

December 12, 2022

MORNING BRIEFING

Economy

Pakistan to get \$32b loans this year

Economy | Positive

Renowned economic and political experts said on Friday that there was no immediate chance of imposing economic emergency in the country as the government still hopes that it would get \$32 billion loans this year. (ET) | [Click for more info.](#)

WB urged to allow restructuring, extension

Economy | Neutral

The government has requested the World Bank for restructuring and extending the “Pakistan Financial Inclusion and Infrastructure Project”, of worth \$137 million, which was aimed at contributing to increasing access and usage of digital payments and other financial services for households and businesses in the country. (BR) | [Click for more info.](#)

TSA deadline will be missed: IMF

Economy | Negative

Pakistan will miss its end-December deadline to close all bank accounts maintained by the public sector entities and defence ministry in commercial banks, and transfer the money to the central bank, reveal findings from the International Monetary Fund (IMF). The cumulative balance in these accounts amounts to about Rs2.9 trillion. There was also a startling disclosure that the Ministry of Finance is unaware of which government departments own the 484 bank accounts that remain untraceable. (ET) | [Click for more info.](#)

A Black Market for Dollars Emerges in Crisis-Stricken Pakistan

Economy | Negative

In the money-changing businesses of Karachi, the exchange rate for buying dollars is still on display. But attempt to purchase the currency and operators will say they don't have any left. Investigate a little more and a different story emerges. There are still ways to get the greenback, several money changers say, but it costs about 10% more than the advertised rate. (Bloomberg) | [Click for more info.](#)

\$900m okayed for Chilean firm to exit Reko Diq

Economy | Neutral

After the Supreme Court endorsed a settlement deal worth over \$6.5 billion last week, the government on Sunday approved a payment of more than \$900 million to the Chilean firm Antofagasta over six years to exit the Reko Diq project. (Dawn) | [Click for more info.](#)

Oil & Gas

Mari Petroleum signs with major fertiliser producers for gas production

MARI, FATIMA, EFERT, FFC | Positive

Mari Petroleum Company Limited (MPCL) has entered into an agreement with three major fertiliser companies in Pakistan to maintain MPCL's Habib Rahi Limestone (HRL) gas production to the three big Fertiliser manufacturers including Fauji Fertilizer Company (FFC), Fatima Fertilizer Company Limited (FATIMA), and Engro Fertilizers Limited (EFERT). All the four parties involved made individual announcements to the Pakistan Stock Exchange (PSX) on Friday. (PT) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,080.2	28,128.3	48.1	0.2%
KSE100	41,651.6	41,698.3	46.7	0.1%
KSE30	15,380.1	15,402.4	22.3	0.1%
KMI30	69,944.7	69,951.0	6.2	0.0%

Top Five Gainers

	Open	Close	Chg.	%
KHTC	395.1	411.1	16.0	4.0%
MUREB	345.7	361.2	15.5	4.5%
MARI	1,659.5	1,670.4	10.9	0.7%
COLG	1,980.0	1,990.0	10.0	0.5%
SFL	1,044.0	1,050.0	6.0	0.6%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.3	1.4	0.0	19.66
MDTL	2.0	2.3	0.3	15.03
DFSM	4.6	4.3	-0.2	13.01
HUMNL	6.0	6.2	0.1	11.42
GGGL	8.5	9.3	0.8	7.51

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	0.00	0.01
F-Corporates	0.38	-28.21	-27.84
O/S Pakistanies	20.33	-0.86	19.47
Net	20.71	-29.07	-8.36
LIPI			
Individuals	20.12	-12.77	7.35
Companies	2.09	-0.89	1.20
Comm. Banks	1.16	-0.72	0.43
NBFC	0.02	-0.16	-0.14
Mutual Funds	1.66	-1.88	-0.21
Other	0.06	-0.28	-0.23
Brokers Proprietary	2.78	-3.00	-0.22
Insurance	0.41	-0.23	0.19
Net	28.29	-19.93	8.36

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	71.02	-1.4%
Brent oil	USD/bbl.	76.10	-0.5%
Gold	USD/t oz.	1797.32	0.5%
Silver	USD/t oz.	23.47	1.7%
Coal	USD/ton	239.25	-0.6%
Steel Scrap (LME)	USD/ton	394.00	2.5%
Steel Rebar (LME)	USD/ton	676.50	0.6%
USD/PKR	Interbank	6.45	0.4%

News Source: Local / Int'l Newspapers and websites

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Pakistan Refinery says will shut down for 'approximately 20 days'

PRL | Negative

Pakistan Refinery Limited (PRL) will shut down its operations from December 10 for approximately 20 days, the company said in a notice sent to the Pakistan Stock Exchange (PSX) on Friday. (BR) | [Click for more info.](#)

PACRA blames POL production, consumption gap on refineries

Oil | Neutral

Lack of conversion and deep-conversion capabilities at local refineries leads to a mismatch between the national petroleum, oil and lubricant (POL) production and consumption mix, a study showed. (The News) | [Click for more info.](#)

Power

Two mega grid stations worth Rs24b inaugurated

Power | Positive

The Federal Minister for Energy (Power Division), Khurram Dastgir Khan on Saturday lay the foundation stone of two mega grid stations worth Rs 24 billion in Lahore and Sheikhpura. (ET) | [Click for more info.](#)

ADB approves \$189m to restore damaged transmission lines

Power | Positive

The Asian Development Bank (ADB) has approved \$189 million loan for construction of high-voltage transmission infrastructure and procurement of materials required for asset management and reduction of transmission system constraints. (Dawn) | [Click for more info.](#)

Autos

Auto part vendors suspend production

BWHL | Negative

In the aftermath of a massive drop in the sales of automobiles since July onwards, the auto part vendors have suspended production rendering a large number of workers jobless. Bolan Castings Ltd (BCL), the makers of various auto parts of tractors and commercial vehicles, informed Pakistan Stock Exchange (PSX) that it has suspended its production activities from Dec 5 to Dec 23 citing the drop in sales due to a drastic fall in orders from its assemblers. (Dawn) | [Click for more info.](#)

Banks

FBL likely to get Islamic banking licence this month

FABL | Positive

The State Bank of Pakistan (SBP) would likely grant Faysal Bank Limited (FBL) a new license this month, allowing it to operate as the country's second-largest Islamic bank, its official said. (The News) | [Click for more info.](#)

Lending to private sector falls sharply

Banks | Negative

Banks' lending to private sector nosedived as it fell 16 times during the first five months of 2022-23 as compared to the same period last year. (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	19,900.9	450.64	2.32%
Taiwan - TWII	14,705.4	152.39	1.05%
KSA - Tadawul	10,246.6	61.47	0.60%
PHILP - PSEi	6,580.1	54.96	0.84%
PAK (KSE-100)	41,698.3	46.67	0.11%
CHINA - Shanghai	3,207.0	9.60	0.30%
US - S&P 500	3,934.4	-29.13	-0.73%
INDONESIA - IDX	6,715.1	-89.11	-1.31%
US - Dow 30	33,476.5	-305.02	-0.90%
INDIA - SENSEX	62,181.7	-389.01	-0.62%

Board Meetings

Script	Day	Agenda	Time
NGRO	Tuesday	Other Matters	9:30 AM
FFBL	Tuesday	Other Matters	11:00 AM
THALL	Tuesday	Other Matters	3:30 PM
SGABL	Wednesday	1st Quarter	10:30 AM
TPLI	Wednesday	Other Matters	11:00 AM
ZIL	Wednesday	Other Matters	11:00 AM
BIPL	Wednesday	Other Matters	11:30 AM
RUBY	Wednesday	Other Matters	2:00 PM
AMBL	Thursday	3rd Qtr A/c for 30-Sep-22	2:30 PM
AGP	Thursday	Other Matters	2:30 PM
HBL	Friday	Other Matters	10:00 AM
MIRKS	Friday	Ann A/c for 30-Sep-22	2:30 PM

Source: PSX

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Miscellaneous

Textile exporters seek 5pc higher margin on dollars

Textile | **Neutral**

Value-Added Textile Forum on Saturday demanded the government to fix the dollar rates for exporters and allow a 5 percent increased margin for both export-proceeds and home remittances to enhance business confidence. (The News) | [Click for more info.](#)

Google opens liaison office in Pakistan, registers with SECP

Economy | **Positive**

Google has opened its liaison office in the country, and registered with the Securities Exchange Commission of Pakistan (SECP). "We have recently opened a liaison office in Pakistan to explore business opportunities, better market our products and services locally and support the country's fast-growing tech ecosystem," Google spokesperson said. (BR) | [Click for more info.](#)

Regional exports post marginal growth

Economy | **Neutral**

Pakistan's exports to nine regional countries posted a negative growth of 1.32 per cent in the first four months of the current fiscal year from a year ago mainly driven by a drop in export proceeds to China, the latest data released by the State Bank of Pakistan showed. (Dawn) | [Click for more info.](#)

FTO orders FBR to release soybean consignments

Food | **Neutral**

To avert a serious crisis of the poultry industry in the country, the Federal Tax Ombudsman (FTO), Friday, ordered the Federal Board of Revenue (FBR) to immediately release the nine stuck-up consignments of soybean seeds at Port M Qasim, Karachi. (BR) | [Click for more info.](#)

Political News

Signs of thaw in Chaudhry Shujaat, Nawaz Sharif, Parvez Elahi relations

The latest developments on political scene of the country show that relations between political opponents, the Chaudhrys of Gujrat and the Sharifs, are warming, and there are chances of a new political alliance in the days to come. Sources said Chaudhry Shujaat group in PMLQ and PMLN have sprung into action to bring an in-house change in Punjab amid claims that six members of PMLQ Parvez Elahi bloc are ready to join the Pakistan Democratic Movement (PDM). (The News) | [Click for more info.](#)

International News

Dollar Up, Stocks Down as Traders Eye Rate Paths: Markets Wrap

The dollar edged higher and stocks declined in Asia at the start of a pivotal week for markets, with interest rate decisions due from the Federal Reserve, the European Central Bank and a host of their peers. (Bloomberg) | [Click for more info.](#)

Oil prices climb on uncertainty over Keystone pipeline restart, Russian supplies

Oil prices rose more than 1% in early Asian trade on Monday as a key Canada-United States crude pipeline stayed shut while Russian President Vladimir Putin threatened to cut production in retaliation against a Western price cap on Russian oil exports. (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 FCF based DCF methodology.

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