

December 14, 2022

Economy

Discussions productive: IMF official

Economy | Positive

Discussions to date in the context of the ninth review under the Extended Fund Facility (EFF) have been productive, and have enabled a revision to the macroeconomic outlook post-floods, said Esther Perez Ruiz IMF country representative in Pakistan. Replying queries about the formal talks of IMF Mission with Pakistan for ninth review, the IMF official did not give specific timeline for formal talks. (BR) | [Click for more info.](#)

Rs 340bn flood expenditures: Pakistan asking IMF to allow budget deficit increase

Economy | Neutral

Informing the IMF that the expenditures on flood rescue and relief amounted to Rs 340 billion, Pakistan has requested the lender to grant an adjuster of the same amount by allowing an increase in the budget deficit for the current fiscal year 2022-23. (The News) | [Click for more info.](#)

Cabinet gives go-ahead to Reko Diq project

Economy | Neutral

Pakistan is set to meet the deadline of December 15 for signing the Reko Diq deal after the federal cabinet on Tuesday approved the project funding amid reservations expressed by government coalition partners Jamiat Ulema-e-Islam-Fazl (JUIF) and Balochistan National Party-Mengal (BNPM). (The News) | [Click for more info.](#)

Default threat still not over: Miftah Ismail

Economy | Negative

Former finance minister Miftah Ismail believes the path on which Pakistan is heading might take the country towards default as he called on the government to take steps to avert the looming threat. (The News) | [Click for more info.](#)

SC says misuse of NAO hurt many businesses

Economy | Negative

Chief Justice of Pakistan (CJP) Umar Ata Bandial said the National Accountability Ordinance (NAO), 1999 was misused and due to that many businesses collapsed, and the businessmen shifted their industries to other countries. (BR) | [Click for more info.](#)

Large number of Pakistanis fear losing jobs: survey

Economy | Negative

A whopping number of Pakistanis fear losing job within a year. As many as 92 percent Pakistanis have this fear. However, this percentage is less than it was in September, 93 percent. (The News) | [Click for more info.](#)

Oil & Gas

ARL warns supply disruption if AGL not operationalized

ATRL | Negative

M/s Attock Refinery Limited (ARL) has warned the government that oil supply to Pakistan Air Force (PAF), Islamabad Airports and Oil Marketing Companies (OMCs) may be disrupted if its power plant, Attock Gen Limited is not operationalized immediately. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,000.4	28,110.0	109.6	0.4%
KSE100	41,540.6	41,714.3	173.8	0.4%
KSE30	15,353.5	15,430.7	77.2	0.5%
KMI30	69,801.4	70,063.1	261.7	0.4%

Top Five Gainers

	Open	Close	Chg.	%
PSEL	1,127.4	1,211.9	84.5	7.5%
SFL	1,050.0	1,128.8	78.8	7.5%
SAPT	1,050.1	1,123.3	73.2	7.0%
BHAT	920.1	988.9	68.8	7.5%
MEHT	805.0	863.0	58.0	7.2%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PTC	6.5	6.6	0.1	15.37
DFML	16.7	17.7	1.0	9.59
WTL	1.4	1.3	0.0	8.63
FCCL	12.4	12.1	-0.3	5.07
TPLP	19.4	19.4	0.0	4.74

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	-0.01	-0.01
F-Corporates	1.34	-0.80	0.54
O/S Pakistanies	0.89	-0.82	0.07
Net	2.23	-1.63	0.60
LIPI			
Individuals	14.03	-14.70	-0.67
Companies	1.26	-0.84	0.42
Comm. Banks	1.37	-1.02	0.35
NBFC	0.01	-0.01	0.00
Mutual Funds	0.90	-1.19	-0.29
Other	0.08	-0.13	-0.05
Brokers Proprietary	3.34	-3.36	-0.01
Insurance	0.28	-0.64	-0.36
Net	21.29	-21.89	-0.60

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	75.19	2.4%
Brent oil	USD/bbl.	80.41	2.9%
Gold	USD/t oz.	1809.78	1.6%
Silver	USD/t oz.	23.73	1.8%
Coal	USD/ton	233.00	1.7%
Steel Scrap (LME)	USD/ton	391.00	-0.1%
Steel Rebar (LME)	USD/ton	668.50	-0.4%
USD/PKR	Interbank	6.46	-0.4%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

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MORNING BRIEFING

Determination of ERR, PERR; Ogra refuses to include cost of RLNG diversion

Gas | Neutral

Oil and Gas Regulatory Authority (Ogra) has reportedly refused to include cost of RLNG diversion in the annual determination of Estimated Revenue Requirement (ERR), as well as, in the Review of Estimated Revenue Requirement (RERR) of the gas companies, saying that any such act will have significant impact on the prescribed prices besides legal obligations, sources close to Secretary Petroleum told. (BR) | [Click for more info.](#)

Power

ADB describes energy plan as 'less than effective, efficient'
Power | Negative

The Independent Evaluation Department (IED) of the Asian Development Bank (ADB) has rated "Pakistan: Sustainable Energy Sector Reform Program (Subpro-grams 1, 2, and 3)," of around \$2.4 billion less than effective, less than efficient and less than successful as it was not able to effectively address the underlying liquidity issues in the power subsector, which was key to its intended outcome. (BR) | [Click for more info.](#)

Power generation remains abysmally low in December
Power | Negative

Power demand fails to pick up in December 2022, showing the dismal state of energy sector as well as the national economy. According to the generation data, electricity supply recorded on December 13, 2022 hovered around 10,800MW, against demand of well over 13,500MW. It was shocking to note that the dismal level of power production and demand in the range of 10,500-11,500MW to 13,000-13,500MW was comparable with supply and demand level achieved way back in the year 2012. (The News) | [Click for more info.](#)

Autos

Enforce austerity policy, orders CM
Autos | Negative

Chief Minister Chaudhry Pervaiz Elahi has issued strict instructions to implement the austerity policy while making major decisions to reduce government expenditures in the province. He imposed a ban on the procurement of new vehicles for government departments and further announced a 50% reduction in the non-development expenses of all government departments, including the CMO. (The News) | [Click for more info.](#)

Miscellaneous

Baggage Rules revised; FBR fixes forex limit for outgoing passengers of 18 years or above
Economy | Neutral

The Federal Board of Revenue (FBR) Tuesday fixed a maximum limit of \$5,000 (per visit) and \$30,000 (annually) for outgoing international passengers (18 years and above). The new annual maximum limit for taking out foreign currency by passengers would be applicable from 2023. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	62,533.3	402.73	0.65%
KSA - Tadawul	10,221.1	187.95	1.87%
PAK (KSE-100)	41,714.3	173.75	0.42%
HK - Hang Seng	19,596.2	132.57	0.68%
US - Dow 30	34,108.6	103.60	0.30%
INDONESIA - IDX	6,810.3	75.87	1.13%
US - S&P 500	4,019.7	29.09	0.73%
CHINA - Shanghai	3,176.3	-2.71	-0.09%
PHILP - PSEI	6,582.4	-2.82	-0.04%
Taiwan - TWII	14,523.0	-89.63	-0.61%

Board Meetings

Scrip	Day	Agenda	Time
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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MORNING BRIEFING

ADB approves \$100m loan for skills training in Pakistan

Economy | Positive

The Asian Development Bank (ADB) has approved a \$100 million loan to help improve technical and vocational education and training (TVET) in Punjab province in Pakistan and ensure skills training meets the demand for jobs in the country's priority economic sectors. (The News) | [Click for more info.](#)

Rating conditions being simplified

PSX | Neutral

The Securities and Exchange Commission of Pakistan (SECP) has decided to simplify the rating requirements for securities brokers and would abolish requirements of maintaining the specific Entity Credit Rating (ECR) and Broker Management Rating (BMR). (BR) | [Click for more info.](#)

Political News

Dissolution of two PAs to be announced by 20th: Imran Khan

Pakistan Tehreek-i- Insaf (PTI) Chairman Imran Khan has said that an announcement of dissolution of the two provincial assemblies will be made ahead of December 20. (The News) | [Click for more info.](#)

Cracks appear in ruling coalition over Reko Diq

Amid fragile political situation in the country, some cracks appeared for the first time in the ruling coalition on Tuesday when two allied parties boycotted the federal cabinet meeting over a controversial bill regarding revival of the Reko Diq copper and gold mine project in Balochistan. (Dawn) | [Click for more info.](#)

International News

Fed to Downshift to Half-Point Hike but Point to Higher Peak

The Federal Reserve is poised to moderate its aggressive tightening on Wednesday while signaling that interest rates will ultimately go higher than previously forecast. (Bloomberg) | [Click for more info.](#)

Asian Stocks Advance Before Fed Policy Meeting: Markets Wrap

Stocks in Asia followed equities on Wall Street higher after US inflation cooled ahead of the Federal Reserve's policy decision later Wednesday. (Bloomberg) | [Click for more info.](#)

Oil rises to over \$80/bbl as dollar slumps on slowing inflation

Oil settled over \$80 a barrel on Tuesday and recorded its biggest daily gains in over a month, as investors bought up risk assets after U.S. data pointed to slowing inflation. (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 FCFF based DCF methodology.

Analyst Certification ^{AC}

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