks Fluctuate: Markets Wrap**

The yen weakened to a point that may trigger intervention from Japan and stocks fluctuated as investors weighed the of risk of recession and tighter monetary policy. (Bloomberg) | [Click for more info.](#)

**Oil prices extend decline on recession fears, China COVID curbs**

Oil prices fell for a third straight session on Wednesday as investors fretted about a hit to fuel demand from growing risks of a global recession and tightening COVID-19 curbs in China. (Reuters) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
US - Dow 30	29,239.2	36.31	0.12%
PHILP - PSEI	5,847.4	14.79	0.25%
CHINA - Shanghai	2,979.8	5.64	0.19%
KSA - Tadawul	11,514.3	-16.11	-0.14%
US - S&P 500	3,588.8	-23.55	-0.65%
INDONESIA - IDX	6,939.2	-55.25	-0.79%
PAK (KSE-100)	42,155.5	-56.16	-0.13%
HK - Hang Seng	16,832.4	-384.30	-2.23%
Taiwan - TWII	13,106.0	-596.25	-4.35%
INDIA - SENSEX	57,147.3	-843.79	-1.46%

### Board Meetings

Scrip	Day	Agenda	Time
EFERT	Wednesday	3Q A/c as at 30-Sep-22	9:00 AM
EPCL	Wednesday	3Q A/c as at 30-Sep-22	1:00 PM
EPQL	Thursday	3Q A/c as at 30-Sep-22	10:00 AM
MZNPETF	Thursday	1Q A/c as at 30-Sep-22	10:30 AM
PTC	Thursday	3Q A/c as at 30-Sep-22	1:30 PM
MACFL	Friday	1Q A/c as at 30-Sep-22	4:00 PM
BAFL	Monday	3Q A/c as at 30-Sep-22	11:00 AM
AKBL	Tuesday	3Q A/c as at 30-Sep-22	10:00 AM
ENGRO	Tuesday	3Q A/c as at 30-Sep-22	2:30 PM
UBL	Wednesday	3Q A/c as at 30-Sep-22	9:30 AM
MEBL	Wednesday	3Q A/c as at 30-Sep-22	12:00 PM
FCCL	Monday	1Q A/c as at 30-Sep-22	10:30 AM
UPFL	Monday	3Q A/c as at 30-Sep-22	2:30 PM
FFBL	Tuesday	3Q A/c as at 30-Sep-22	10:30 AM
HAFL	Friday	1Q A/c as at 30-Sep-22	11:30 AM

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 <sup>AC</sup>

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