

March 16, 2023

Morning Briefing

Economy

Chinese bank may refinance \$500m loan

Economy | Positive

A Chinese bank has given assurances it will provide another refinanced \$500 million loan within the next few days, bringing the total of commercial loans up to \$1.7 billion out of the total committed amount of \$2 billion. (The News) | [Click for more info.](#)

Pakistan's recession risk looms large amid IMF loan talks

Economy | Negative

Pakistan's lingering political and economic turmoil, coupled with multiple delays in the International Monetary Fund's bailout programme, will likely push the nation into a recession, a Bloomberg survey showed. (The News) | [Click for more info.](#)

Pakistan dollar bonds fall on delayed IMF deal, political noise

Economy | Negative

Pakistan's sovereign bonds dropped on Wednesday as political tensions escalated after some violent skirmishes between police and supporters of former PM Imran Khan, while delays in winning an IMF deal also contributed in the decline, experts said. (The News) | [Click for more info.](#)

Govt raises Rs26.4bn through PIBs

Economy | Neutral

The government on Wednesday could only raise Rs26.4 billion through the Pakistan Investment Bonds (PIBs) against the target of Rs100bn, as investors sought higher returns. The State Bank's data showed that the government accepted the highest amount of Rs25 billion for three-year PIBs while it accepted only Rs75 million for the five-year tenor. The bids for the benchmark 10-year PIBs were the highest, at Rs122.8bn. (Dawn) | [Click for more info.](#)

PKR remains under pressure

Economy | Negative

As per the State Bank of Pakistan (SBP), the rupee settled at 282.85, a decline of Re0.56. In the open market, the PKR lost 1.50 rupee for both buying and selling against USD, closing at 282.50 and 285.50, respectively. (BR) | [Click for more info.](#)

Oil & Gas

Petrol price raised by Rs5, diesel sees Rs13 hike

Oil | Negative

The government on Wednesday increased the prices of petrol and high speed diesel (HSD) by Rs5 and Rs13 per litre, respectively. "In the last fortnight, Platts Singapore prices registered an increase. This along with a depreciation of Pak rupee has resulted in an increase of POL (petroleum, oil and lubricant) products in Pakistan," a press release issued by the Finance Division said. (Dawn) | [Click for more info.](#)

Two oil exploring firms asked to clear royalty dues

E&P | Neutral

The Auditor General of Pakistan (AGP) has asked two oil and gas exploration companies to clear their royalty before the matter is referred to the FIA and the NAB, sources said. This resulted in non-realisation of royalty amounting to Rs10.7 billion. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,369.4	27,409.7	40.3	0.1%
KSE100	41,816.4	41,874.0	57.6	0.1%
KSE30	15,582.5	15,588.2	5.7	0.0%
KMI30	72,267.2	72,491.5	224.3	0.3%

Top Five Gainers

	Open	Close	Chg.	%
ZIL	243.9	260.0	16.1	6.6%
JSGCL	283.0	297.5	14.5	5.1%
FZCM	163.1	173.5	10.4	6.4%
ABOT	400.1	409.8	9.8	2.4%
LUCK	415.1	424.5	9.4	2.3%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
MLCF	25.7	27.4	1.7	32.85
HASCOL	6.4	6.4	0.1	12.32
WTL	1.3	1.3	0.0	11.02
FCCL	11.8	12.5	0.7	9.46
DGKC	43.1	46.3	3.2	8.45

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	-0.02	-0.02
F-Corporates	0.50	-0.18	0.32
O/S Pakistanians	1.08	-1.52	-0.44
Net	1.59	-1.72	-0.13
LIPI			
Individuals	22.90	-21.06	1.85
Companies	4.41	-2.04	2.37
Comm. Banks	1.37	-1.96	-0.59
NBFC	0.02	-0.02	-0.01
Mutual Funds	2.26	-3.20	-0.95
Other	0.30	-0.66	-0.35
Brokers Proprietary	5.72	-5.66	0.05
Insurance	1.67	-3.89	-2.23
Net	38.63	-38.50	0.13

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	67.61	-5.9%
Brent oil	USD/bbl.	74.28	-4.3%
Gold	USD/t oz.	1918.10	0.8%
Silver	USD/t oz.	21.79	0.4%
Coal	USD/ton	136.00	-0.4%
Steel Scrap (LME)	USD/ton	459.50	0.0%
Steel Rebar (LME)	USD/ton	731.00	-1.6%
USD/PKR	Interbank	8.18	-0.3%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

PSO suggests Rs10/litre levy to avert default

PSO | Neutral

While claiming it is on the brink of collapse, Pakistan State Oil (PSO), state-owned energy marketing company, has submitted “cash arrangement formula” to the government including imposition of Rs 10/ litre levy on sale of Mogas (petrol) and HSD with an impact of Rs 100 billion to be paid to it against LNG to avoid imminent default, sources close to Minister of State for Petroleum told. (BR) | [Click for more info.](#)

Power

PM sets up panel for action plan; DISCOs to be handed over to provinces

Power | Neutral

Prime Minister Shehbaz Sharif has formed a committee regarding handing over electricity distribution companies to provinces. He directed the committee to finalise the action plan soon. (BR) | [Click for more info.](#)

Fertilizer

ECC orders gas for two urea plants

Fatima, AGL | Positive

Amid persistent dearth of foreign exchange, the Economic Coordination Committee (ECC) of the Cabinet on Wednesday decided to provide indigenous gas to two Punjab-based fertiliser plants to meet a 300,000-tonne gap of urea fertiliser through domestic production for the upcoming Kharif season instead of imports. (Dawn) | [Click for more info.](#)

US unveils \$4.5m fertiliser right project

Fertilizer | Positive

The United States announced on Tuesday a \$4.5 million Fertiliser Right project that will be implemented over the next four years to help Pakistani farmers enhance fertiliser use efficiency. “Simply put, farmers need fertilisers to grow crops,” said US Ambassador Donald Blome while launching the project at the National Agricultural Research Centre (NARC) in Islamabad on Tuesday. (Dawn) | [Click for more info.](#)

Miscellaneous

Consumer price inflation in Pakistan second highest in South Asia:

WB
Economy | Negative

The consumer price inflation for food items in Pakistan was 45.1 per cent in February 2023 on a year-on-year basis – the highest in South Asia after Sri Lanka with 54.4 per cent, says the World Bank. (BR) | [Click for more info.](#)

Political News

Govt to fulfil constitutional duty of holding polls: PM

Prime Minister Shehbaz Sharif on Wednesday said the federal government was committed to fulfilling its constitutional obligation of holding an election and would act as per the decision of the Election Commission of Pakistan (ECP). (The News) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	19,539.9	291.91	1.52%
PHILP - PSEi	6,466.1	72.77	1.14%
PAK (KSE-100)	41,874.0	57.61	0.14%
Taiwan - TWII	15,387.6	27.17	0.18%
CHINA - Shanghai	3,263.3	18.01	0.55%
INDONESIA - IDX	6,628.1	-13.67	-0.21%
US - S&P 500	3,891.9	-27.36	-0.70%
KSA - Tadawul	10,048.5	-158.67	-1.55%
US - Dow 30	31,874.6	-280.83	-0.87%
INDIA - SENSEX	57,555.9	-344.29	-0.59%

Board Meetings

Scrip	Day	Agenda	Time
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
IGIL	Monday	Ann. A/c as of 31-Dec-22	4:30 PM
SIBL	Monday	Ann. A/c as of 31-Dec-22	4:30 PM

Source: PSX

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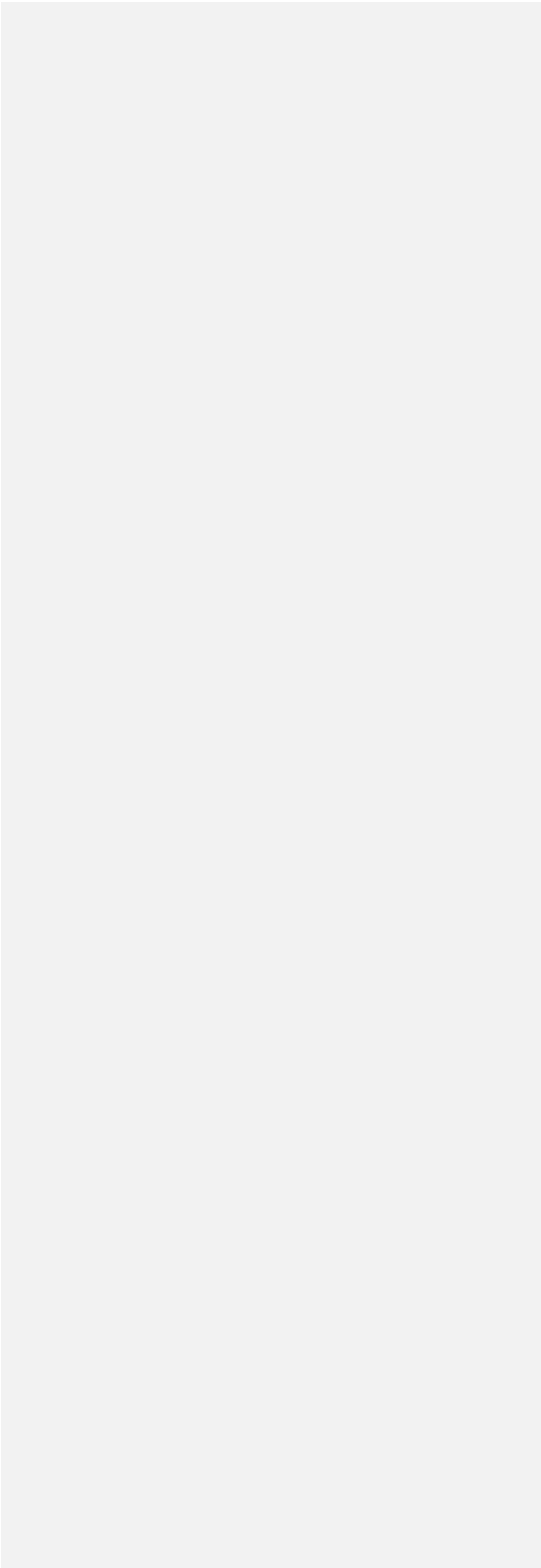
International News

Oil slumps nearly 5% to lowest in more than a year as banking fears mount

Oil prices plunged by nearly 5% on Wednesday to settle at the lowest levels in more than a year on concerns that a crisis of confidence in the banking sector could trigger a recession and cut demand. (Reuters) | [Click for more info.](#)

Europe, US Futures Rally on Credit Suisse Funding: Markets Wrap

European and US equity futures advanced, Asian stocks pared losses and Treasuries fell Thursday as news that Credit Suisse Group AG would borrow money from Switzerland's central bank provided a measure of calm for investors. (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 FCF based DCF methodology.

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