

March 14, 2023

Morning Briefing

Economy

Delay in IMF deal may cause Pakistan to pause repayments, warns report

Economy | Negative

Pakistan will need to pause debt repayments if it does not secure funding from the International Monetary Fund soon enough, a US bank warned as diplomatic circles in Washington indicated that Islamabad is close to signing a deal with the IMF. But the Bank of America team which prepared the report, also said that China, a close ally, can rescue Pakistan because of its close ties with the country. (Dawn) | [Click for more info.](#)

US working to resolve Pakistan's economic problems: Blome

Economy | Neutral

US Ambassador to Pakistan Donald Blome has said the United States is working to find a solution to Pakistan's serious economic issues in all fields. Talking to the media in Islamabad, he said Pakistan is facing economic challenges of serious nature, the US not only wanted Pakistan to find a way out of the difficult times, but was also putting efforts to sort out the economic problems. The US ambassador said the IMF programme is also a part of the same effort. (The News) | [Click for more info.](#)

Pakistan approaches US diplomats as IMF seeks more assurances

Economy | Neutral

The International Monetary Fund (IMF) has asked Pakistan to get confirmation on external financing needs of \$6-7 billion from the Kingdom of Saudi Arabia, the UAE, Qatar and multilateral creditors to fill the gap till the end of June 2023. The IMF considers that without full surety of external financing, the 'sustainability' of Fund's program could not be guaranteed, said an official. A senior government official said late in the night that the IMF side held a final meeting with the State Bank of Pakistan (SBP) officials on Monday, and now they hoped that the staff-level agreement (SLA) would be signed in the next few days. (The News) | [Click for more info.](#)

Foreign investors decry govt apathy to their problems

Economy | Negative

Foreign investors have come out with all guns blazing against the Board of Investment and other "relevant ministries" for turning a blind eye to their plethora of problems, including the holdup in dividend repatriation. The representative body of more than 200 largest multinationals operating in Pakistan has written a letter — seen by Dawn — to the prime minister, saying they've not been able to send dividends to their overseas shareholders for the last 10 months, which is causing the country a "serious reputational damage". (Dawn) | [Click for more info.](#)

87 new Covid cases reported; Country registers over 2pc positivity rate

Economy | Negative

The country, on Monday, for the first time in the past seven months, registered coronavirus positivity rate of over two percent as 87 new Covid-19 cases were reported after 3,972 tests were conducted reflecting a positivity rate of 2.19 percent. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,358.3	27,465.0	106.7	0.4%
KSE100	41,793.9	41,856.9	63.0	0.2%
KSE30	15,551.7	15,657.6	105.9	0.7%
KMI30	71,775.3	72,528.1	752.8	1.0%

Top Five Gainers

	Open	Close	Chg.	%
RCML	643.3	691.5	48.2	7.5%
SITC	237.1	254.0	16.9	7.1%
TICL	308.5	323.0	14.6	4.7%
MARI	1,495.5	1,509.9	14.5	1.0%
JLICL	130.9	139.8	8.9	6.8%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HASCOL	5.6	6.1	0.5	42.45
TELE	8.0	8.3	0.2	25.82
OGDC	86.9	93.2	6.3	18.46
WTL	1.3	1.3	0.0	16.52
TPLP	15.3	15.4	0.2	12.56

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	-0.01	-0.01
F-Corporates	0.93	-1.50	-0.56
O/S Pakistanians	1.83	-1.75	0.08
Net	2.76	-3.25	-0.49
LIPI			
Individuals	26.03	-27.91	-1.88
Companies	9.57	-2.38	7.18
Comm. Banks	0.43	-3.10	-2.67
NBFC	0.02	-0.02	0.00
Mutual Funds	2.13	-1.26	0.87
Other	0.49	-1.09	-0.60
Brokers Proprietary	5.72	-7.47	-1.75
Insurance	0.20	-0.86	-0.66
Net	44.57	-44.08	0.49

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	74.58	-2.7%
Brent oil	USD/bbl.	80.75	-2.5%
Gold	USD/t oz.	1912.17	2.4%
Silver	USD/t oz.	21.79	6.1%
Coal	USD/ton	137.00	2.2%
Steel Scrap (LME)	USD/ton	456.00	-0.4%
Steel Rebar (LME)	USD/ton	747.00	-0.9%
USD/PKR	Interbank	8.14	2.6%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

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Oil & Gas

HASCOL approves modified draft SOA proposed by secured creditors

HASCOL | Positive

The board of directors of Hascol Petroleum Limited (PSX: HASCOL) has approved a modified draft Scheme of Arrangement (SOA) that includes certain amendments and suggestions proposed by the company's secured creditors. The modified scheme will now be presented to the secured creditors for their approval, followed by the members of the company. (Mettis) | [Click for more info.](#)

Mar-Sept key imports: govt needs \$8.5bn

Oil | Negative

With total foreign exchange reserves of \$4.3 billion as of 9th March 2023 Pakistan requires a total of \$ 8.5 billion to meet its fuel requirements and other critical imports of March-September 2023. (BR) | [Click for more info.](#)

Power

MoU signed with Iran for 100MW for Gwadar

Power | Positive

Pakistan on Monday said it had signed a memorandum of understanding (MoU) with Iran to supply 100 megawatts of electricity to Gwadar. (Dawn) | [Click for more info.](#)

WB links release of \$400m to GST dispute settlement

Power | Negative

World Bank (WB) has reportedly linked release of \$400 million of RISE-II program to resolution of dispute on GST collection between Federal Board of Revenue (FBR) and Distribution Companies (Discos) well informed sources told. According to Finance Division (External Finance Wing) prior action 4b of RISE-II "the Finance Division Refunds Central Power Purchasing Agency Guaranteed (CPPA-G)/ Discos Rs 240 billion for overcharged General Sales Tax" remains pending due to non-consensus on amount of refunds made on subsidies. (BR) | [Click for more info.](#)

MoF seeks revised draft of TDS pact with KE

KEL | Neutral

Ministry of Finance (MoF) has sought revised draft of Tariff Differential Subsidy (TDS) agreement with K-Electric (KE), well informed sources told. KE's investors from Europe have serious differences with investors of Saudi Arabia and Kuwait, who expressed their views at one of the meetings of K-Electric. (BR) | [Click for more info.](#)

Autos

Car sales plunge by 80% YoY in Feb

Autos | Negative

The passenger car sales witnessed a massive decline of around 80% YoY in February 2023, clocking in at 3,642 units compared to 18,054 units recorded in the same month last fiscal year, the latest data from the Pakistan Automotive Manufacturers Association (PAMA) showed today. On a sequential basis, the sales of cars dropped by 39.5% MoM compared to 6,021 cars being sold in January 2023. (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	19,696.0	376.05	1.95%
PAK (KSE-100)	41,856.9	62.98	0.15%
CHINA - Shanghai	3,268.7	38.62	1.20%
Taiwan - TWII	15,560.5	34.29	0.22%
INDONESIA - IDX	6,787.0	21.66	0.32%
US - S&P 500	3,855.8	-5.83	-0.15%
PHILP - PSEi	6,544.5	-45.43	-0.69%
KSA - Tadawul	10,305.1	-78.73	-0.76%
US - Dow 30	31,819.1	-90.50	-0.28%
INDIA - SENSEX	58,237.9	-897.28	-1.52%

Board Meetings

Scrp	Day	Agenda	Time
HALEON	Tuesday	Ann. A/c as of 31-Dec-22	12:30 PM
SHEL	Wednesday	Ann. A/c as of 31-Dec-22	10:00 AM
AGIC	Wednesday	Ann. A/c as of 31-Dec-22	11:30 AM
IBFL	Friday	Ann. A/c as of 31-Dec-22	12:00 PM
CENI	Friday	Ann. A/c as of 31-Dec-22	6:30 PM
DLL	Monday	Ann. A/c as of 31-Dec-22	2:30 PM

Source: PSX

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MORNING BRIEFING

Pharmaceutical

MNCs, local pharma CEOs to hold emergency meeting with DRAP officials today

Pharma | Neutral

Around 100 Chief Executive Officers (CEOs) of the country's leading multinational and local pharmaceutical companies have reached Islamabad to have a 'final round' of dialogue with the government for an 'across the board' adjustment in the prices of medicines, Pakistan Pharmaceutical Manufacturers Association (PPMA) said on Monday. (The News) | [Click for more info.](#)

Miscellaneous

Banks' deposits increase by 15% YoY to Rs22.92tr: SBP

Banks | Positive

The total deposits held by scheduled banks have moved up by 15% YoY to Rs22.92 trillion in February 2023 compared to February 2022, data issued by State Bank showed today. Similarly, on monthly basis, local banks' deposits have edged higher by 0.73% MoM, compared to Rs22.75bn in January 2023. (Mettis) | [Click for more info.](#)

CMOs demand 250pc increase in ARPU to meet growing expenses

Telecom | Negative

Amid the admission of poor quality of services, the cellular mobile operators (CMOs) demanded 250 percent increase in Average Revenue Per User (ARPU) i.e. from 80 cents to two dollars to meet growing expenses, on account of the policy of pegging licence price with the US dollar and issues in the opening of Letters of Credit (LCs). (BR) | [Click for more info.](#)

Political News

Imran Khan announces 'historic' jalsa at Minar-e-Pakistan on Sunday

Amid news regarding Imran Khan's arrest, the Pakistan Tehreek-e-Insaf (PTI) chairman Monday announced a "historic" jalsa on Sunday (March 19) at Minar-e-Pakistan in Lahore. (The News) | [Click for more info.](#)

International News

Asia Stocks Fall, Bonds Rally as Rate Bets Shift: Markets Wrap

Asian equities dropped Tuesday while bonds in the region rallied as the collapse of Silicon Valley Bank continued to reverberate across global markets. (Bloomberg) | [Click for more info.](#)

Oil prices fall 2% in choppy trade as banking fears rattle markets

Oil prices fell over 2% in volatile trading on Monday as the collapse of Silicon Valley Bank roiled equities markets and raised fears of a fresh financial crisis, but a recovery in Chinese demand provided support. (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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