

December 16, 2022

## Economy

**ADB approves \$775m for flood-hit provinces**
**Economy | Positive**

Pakistan and the Asian Development Bank (ADB) on Thursday signed \$775 million worth of five financing agreements to support recovery and reconstruction efforts in the flood-affected areas of Balochistan, Khyber Pakhtunkhwa and Sindh. (Dawn) | [Click for more info.](#)

**UN says funds for flood-hit Pakistan to run out in weeks**
**Economy | Neutral**

The United Nations on Thursday said that emergency food aid for devastated flood-hit communities in Pakistan would run out in January after a funding appeal received only a third of its target. The UN had appealed for more than \$816 million but said its agencies and other NGOs have only received \$262 million from international donors. (ET) | [Click for more info.](#)

**SBP reserves fall by \$11bn in 12 months**
**Economy | Negative**

The foreign exchange reserves held by the State Bank of Pakistan (SBP) continued its declining spree witnessing a minor outflow of \$15 million to \$6.70 billion during the week ending Dec 9 compared to a whopping \$784m drop recorded in the preceding week, announced the central bank on Thursday. The critical condition of SBP's reserves was obvious from the fact it declined by \$11bn during a year. In Dec 2021, the central bank's reserves were \$17.686bn which now stood at \$6.7bn. (Dawn) | [Click for more info.](#)

**LSM contracts 7.75pc in October**
**Economy | Negative**

Large-scale manufacturing (LSM) posted a negative growth of 7.75 per cent in October this year over the same month last year. This was the second consecutive month this year to have posted a negative growth rate, according to data released by the Pakistan Bureau of Statistics on Thursday. (Dawn) | [Click for more info.](#)

**Govt, Barrick Gold sign final accord on Reko Diq**
**Economy | Neutral**

The federal and Balochistan governments signed an agreement on Reko Diq with the Canadian company Barrick Gold on Thursday, days after the Supreme Court endorsed a settlement to resume mining at the site located in Chagai district. The agreement will take effect on Dec 16 (today) and the company will start work on the project with immediate effect. (Dawn) | [Click for more info.](#)

## Oil & Gas

**Ishaq Dar announces reduction of Rs10 in petrol price, diesel's rate cut by Rs7.5**
**Oil | Positive**

Finance Minister Ishaq Dar on Thursday announced that the price of petrol was being reduced by Rs10 and diesel was being brought down by Rs7.5 per litre, Aaj News reported. The reduction means the price of petrol is now Rs214.8 per litre, while that of diesel is Rs227.80 per litre with effect from December 16. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,073.0	27,720.6	-352.4	-1.3%
KSE100	41,737.6	41,179.8	-557.9	-1.3%
KSE30	15,463.4	15,215.3	-248.2	-1.6%
KMI30	70,292.2	69,383.1	-909.1	-1.3%

### Top Five Gainers

	Open	Close	Chg.	%
BHAT	1,063.0	1,142.7	79.7	7.5%
PSL	1,279.2	1,350.0	70.8	5.5%
SAPL	944.0	997.9	53.9	5.7%
PMRS	560.0	580.0	20.0	3.6%
SURC	150.0	158.0	8.0	5.3%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BAFL	31.2	30.7	-0.5	41.17
WTL	1.4	1.3	-0.1	18.59
KEL	2.5	2.5	-0.1	10.06
DFML	16.5	15.2	-1.2	8.78
HASCOL	7.4	7.1	-0.3	7.91

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.02	0.00	0.02
F-Corporates	0.68	-5.31	-4.64
O/S Pakistanies	1.56	-1.09	0.47
<b>Net</b>	<b>2.26</b>	<b>-6.40</b>	<b>-4.14</b>
LIPI			
Individuals	19.41	-19.38	0.03
Companies	2.25	-1.08	1.17
Comm. Banks	7.71	-0.89	6.82
NBFC	0.05	-0.10	-0.05
Mutual Funds	3.51	-8.05	-4.54
Other	0.96	-0.09	0.87
Brokers Proprietary	5.12	-5.00	0.12
Insurance	1.34	-1.61	-0.27
<b>Net</b>	<b>40.35</b>	<b>-36.21</b>	<b>4.14</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	76.25	-1.3%
Brent oil	USD/bbl.	81.44	-1.7%
Gold	USD/t oz.	1776.64	-1.7%
Silver	USD/t oz.	23.06	-3.4%
Coal	USD/ton	226.75	-1.2%
Steel Scrap (LME)	USD/ton	385.50	-1.0%
Steel Rebar (LME)	USD/ton	671.00	0.2%
USD/PKR	Interbank	6.44	-0.2%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

## Discounted Russian oil not 'a reality,' says Bilawal

**Oil | Negative**

Pakistan is seeking "to address the energy shortfalls and difficulties we're facing," Foreign Minister Bilawal Bhutto-Zardari said on Thursday, but he dismissed the concept of discounted Russian oil after Islamabad announced a deal with Moscow. (BR) | [Click for more info.](#)

## Attock Refinery shutdown to create POL, gas crisis up north

**ATRL | Negative**

Northern Pakistan would experience a shortage of POL products, once Attock Refinery Limited's (ARL) crude storage hits maximum capacity in 6-7 days, leading to low refining capacity, Energy Ministry officials the told. (The News) | [Click for more info.](#)

## Autos

### MTL notifies non-production days

**MTL | Negative**

Millat Tractors Limited (MTL) has announced to close its production on Fridays on a decline in demand for tractors in the country. (The News) | [Click for more info.](#)

## Sugar

### Ignoring PM's audit direction, ECC allows sugar export

**Sugar | Positive**

Sidestepping Prime Minister Shehbaz Sharif's instructions for an independent stock audit, the Economic Coordination Committee (ECC) of the Cabinet on Thursday finally allowed the export of 100,000 tonnes of sugar with the condition that millers will ensure domestic prices at the existing level for 45 days. (Dawn) | [Click for more info.](#)

## Miscellaneous

### MEBL crosses Rs3bn in Shariah compliant Roshan Equity Investment

**MEBL | Positive**

Meezan Bank Limited (MEBL) has crossed the mark of Rs3 billion mark in Shariah-compliant Roshan Equity Investment in Pakistan Stock Exchange (PSX) by Meezan Roshan Digital Account customers, the bank informed via its official social media handle. (Mettis) | [Click for more info.](#)

### Engro to buy back 12pc of its shares from stock market

**ENGRO | Neutral**

Engro Corporation Ltd told investors on Thursday it wants to buy back up to 70 million of its shares from the stock market for the purpose of cancellation. The move is aimed at improving the earnings per share of the company, it said. (Dawn) | [Click for more info.](#)

### Searle Pakistan looks to raise Rs3.24bn through IPO

**SEARL | Positive**

Searle Pakistan Limited (SPL), formerly OBS Pakistan Pvt Limited and a subsidiary of The Searle Company Limited (TSCL), intends to raise over Rs3.24 billion or \$14.45 million through an Initial Public Offering (IPO). (BR) | [Click for more info.](#)

## World Indices

	Last	Chg.	Chg. %
KSA - Tadawul	10,290.4	42.30	0.41%
Taiwan - TWII	14,734.1	-5.23	-0.04%
CHINA - Shanghai	3,168.7	-7.88	-0.25%
PHILP - PSEi	6,566.8	-48.27	-0.73%
INDONESIA - IDX	6,751.9	-49.89	-0.73%
US - S&P 500	3,895.8	-99.57	-2.49%
HK - Hang Seng	19,368.6	-304.86	-1.55%
PAK (KSE-100)	41,179.8	-557.86	-1.34%
US - Dow 30	33,202.2	-764.13	-2.25%
INDIA - SENSEX	61,799.0	-878.88	-1.40%

## Board Meetings

Scrip	Day	Agenda	Time
HBL	Friday	Other Matters	10:00 AM
MIRKS	Friday	Ann A/c for 30-Sep-22	2:30 PM
PNSC	Friday	Other Matters	3:00 PM
HINOON	Monday	Other Matters	10:30 AM
HASCOL	Monday	Other Matters	11:30 AM
JSML	Monday	Ann A/c for 30-Sep-22	11:30 AM
DAWH	Monday	Other Matters	3:00 PM
PSYL	Monday	Other Matters	4:00 PM
CYAN	Monday	Other Matters	5:00 PM

Source: PSX

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MORNING BRIEFING

**International accord's expansion in Pakistan harmful for textile industry****Textile | Neutral**

International Accord's expansion to Pakistan was announced during a signatory brand caucus meeting in Amsterdam the other day. International Accord is a for-profit organization. Currently, Pakistan does not have a legal body to regulate and monitor all compliance bodies. In the absence of this monitoring, expansion of a for-profit organization, having a history of fraudulent and illegal factory inspections and assessments, could threaten Pakistan's textile and garment industry. (The News) | [Click for more info.](#)

**Political News****Imran Khan expected to dissolve assemblies by December 23**

Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan expected to dissolve assemblies either on December 17 or 23, the party's senior vice-president, Fawad Chaudhry, said Thursday. (The News) | [Click for more info.](#)

**International News****Asian Equities Knocked Down by Hawkish Rate Views: Markets Wrap**

Asian stocks dropped Friday after hawkish signals from central banks sparked a rout in European and US equities. (Bloomberg) | [Click for more info.](#)

**Oil Set for Weekly Gain on Signs of Tight Supply, China Comeback**

Oil headed for the biggest weekly gain since early October on signs of tightening supply and the prospect for improved Chinese demand, despite downward pressure from interest-rate hikes. (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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