

February 15, 2023

Economy

US State Dept official to arrive on 17th
Economy | Neutral

The US State Department Counsellor is due in Islamabad on February 17 along with a high-level delegation to meet with senior government officials, civil society members, and business leaders to highlight the importance of our bilateral partnership and reaffirm our countries' shared goals. (BR) | [Click for more info.](#)

Fitch further downgrades long-term foreign currency IDR to 'CCC-' Economy | Negative

Fitch Ratings has downgraded Pakistan's Long-Term Foreign-Currency Issuer Default Rating (IDR) to "CCC-", from "CCC+". There is no outlook assigned, as Fitch typically does not assign outlooks to ratings of "CCC+" or below. The Rating Agency stated that the downgrade reflects further sharp deterioration in external liquidity and funding conditions and the decline of foreign exchange (FX) reserves to critically low levels. (BR) | [Click for more info.](#)

Govt imposes Rs115bn taxes
Economy | Negative

The government Tuesday night slapped Rs115 billion taxation measures through a notification issued by the FBR after President Dr Arif Alvi refused to promulgate an ordinance for unveiling a mini-budget in order to comply with the IMF conditions. The standard rate of General Sales Tax (GST) has been jacked up from 17 to 18 percent with effect from February 15, 2023. (The News) | [Click for more info.](#)

Rush to meet IMF conditions NA, Senate take up mini-budget today
Economy | Neutral

The government has decided to summon the National Assembly session on Wednesday (today) to take up the mini-budget as per the conditions agreed with the International Monetary Fund (IMF). Highly-placed sources told The News Tuesday that a bill containing a package of proposals would be placed before the House for adoption. The bill is likely to be passed in one go in today's sitting. (The News) | [Click for more info.](#)

Raising financing for national security
Economy | Neutral

Finance Division has reportedly decided to avail direct credit lines from banks/ financial institutions to raise financing for national security, without following Public Procurement Rules 2014, well informed sources told. (BR) | [Click for more info.](#)

Oil & Gas

Govt asks refineries to raise petrol output to meet demand
Oil | Negative

Government has directed refineries to enhance their production to meet the shortfall of 8,000 metric tonnes of petrol, which was not available in various parts of the country, especially in Punjab. The meeting was told that the petrol shortfall would likely be 8,000 metric tonnes, and in order to ensure sooth supplies of petroleum products in the country, it was decided to advise all refineries to enhance their production to meet the demand of petrol. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

| | Open | Close | Chg. | % |
|---------|----------|----------|--------|-------|
| KSE All | 27,852.1 | 27,529.3 | -322.8 | -1.2% |
| KSE100 | 41,717.0 | 41,150.2 | -566.8 | -1.4% |
| KSE30 | 15,651.1 | 15,415.4 | -235.7 | -1.5% |
| KMI30 | 71,788.9 | 70,945.4 | -843.5 | -1.2% |

Top Five Gainers

| | Open | Close | Chg. | % |
|------|---------|---------|-------|------|
| RMPL | 8,067.5 | 8,450.0 | 382.5 | 4.7% |
| PMPK | 527.0 | 566.6 | 39.5 | 7.5% |
| PAKT | 841.4 | 870.0 | 28.6 | 3.4% |
| JDWS | 333.2 | 358.2 | 25.0 | 7.5% |
| GATI | 369.9 | 380.0 | 10.1 | 2.7% |

Top Five Volume Leaders

| | Open | Close | Chg. | Vol. |
|------|------|-------|------|-------|
| SNGP | 47.4 | 44.0 | -3.4 | 16.10 |
| WTL | 1.3 | 1.2 | 0.0 | 14.92 |
| OGDC | 98.8 | 93.9 | -4.9 | 12.75 |
| SSGC | 12.2 | 11.3 | -0.9 | 12.50 |
| PPL | 80.0 | 76.8 | -3.2 | 9.66 |

Portfolio Investments – Net Position

| FIPI | Buy | Sell | Net |
|---------------------|--------------|---------------|--------------|
| F-Individuals | 0.00 | 0.00 | 0.00 |
| F-Corporates | 0.39 | -0.82 | -0.43 |
| O/S Pakistanies | 1.82 | -1.47 | 0.34 |
| Net | 2.21 | -2.29 | -0.08 |
| LIPI | | | |
| Individuals | 30.41 | -28.71 | 1.69 |
| Companies | 1.69 | -0.80 | 0.89 |
| Comm. Banks | 1.47 | -0.86 | 0.61 |
| NBFC | 0.01 | -0.01 | 0.00 |
| Mutual Funds | 1.12 | -3.42 | -2.30 |
| Other | 0.32 | -0.24 | 0.08 |
| Brokers Proprietary | 8.35 | -8.45 | -0.10 |
| Insurance | 0.27 | -1.06 | -0.79 |
| Net | 43.64 | -43.55 | 0.08 |

Commodity Outlook

| | Unit | Close | % chg. |
|-------------------|-----------|---------|--------|
| Crude oil | USD/bbl. | 78.83 | -0.5% |
| Brent oil | USD/bbl. | 85.25 | -0.6% |
| Gold | USD/t oz. | 1855.01 | 0.1% |
| Silver | USD/t oz. | 21.86 | -0.5% |
| Coal | USD/ton | 143.10 | 0.4% |
| Steel Scrap (LME) | USD/ton | 422.00 | -1.2% |
| Steel Rebar (LME) | USD/ton | 707.00 | -0.4% |
| USD/PKR | Interbank | 7.90 | -0.3% |

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

 Aba Ali Habib Securities (Pvt) Limited
 (021) 32429665, Ext. 106

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Petrol, diesel prices may surge by over Rs32/litre

Oil | Neutral

Prices of petroleum, oil and lubricants could surge by over Rs32/liter from tomorrow (February 16) mainly on account of the US dollar exchange rate that now stands at Rs271.82. (The News) | [Click for more info.](#)

Power

Pakistan plans to quadruple domestic coal-fired power, move away from gas
Power | Neutral

Pakistan plans to quadruple its domestic coal-fired capacity to reduce power generation costs and will not build new gas-fired plants in the coming years, its energy minister told Reuters on Monday, as it seeks to ease a crippling foreign-exchange crisis. (Reuters) | [Click for more info.](#)

Purchases by Discos from net metering consumers

Discos, Power | Neutral

The National Electric Power Regulatory Authority (Nepra) has trashed its plan to revise rates of electricity being purchased by Discos from consumers of net metering, after massive pressure from different government and private quarters. The Regulator wanted to revise down Rs 19.32 per unit National Average Power Purchase (NAPP) and replace it with National Energy Purchase Price (NAEPP), which is Rs 9 per unit aimed at bringing the sale price of net metering electricity slightly above the price of solar projects. (BR) | [Click for more info.](#)

Autos

Toyota prices increased again
INDU | Neutral

Despite a steep fall in sales amid plant closure, Indus Motor Company (IMC) has increased the prices of various Toyota vehicles for the second time in less than a month by Rs200,000-Rs890,000. (Dawn) | [Click for more info.](#)

UAE's Al-Futtaim invests Rs2bn to digitally upgrade Al-Ghazi Tractors

AGTL | Positive

UAE-based Al-Futtaim Group has invested Rs2 billion to digitally transform and overhaul the IT infrastructure of its subsidiary Al-Ghazi Tractors, one of Pakistan's largest agricultural equipment manufacturers. (BR) | [Click for more info.](#)

Miscellaneous

Gas price hike brings Sindh-Punjab energy cost disparity to the fore
Textile | Negative

The latest increase in gas prices seems to have pitched the industrialists of Punjab against those of Sindh. Newspaper ads by the All Pakistan Textile Mills Association-North demand that the government do away with different gas rates for the export-oriented industrial units of Punjab and Sindh by adopting a uniform price of \$7 per million British thermal unit (mmBtu). After the latest hike, Punjab-based industrialists are supposed to pay \$9 per mmBtu, which is almost three times higher than the gas rate enjoyed by their Sindh-based counterparts. (Dawn) | [Click for more info.](#)

World Indices

| | Last | Chg. | Chg. % |
|------------------|----------|---------|--------|
| INDIA - SENSEX | 61,032.3 | 600.42 | 0.99% |
| Taiwan - TWII | 15,654.5 | 110.20 | 0.71% |
| INDONESIA - IDX | 6,941.9 | 41.72 | 0.60% |
| CHINA - Shanghai | 3,293.3 | 9.12 | 0.28% |
| US - S&P 500 | 4,136.1 | -1.16 | -0.03% |
| KSA - Tadawul | 10,496.6 | -23.15 | -0.22% |
| PHILP - PSEi | 6,791.2 | -47.52 | -0.69% |
| HK - Hang Seng | 21,113.8 | -50.66 | -0.24% |
| US - Dow 30 | 34,089.3 | -156.66 | -0.46% |
| PAK (KSE-100) | 41,150.2 | -566.79 | -1.36% |

Board Meetings

| Scrip | Day | Agenda | Time |
|-------|-----------|--------------------------|----------|
| DINT | Wednesday | HY. A/c as of 31-Dec-22 | 10:30 AM |
| AKBL | Wednesday | Ann. A/c as of 31-Dec-22 | 11:00 AM |
| CHCC | Wednesday | HY. A/c as of 31-Dec-22 | 11:00 AM |
| ISIL | Wednesday | HY. A/c as of 31-Dec-22 | 11:00 AM |
| PTC | Wednesday | Ann. A/c as of 31-Dec-22 | 11:45 AM |
| BAHL | Wednesday | Ann. A/c as of 31-Dec-22 | 12:00 PM |
| ENGRO | Wednesday | Ann. A/c as of 31-Dec-22 | 2:30 PM |
| SPLC | Wednesday | HY. A/c as of 31-Dec-22 | 4:00 PM |
| MEBL | Thursday | Ann. A/c as of 31-Dec-22 | 9:30 AM |
| HUBC | Thursday | HY. A/c as of 31-Dec-22 | 10:00 AM |
| ABL | Thursday | Ann. A/c as of 31-Dec-22 | 11:00 AM |
| BWHL | Thursday | HY. A/c as of 31-Dec-22 | 11:00 AM |
| KOHC | Thursday | HY. A/c as of 31-Dec-22 | 11:00 AM |
| PPP | Thursday | HY. A/c as of 31-Dec-22 | 11:00 AM |
| ICL | Thursday | HY. A/c as of 31-Dec-22 | 11:30 AM |
| ALTN | Thursday | HY. A/c as of 31-Dec-22 | 2:30 PM |
| CPPL | Thursday | HY. A/c as of 31-Dec-22 | 2:30 PM |
| SCBPL | Thursday | Ann. A/c as of 31-Dec-22 | 3:00 PM |
| MACFL | Thursday | HY. A/c as of 31-Dec-22 | 4:00 PM |
| PSO | Friday | HY. A/c as of 31-Dec-22 | 9:30 AM |
| ATBA | Friday | HY. A/c as of 31-Dec-22 | 10:30 AM |
| BOP | Friday | Ann. A/c as of 31-Dec-22 | 11:30 AM |
| MTL | Friday | HY. A/c as of 31-Dec-22 | 12:00 PM |
| TATM | Friday | HY. A/c as of 31-Dec-22 | 2:30 PM |
| KOHE | Friday | HY. A/c as of 31-Dec-22 | 3:00 PM |
| SPEL | Friday | HY. A/c as of 31-Dec-22 | 4:30 PM |

Source: PSX

Research Team
research@abaalihabib.com

 Aba Ali Habib Securities (Pvt) Limited
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MORNING BRIEFING

FED on cigarettes doubled**PAKT | Positive**

The government has started the implementation of the mini-budget late Tuesday night by doubling the Federal Excise Duty on cigarettes from Feb 14, 2023. According to the notification, under the first slab of cigarettes, locally produced cigarettes if their on-pack printed retail price exceeds Rs 9000 per 1000 cigarettes, the rate of the federal excise duty would be Rs 16,500 per thousand cigarettes. (BR) | [Click for more info.](#)

SBP moves to ensure export proceeds realized in time**Economy | Neutral**

For ensuring the timely realization of export proceeds, the State Bank of Pakistan (SBP) has decided to initiate necessary action in all those cases where full or partial proceeds are not realized within the prescribed period. In a circular issued on Tuesday, the central bank directed banks [authorized dealers] to adopt the following procedure at the time of conversion of export proceeds into rupees. (Dawn) | [Click for more info.](#)

International News**Oil settles down 1%, then drops more on hint of big U.S. crude build**

Oil prices settled 1% lower on Tuesday as traders worried about mounting supplies, and prices extended losses in post-settlement trading after sources said data from the American Petroleum Institute showed a large build in U.S. crude oil and distillate inventories. (Reuters) | [Click for more info.](#)

Asia Stocks, US Futures Fall After Hot CPI Print: Markets Wrap

Asian stocks and US equity futures fell Wednesday as investors weighed hot American inflation data and mixed commentary from central bankers on the outlook for interest rates. (Bloomberg) | [Click for more info.](#)

Research Teamresearch@abaalihabib.comAba Ali Habib Securities (Pvt) Limited
(021) 32429665, Ext. 106

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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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THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

Zaheer Ahmed - Head of Equity Sales & Business Dev.
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Mr. Salman Naqvi - Head of Retail Sales
(021) 32431925

Fahed Fazal - Manager Equity Sales
Fahedfazal@abaalihabib.com
(021) 32431925

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Shoaib - Equity Trader
shoibqadri@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Karachi Office

Suite# 505, 5th Floor, Business Plaza,
Mumtaz Hussan Road, Off I.I. Chundrigar
Road, Karachi

Contact: 021-32429664-7

Cell: [+92 3312766771](tel:+923312766771)