

November 16, 2022

## Economy

**Staff-level mission date not finalised; IMF wants required adjustments**

**Economy | Negative**

The International Monetary Fund (IMF) Staff Mission is expected in Islamabad by the end of the ongoing month but the date has not yet been finalised as the Fund wanted Pakistan to first make the required adjustments. (BR) | [Click for more info.](#)

**GDP target could be hit by more than 2pc: Ayesha Pasha**

**Economy | Negative**

State Minister for Finance Ayesha Ghous Pasha told the National Assembly's Standing Committee on Finance and Revenue that due to the recent devastating floods, nine million people have gone below the poverty line. Besides, the country's economic growth rate may fall short of the target by more than 2 percent. The economic team also ruled out the possibility of imposing additional taxes saying the country has briefed the International Monetary Fund (IMF) on the likelihood of shortfall in its tax collection due to the flood-hit economy and the IMF is likely to give concessions in loans to Pakistan. (The News) | [Click for more info.](#)

**FBR chairman tells NA body; 'So far, no mini-budget is under consideration'**

**Economy | Neutral**

Briefing the National Assembly Standing Committee on Finance at the Parliament House, the FBR chairman said that so far, the government has decided not to take any new taxation measures, as revenue collection position during July-October (2022-23) is on track. "So far, no mini-budget is under consideration". However, import compression has adversely affected the taxes collected at the import stage. (BR) | [Click for more info.](#)

**LHC declares unadjustable, advance income tax 'unlawful'**

**Economy | Neutral**

The Lahore High Court has ruled that the collection of an 'unadjustable, advance' income tax from a person not liable to pay income tax or file income tax returns is unconstitutional. (Dawn) | [Click for more info.](#)

**Rupee rout enters third day as dollar demand rises**

**Economy | Negative**

Pakistan's rupee's retreat entered its third day in the interbank market as it eased by Re0.22 or 0.10% versus the dollar to close at 221.91 compared to Monday's close of 221.69, the State Bank of Pakistan's (SBP) data showed. Traders pinned this downtrend to lean foreign exchange reserves amid rising imports, while the decline was also attributed to an increase in demand for the greenback from importers. (The News) | [Click for more info.](#)

## Oil & Gas

**PSM to get Rs1.26bn to foot the bill for gas**

**SSGC | Positive**

The Economic Coordination Committee (ECC) of the Cabinet approved release of funds amounting to Rs1.258 billion to the Pakistan Steel Mills (PSM) for payment of gas supply bills to the Sui Southern Gas Company (SSGC). (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,120.0	29,087.3	-32.8	-0.1%
KSE100	42,850.8	42,796.9	-54.0	-0.1%
KSE30	15,729.0	15,708.6	-20.5	-0.1%
KMI30	72,333.0	72,395.7	62.6	0.1%

### Top Five Gainers

	Open	Close	Chg.	%
TICL	274.0	289.0	15.0	5.5%
SCL	250.0	260.0	10.0	4.0%
PKGS	390.0	399.0	9.0	2.3%
MUREB	375.1	383.5	8.4	2.2%
INDU	922.2	930.0	7.8	0.8%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
LOTCEM	30.8	31.1	0.3	17.83
WTL	1.6	1.5	0.0	14.33
TRG	146.2	140.8	-5.3	12.40
UNITY	19.7	18.9	-0.8	10.77
TPLP	19.1	19.1	0.0	10.29

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.33	-0.53	-0.20
O/S Pakistanians	2.77	-2.20	0.57
<b>Net</b>	<b>3.11</b>	<b>-2.74</b>	<b>0.37</b>
LIPI			
Individuals	38.72	-37.84	0.88
Companies	1.33	-1.08	0.25
Comm. Banks	0.75	-1.03	-0.28
NBFC	0.03	-0.02	0.01
Mutual Funds	1.76	-1.84	-0.08
Other	0.33	-0.16	0.17
Brokers Proprietary	9.82	-10.96	-1.15
Insurance	0.14	-0.32	-0.18
<b>Net</b>	<b>52.88</b>	<b>-53.26</b>	<b>-0.37</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	87.31	2.4%
Brent oil	USD/bbl.	93.77	1.4%
Gold	USD/t oz.	1780.91	0.6%
Silver	USD/t oz.	21.54	-1.8%
Coal	USD/ton	200.10	6.6%
Steel Scrap (LME)	USD/ton	341.50	-0.1%
Steel Rebar (LME)	USD/ton	636.00	-0.5%
USD/PKR	Interbank	6.24	0.2%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

## Oil prices kept unchanged

### Oil | Neutral

The government on Tuesday decided to keep the prices of all petroleum products unchanged until November 30. The announcement to maintain prices of petrol, high speed diesel (HSD), kerosene and light diesel oil (LDO) was made by Finance Minister Ishaq Dar on national television through a pre-recorded message. "The prices will remain unchanged from November 16 to 30," he said. This is the second fortnight in a row that the prices remained unchanged. (Dawn) | [Click for more info.](#)

## Power

### Circular debt keeps rising despite massive power tariff hike

#### Power | Negative

Despite an over 50 per cent hike in power tariff involving Rs1.2 trillion additional burden on consumers, the government on Tuesday conceded that circular debt was continuously going up due to missed targets on recovery and losses. (Dawn) | [Click for more info.](#)

### Star Hydro Power case: PPIB in trouble

#### Power | Negative

According to official documents, the project enterprise obtained an arbitration award on May 18, 2022, under the project's Power Purchase Agreement (PPA) against the offtake, the National Transmission and Despatch Company Limited (NTDC) for liquidated damages relating to delayed commencement of operations of the project, i.e., award. The component of the award includes: (a) Rs 2,019,318,458 (for delay in invoices); (b) \$ 16,452,807 (for principal debt payment that fell due in June 2017); (c) \$2,727,240 (for legal costs); and (d) GBP 51,180.02 (for arbitration costs). (BR) | [Click for more info.](#)

### Nepra agrees to let Discos recover Rs43bn from consumers

#### Discos | Positive

National Electric Power Regulatory Authority (Nepra) on Tuesday agreed to allow power Distribution Companies (Discos) to recover Rs 43.337 billion from consumers for first quarter of (July-September) 2022-23 under QTA mechanism but recovery period is still disputed between the regulator and Power Division. (BR) | [Click for more info.](#)

## Miscellaneous

### ECC extends cheaper gas to two Punjab urea makers

#### FATIMA, AGL | Positive

The federal government on Tuesday extended for two months the supply of cheaper Liquefied Natural Gas (LNG) to two Punjab-based fertiliser plants with an additional subsidy of about Rs20bn and subsidised supply of essential items in Khyber Pakhtunkhwa until June 2023 with Rs17bn additional funds. The ECC also approved a summary of the Ministry of Energy on the continuation of subsidised RLNG supply to Fatima Fertiliser and Agritech Ltd from October to December with an additional subsidy worth Rs20bn to be picked by the government to ensure domestic urea production. The meeting was told that the government had provided a total of Rs71bn worth of subsidy to the two plants to ensure LNG at cheaper rates (of Rs839 per mmBtu). (Dawn) | [Click for more info.](#)

## World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	18,343.1	723.41	4.11%
Taiwan - TWII	14,546.3	371.41	2.62%
INDIA - SENSEX	61,873.0	248.84	0.40%
PHILP - PSEi	6,418.9	64.18	1.01%
US - Dow 30	33,592.9	56.22	0.17%
CHINA - Shanghai	3,134.1	50.68	1.64%
US - S&P 500	3,991.7	34.48	0.87%
INDONESIA - IDX	7,035.5	16.11	0.23%
PAK (KSE-100)	42,796.9	-53.98	-0.13%
KSA - Tadawul	11,096.6	-100.88	-0.90%

## Board Meetings

Scrip	Day	Agenda	Time
HCAR	Wednesday	HY A/c as at 30-Sep-22	11:30 AM
OBOY	Friday	1Q A/c as at 30-Jun-22	11:00 AM
SKRS	Friday	HY A/c as at 30-Sep-22	5:00 PM
DADX	Friday	1Q A/c as at 30-Jun-22	11:30 AM
MFFL	Thursday	Ann A/c as at 30-Sep-22	11:00 AM

Source: PSX

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MORNING BRIEFING

**JS Group eyes majority shareholding in BankIslami****JSBL | Positive**

JS Bank Ltd said on Tuesday it wants to acquire more than 51 per cent shares and control of BankIslami Pakistan Ltd. One of the smallest lenders in terms of market capitalisation, JS Bank already owns 7.79pc shareholding in the country's second largest Sharia-compliant bank. (Dawn) | [Click for more info.](#)

**TPL REIT and TASC Towers submit bid to acquire Telecom Tower Infrastructure Company****TPLP | Neutral**

Pakistan's TPL REIT Management Company Ltd (RMC) along with TASC Towers, a UAE-based mobile telecom tower operator, have submitted a firm bid for the acquisition of Telecom Tower Infrastructure Company, which owns and manages around 10,500 operating towers in Pakistan through an infrastructure real estate investment trust (REIT). (BR) | [Click for more info.](#)

**5G technology from next year: Haque****Technology | Neutral**

Federal Minister for IT and Telecommunication Syed Amin Ul Haque on Tuesday vowed to launch 5G technology in the country next year. He was talking to Wang Hua, CEO of Zong, who called on him in his office. According to a govt release, matters related to spectrum, 5G technology, connectivity and provision of quality telecom services were discussed during the meeting. (The News) | [Click for more info.](#)

**Political News****New army chief likely to be appointed around Nov 20**

The new army chief is expected to be appointed around November 20, it has been learnt. Decision has been taken and, according to a credible source, seniority will get preference this time. The source has shared the name of the lieutenant general being promoted as a four-star general and appointed as army chief, but this newspaper avoids making it public for sensitivities involved. (The News) | [Click for more info.](#)

**International News****Stocks Fall, Dollar Steadies on Rocky Geopolitics: Markets Wrap**

Shares in Asia fell Wednesday as investors balanced encouraging data that supported a slowdown in Federal Reserve rate hikes with Poland saying a Russian-made missile hit its territory. (Bloomberg) | [Click for more info.](#)

**Oil Fluctuates After Poland Struck by Russian-Made Missile**

Oil fluctuated as investors weighed a potential escalation of the war in Ukraine after Poland was struck by a Russian-made missile. West Texas Intermediate traded near \$87 a barrel after closing 1.2% higher on Tuesday. (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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