

November 14, 2022

Economy

MBS' visit postponed
Economy | Negative

The most discussed visit of Saudi Crown Prince and Prime Minister of the Kingdom of Saudi Arabia Mohammad bin Salman to Pakistan has postponed due to unspecified reasons. (BR) | [Click for more info.](#)

Talks between IMF, Pakistan 'rescheduled'
Economy | Neutral

The schedule for talks between Pakistan and the International Monetary Fund (IMF) has been readjusted but the negotiations are continuing, official sources in Washington say. Media reports, however, claim that the talks that were scheduled to begin last week have been postponed till the third week of November. (Dawn) | [Click for more info.](#)

Fiscal slippages: IMF calls on Pakistan to mobilise additional Rs800bn revenue
Economy | Negative

Amid increasing fiscal slippages and external financing gap, Pakistan and the IMF are working out revised macroeconomic and fiscal framework, whereby the budget deficit and primary deficit are projected to escalate massively against the envisaged targets. (The News) | [Click for more info.](#)

Jul-Oct remittances down 9pc YoY
Economy | Negative

Inflows of home remittances fell by 9 percent during the first four months of this fiscal year (FY23) as compared to the same period last year (FY22), the State Bank of Pakistan reports. According to the SBP, cumulatively, the country received workers' remittances inflows amounting to \$ 9.9 billion during Jul-Oct FY23 compared to \$ 10.827 billion in the same period of last fiscal year, depicting a decline of \$ 927 million. (BR) | [Click for more info.](#)

Pak needs \$348b to mitigate climate disasters: report
Economy | Neutral

A new World Bank report has stated that Pakistan needs around \$348 billion in eight years to just stop climate induced disasters, it emerged on Friday. (ET) | [Click for more info.](#)

Pakistan's Current Account Deficit to Remain Below \$10 Billion in FY2023: Governor SBP
Economy | Neutral

The Governor of the State Bank of Pakistan (SBP), Jameel Ahmed, has announced that the current account deficit (CAD) will stay below \$10 billion for the rest of the current fiscal year. According to the details, the estimated \$10 billion shortfall (less than 2.3% of GDP) is about half of the World Bank's 4.3% projection. This may minimize pressure on the exchange rate. (Propakistani) | [Click for more info.](#)

Govt borrows Rs808.7 billion from external, internal sources in first quarter
Economy | Neutral

The government has borrowed Rs808.7 billion from external as well as internal sources during the first quarter (July to September) of the current fiscal year to bridge the budget deficit. (Nation) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,084.5	29,300.5	216.0	0.7%
KSE100	42,901.3	43,093.0	191.7	0.4%
KSE30	15,661.0	15,798.5	137.5	0.9%
KMI30	72,656.1	73,105.1	448.9	0.6%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	5,651.0	5,900.0	249.0	4.4%
PAKT	900.0	939.3	39.3	4.4%
SIEM	861.6	899.4	37.8	4.4%
PMPK	600.0	618.8	18.8	3.1%
SURC	155.0	164.5	9.5	6.1%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
CENERGY	5.1	5.1	0.0	21.14
WTL	1.6	1.6	0.0	17.90
TPLP	18.5	19.2	0.7	15.10
PRL	17.8	17.9	0.1	14.86
OGDC	74.1	78.0	3.9	12.54

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	3.47	-0.02	3.45
F-Corporates	1.87	-9.73	-7.86
O/S Pakistanians	2.31	-2.65	-0.35
Net	7.65	-12.40	-4.75
LIPI			
Individuals	39.38	-39.16	0.22
Companies	4.58	-3.34	1.24
Comm. Banks	6.09	-2.59	3.50
NBFC	0.04	-0.05	-0.01
Mutual Funds	6.16	-3.04	3.12
Other	0.17	-1.00	-0.83
Brokers Proprietary	10.60	-9.88	0.72
Insurance	0.91	-4.11	-3.20
Net	67.93	-63.18	4.75

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	88.96	3.0%
Brent oil	USD/bbl.	95.99	2.9%
Gold	USD/t oz.	1771.24	1.1%
Silver	USD/t oz.	21.70	0.4%
Coal	USD/ton	184.35	0.3%
Steel Scrap (LME)	USD/ton	342.00	0.3%
Steel Rebar (LME)	USD/ton	635.50	0.2%
USD/PKR	Interbank	6.15	3.5%

News Source: Local / Int'l Newspapers and websites

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Oil & Gas

OGRA opens LNG imports, sales to private sector

PSO | Neutral

The Oil and Gas Regulatory Authority (Ogra), on Friday, granted an RLNG sale licence to the Pakistan GasPort Consortium Limited (PGPCL), marking the first steps towards allowing the private sector a piece of the LNG imports and sales pie. Currently, state owned companies like Pakistan LNG Limited (PLL) and Pakistan State Oil (PSO) import LNG and gas utilities, and sell the commodity to customers. (ET) | [Click for more info.](#)

Ogra reduces prices of imported LNG

SSGC | Positive

The Oil and Gas Regulatory Authority (Ogra) on Friday notified 2.34 percent reduction in the prices of imported LNG for the consumers of the Sui Northern Gas Pipeline Limited (SNGPL) and 2.48 percent for the consumers of the Sui Southern Gas Company (SSGC) for the month of November. In a monthly review of LNG prices for November, the price of LNG has witnessed a decline of \$0.31925 per mmbtu for SNGPL consumers and \$0.32974 per mmbtu for SSGCL areas, as compared with the previous month of October. (BR) | [Click for more info.](#)

SSGCL faces financial crunch

SSGC | Negative

Sui Southern Gas Company Limited (SSGCL) is reportedly facing a severe financial crunch due to non-payment of RLNG bills by Karachi Electric (KE) which have reached over Rs 27 billion. (BR) | [Click for more info.](#)

Industries receive notices of gas closure during winters

SSGC | Negative

Sui Southern Gas Company Limited (SSGCL) has sent gas closure notices for over three months in winters to industries in the city, which they rejected saying that gas outages would lead to massive layoffs and closure of businesses. (The News) | [Click for more info.](#)

PD seeks Rs118.75bn supplementary grant

SNGP | Neutral

Petroleum Division has sought Rs 118.75 billion supplementary grant as subsidy and balance available under the head of subsidy to domestic consumers through SNGPL for RLNG supply, and inclusion of LNG diversion cost in the annual determination of Estimated Revenue Requirement (ERR), as well as, in the Review of Estimated Revenue Requirement (RERR) of the gas companies. (BR) | [Click for more info.](#)

Sales tax on luxury fuel in the offing

Oil | Neutral

The imposition of sales tax on luxury fuel is on the cards while the government also considers increasing the rate of the petroleum levy with the imposition of 17% general sales tax (GST) in a bid to collect around Rs9 billion in taxes annually. (ET) | [Click for more info.](#)

Pakistan-Russia oil deal soon, says Dar

Oil | Neutral

Finance Minister Ishaq Dar has listed the coalition government's feats in resolving the oil-related issues to cope with the challenges the country has been facing. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	17,325.7	1244.62	7.74%
INDIA - SENSEX	61,795.0	1181.34	1.95%
Taiwan - TWII	14,007.6	503.80	3.73%
PAK (KSE-100)	43,093.0	191.68	0.45%
INDONESIA - IDX	7,089.2	122.37	1.76%
PHILP - PSEi	6,286.8	119.20	1.93%
CHINA - Shanghai	3,087.3	51.16	1.69%
US - S&P 500	3,992.9	38.75	0.98%
KSA - Tadawul	11,246.9	35.23	0.31%
US - Dow 30	33,747.9	32.49	0.10%

Board Meetings

Scrip	Day	Agenda	Time
SGABL	Monday	ANN A/c as at 30-Jun-22	10:30 AM
AGP	Monday	Other Matters	12:00 PM
PGLC	Tuesday	ANN A/c as at 30-Jun-22	03:30 PM
PTC	Wednesday	Other Matters	11:00 AM
HCAR	Wednesday	HY A/c as at 30-Sep-22	11:30 AM
EPQL	Thursday	Other Matters	11:00 AM

Source: PSX

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MORNING BRIEFING

Pak-KSA talks for \$10.5bn mega refinery move forward**Refinery | Neutral**

Though the visit of Mohammad Bin Salman, the Crown Prince of the Kingdom of Saudi Arabia (KSA), has been postponed to the country, the dialogue between Islamabad and Riyadh at ministerial and experts levels has progressed to a reasonable extent for setting up an state-of the-art deep conversion mega refinery of \$10.50 billion, one of the officials who were part of the talks told. (The News) | [Click for more info.](#)

Power**Nepra approves paisa 51/kWh raise in KE's tariff****KEL | Neutral**

National Electric Power Regulatory Authority (NEPRA) has approved an increase of Paisa 51/kWh in KE's tariff under Quarterly Tariff Adjustment (QTA) mechanism and negative adjustment of Rs5.1261/kWh in FCA for September 2022. (BR) | [Click for more info.](#)

K-Electric's power tariff cut by Rs5.12 per unit**KEL | Neutral**

The National Electric Power Regulatory Authority (Nepra) on Friday decided to slash power tariff by Rs5.12 per unit for K-Electric (KE) consumers on account of fuel cost adjustment (FCA) for September 2022. In its petition filed with Nepra, KE had requested a tariff reduction of Rs4.622 per kilowatt-hour (kWh). The regulator conducted a public hearing on October 25, 2022 and approved a reduction of Rs5.1261 per unit. (ET) | [Click for more info.](#)

300MW Gwadar plant; CPPCL unwilling to shift to Thar coal**Power | Neutral**

Chinese company, M/s CHIC Pak Power Company (Pvt.) Limited (CPPCL) is reportedly unwilling to shift proposed 300-MW power plant at Gwadar from imported coal to Thar coal. (BR) | [Click for more info.](#)

Autos**Car sales shrink to half in July-October****Autos | Negative**

Amid a month-on-month improvement in October, the overall car sales registered a drop of 47 per cent to 39,700 units in 4MFY23 from 74,952 units due to rising prices, curbs on auto financing and parts imports and high-interest rates. However, October car sales rose to 11,129 units from 9,213 units in September but it is far lower than 17,413 units sold in October 2021. (Dawn) | [Click for more info.](#)

Banks**BankIslami; JS Bank acquires 86,316,954 ordinary shares****BIPL, JS | Neutral**

JS Bank Limited has acquired 86,316,954 ordinary shares, constituting 7.79 percent paid-up capital of BankIslami Pakistan Limited from Emirates NBD Bank PSJC on November 11, 2022. "In accordance with the approval granted by the State Bank of Pakistan, JS Bank has acquired 86,316,954 ordinary shares (constituting 7.79 percent paid-up capital) of BankIslami Pakistan Limited from Emirates NBD Bank PSJC on November 11, 2022," material information sent to Pakistan Stock Exchange on Friday said. (BR) | [Click for more info.](#)

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MORNING BRIEFING

Bank deposits jump 16pc to Rs22.4 trillion in October**Islamic Banks | Neutral**

Banking sector deposits increased by 16 percent year-on-year to Rs22.4 trillion in October. However, deposits at banks fell by 1.8 percent on month-on-month in October. Investments jumped by 33 percent to Rs18.3 trillion. (The News) | [Click for more info.](#)

Pleas against Sharia-compliant banking verdict formally withdrawn**Islamic Banks | Neutral**

The State Bank of Pakistan (SBP) and other commercial banks on Saturday finally withdrew their appeals from the Supreme Court, challenging the Federal Shariat Court's (FSC) directions to the government to make the country's entire banking system completely Sharia-compliant by Dec 2027. (Dawn) | [Click for more info.](#)

SBP review of sale, purchase deals**Banks | Neutral**

The review of sale/purchase transactions of inspected banks suggested that the overall increase in foreign exchange income of banks was mainly driven by higher spread charged by banks. (BR) | [Click for more info.](#)

Revenue shortfall may 'force' FBR to tax banking profits as well**Banks | Neutral**

The Federal Board of Revenue (FBR) may propose new taxation measures including the possibility of taxing banking profits in case it is unable to achieve the assigned revenue collection target of Rs536.53 billion in November 2022. (BR) | [Click for more info.](#)

Miscellaneous**Pharma exports reach \$325m mark, says DRAP CEO****Pharma | Neutral**

Pakistan's pharmaceutical industry exports have reached \$325 million owing to enabling business environment and within the next few years exports will further grow as the authorities are taking additional steps in facilitating the sector. (BR) | [Click for more info.](#)

Healthcare business to raise Rs409m via right issue**META | Neutral**

MetaTech Health Ltd is going to raise Rs408.8 million by offering perpetual and convertible Islamic bonds or sukuk to existing shareholders by way of a right issue. The size of the right issue is 550 per cent of the company's paid-up capital, which means shareholders will get the chance to own 550 right sukuk for every 100 ordinary shares they currently hold. (Dawn) | [Click for more info.](#)

US wants to deepen trade relations with Pakistan**Textile | Neutral**

Donald Blome, US Ambassador to Pakistan, said on Friday the US government was keen to foster bilateral trade relations with Pakistan. Blome said that there is enormous potential to work together in the field of cotton and textile besides expanding trade and investment relations in other focused areas. (BR) | [Click for more info.](#)

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MORNING BRIEFING

Dar in talks with Dubai banks**Banks | Neutral**

Minister for Finance and Revenue Senator Mohammad Ishaq Dar held meetings in Dubai with management of the leading commercial banks, which deal commercially with Pakistan and Ministry of Finance. The commercial banks reposed their confidence in current economic policies of the government and reiterated their continued support to Pakistan. (BR) | [Click for more info.](#)

Economic slowdown to hit margins of industrial gases**LSM | Negative**

Economic slowdown might impact the consumption of industrial gases and reduce its demand in large scale manufacturing (LSM). (The News) | [Click for more info.](#)

Political News**PTI chairman Imran Khan no longer blames US for his ouster**

PTI Chairman Imran Khan on Sunday said he no longer "blamed" the US administration for his removal from power. (Dawn) | [Click for more info.](#)

International News**Asian Stocks to Rise on China Policy; Dollar Gains: Markets Wrap**

Asian equities looked set to open higher on Monday with support from the biggest weekly advance in US stocks since June and China's policy shifts on Covid and property. (Bloomberg) | [Click for more info.](#)

Oil Extends Gain on China Demand Optimism as Market Tightens

Oil advanced for a third session as investors weighed the outlook for Chinese demand as the market tightens heading into winter. (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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