

October 13, 2022

Economy

Pakistan's civil govt 'primary interlocutor' in bilateral ties: US

Economy | Neutral

The United States Department of State Spokesperson Ned Price on Tuesday said that the civilian government of Pakistan is the "primary interlocutor" in bilateral ties between Islamabad and Washington as he answered questions related to the country and the army chief's recent visit. (ET) | [Click for more info.](#)

IMF projects decline in govt gross debt

Economy | Positive

The International Monetary Fund (IMF) has projected a decline in the government gross debt for Pakistan from 77.8 percent of Gross Domestic Product (GDP) in 2022 to 71.1 percent in 2023. However, the fiscal year 2022-23 projections for Pakistan are based on information available as of the end of August 2022 and do not include the impact of the recent floods. (BR) | [Click for more info.](#)

IMF warns against 'costly' tax cuts to fight inflation

Economy | Neutral

Soaring food and energy prices are raising the risk of social unrest, but attempting to tame costs through tax cuts, subsidies and price controls would be too costly, the International Monetary Fund (IMF) said Wednesday. (The News) | [Click for more info.](#)

Poor nations urge private creditors to help cut debt

Economy | Neutral

Pakistan and other members of G24 nations have urged private creditors to back efforts to lessen the debt burden on developing economies. The G24 — officially, the Intergovernmental Group of Twenty-Four — was established in 1971 to help coordinate the positions of developing countries on monetary and development issues. (Dawn) | [Click for more info.](#)

PIBs' yields fall

Economy | Neutral

Pakistan Investment Bonds (PIBs) yields dropped on Wednesday as investors expect that the interest rates would remain steady in the coming months. (The News) | [Click for more info.](#)

PKR's winning streak ends

Economy | Neutral

As per the State Bank of Pakistan (SBP), the rupee closed at 217.88 after depreciating Re0.09 or 0.04%. (BR) | [Click for more info.](#)

Govt will borrow over Rs7trn during Q2FY23

Economy | Negative

According to the State Bank of Pakistan (SBP), the federal government will borrow over Rs7 trillion from the banking sector during the second quarter (Oct-Dec) of the current fiscal year (FY23). (BR) | [Click for more info.](#)

Oil & Gas

PPL finds gas in Gambat

PPL | Positive

Pakistan Petroleum Ltd (PPL) has made a gas and condensate discovery from the exploration well of Shahpur Chakar North X-1 in the Gambat area of Sanghar, Sindh. The exploration well was drilled to a depth of 3,560 metres to test the hydrocarbon potential. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,617.9	28,573.9	-44.0	-0.2%
KSE100	42,155.5	42,007.1	-148.3	-0.4%
KSE30	15,622.9	15,570.1	-52.8	-0.3%
KMI30	70,268.2	70,273.7	5.5	0.0%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	5,780.0	5,980.0	200.0	3.5%
RCML	558.0	594.0	36.0	6.5%
JDWS	335.1	360.3	25.1	7.5%
MARI	1,586.3	1,604.3	18.0	1.1%
SCL	224.5	241.3	16.8	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	3.0	3.1	0.1	34.45
WTL	1.6	1.5	-0.1	30.54
TELE	11.3	11.7	0.4	16.27
PRL	18.2	17.8	-0.4	9.52
CNERGY	5.2	5.0	-0.2	9.37

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	-0.01	0.00
F-Corporates	0.28	-0.45	-0.17
O/S Pakistanians	1.99	-2.07	-0.08
Net	2.27	-2.53	-0.26
LIPI			
Individuals	37.14	-34.74	2.40
Companies	0.84	-0.95	-0.11
Comm. Banks	0.73	-1.02	-0.29
NBFC	0.03	-0.01	0.02
Mutual Funds	1.59	-1.53	0.06
Other	0.30	-0.37	-0.07
Brokers Proprietary	8.07	-9.58	-1.51
Insurance	0.33	-0.57	-0.24
Net	49.04	-48.78	0.26

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	87.20	-1.7%
Brent oil	USD/bbl.	92.42	-1.5%
Gold	USD/t oz.	1674.60	0.6%
Silver	USD/t oz.	19.06	-0.3%
Coal	USD/ton	266.25	7.1%
Steel Scrap (LME)	USD/ton	365.00	0.4%
Steel Rebar (LME)	USD/ton	688.56	-0.4%
USD/PKR	Interbank	5.74	-0.4%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

PSO wins arbitration case against Gunvor

PSO | Positive

The London Court of International Arbitration gave a verdict in favour of Pakistan's PSO which had reduced payments to Gunvor due to overcharged shipments. The company was awarded \$14.6 million and other costs as per contract on October 8 for the case initiated by Gunvor in January 2021. (BR) | [Click for more info.](#)

Power

Govt to provide Rs55b relief to consumers in electricity bills

Power | Positive

Federal Minister for Power Khurram Dastgir has said a relief of 55 billion rupees has been provided to consumers in electricity bills on the special directives of Prime Minister Shehbaz Sharif. (ET) | [Click for more info.](#)

Thar coal project to start generating 1,320MW by Dec, says minister

Power | Positive

Federal Minister for Power Khurram Dastgir Wednesday said the Thar Coal Power project would start generating 1,320 MW of electricity by December this year, whereas, the total potential to generate power in Thar is 3,640 MW. (BR) | [Click for more info.](#)

'KES shares deal'; SECP puts out feelers

KEL | Neutral

Securities and Exchange Commission (SECP) has reportedly sought explanation from Karachi Electric (KE) on purported deal of sale of shares of KES to Sheryar Chishiti, who owns M/s Daewoo in Pakistan. Background interaction with senior officials in Power Division, SECP and KE indicate that they are not aware of the deal of KES stakes through British court, but strong rumours have already been circulating in the market. (BR) | [Click for more info.](#)

Govt decides to use local resources for power production

Power | Neutral

Minister for Power Khurram Dastgir Khan Wednesday informed the National Assembly that the government had decided to avoid using the imported fuel for power generation in order to reduce the production cost. He said the government would now focus on producing electricity through the indigenous resources such as solar, wind, hydel, nuclear and Thar coal. (The News) | [Click for more info.](#)

Autos

Car sales crash amid escalating prices

Autos | Negative

Auto sales, including those reported by companies that aren't members of the Pakistan Automotive Manufacturers Association, declined in September by seven per cent on a month-on-month basis to about 13,000 units. The latest numbers take the first-quarter sales to 34,472 units, down 50pc from a year ago. (Dawn) | [Click for more info.](#)

Curbs on CKD imports; Govt may lose around Rs327bn in revenue, says IMC CEO

Autos | Negative

The government is expected to lose around Rs. 327 billion or \$1.5 billion in revenue during the ongoing financial year (2022-23), following the restrictions on CKD imports that shrunk the production volume up to 50 percent. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	57,625.9	478.59	0.84%
CHINA - Shanghai	3,025.5	45.72	1.53%
KSA - Tadawul	11,551.3	37.08	0.32%
PHILP - PSEi	5,853.6	6.26	0.11%
US - S&P 500	3,577.0	-11.81	-0.33%
Taiwan - TWII	13,081.2	-24.79	-0.19%
US - Dow 30	29,210.9	-28.34	-0.10%
INDONESIA - IDX	6,909.2	-29.94	-0.43%
HK - Hang Seng	16,701.0	-131.33	-0.78%
PAK (KSE-100)	42,007.1	-148.34	-0.35%

Board Meetings

Scrip	Day	Agenda	Time
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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Miscellaneous

Supply of power to 5 export-oriented sectors; Govt to arrange Rs100bn from FY23 budget

Textile | **Positive**

The Federal Government is to arrange Rs100 billion from federal budget to ensure supply of electricity to five export-oriented sectors at Rs 19.90 per unit during the financial year 2022-23. (BR) | [Click for more info.](#)

SECP enhances sales load limit for AMCs

PSX | **Neutral**

In order to encourage third-party distribution and increase competition in the non-banking financial sector, the Securities and Exchange Commission of Pakistan (SECP) has enhanced sales load limit for Asset Management Companies (AMCs). (BR) | [Click for more info.](#)

ECC sharpens its focus on winter wheat crop

Food | **Neutral**

The Economic Coordination Committee (ECC) of the Cabinet has been informed that wheat production cost for Rabi crop at the market was worked out at Rs2,495 per 40-kg for average farmers and Rs2,427 for resourceful. (BR) | [Click for more info.](#)

Political News

Lahore court acquits PM Shahbaz, Hamza in Rs16bn money laundering case

A special court in Lahore Wednesday acquitted Prime Minister Shahbaz Sharif and Hamza Shahbaz in the Rs16 billion money laundering case. The Special Court, Central, reserved the verdict on the acquittal pleas of PM Shahbaz and Hamza earlier today. (The News) | [Click for more info.](#)

International News

Oil prices shaky amid worsening demand outlook

Oil prices struggled to find their footing in early Asian trade on Thursday after a weakening global demand outlook depressed the market in the last session. (Reuters) | [Click for more info.](#)

Global Equities Fluctuate Ahead of Key US CPI Data: Markets Wrap

US equity futures and Australian shares climbed while Japanese stocks opened lower in mixed, cautious trading as investors await highly anticipated inflation data later Thursday. (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.

Analyst Certification ^{AC}

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