

February 17, 2023

## Economy

**Pakistan-IMF staff-level agreement likely next week**

**Economy | Neutral**

Pakistan and the IMF are expected to strike a staff-level agreement next week as the State Bank of Pakistan (SBP) is scheduled to engage with the Fund mission on monetary policy and foreign exchange reserves targets for the end of June 2023. (The News) | [Click for more info.](#)

**SC orders big firms to deposit 4pc supertax**

**Oil & Gas, Autos, Steel, Cement, Fertilizer, Sugar, Textile, Tobacco | Negative**

The Supreme Court on Thursday directed all the big companies to ensure they would deposit four percent supertax. Last year, the government imposed a supertax on companies earning over Rs150 million. They included cement industries, steel, sugar, oil and gas, fertilizers, textiles, automobile, tobacco, etc. (The News) | [Click for more info.](#)

**SBP's forex reserves rise \$276 million to \$3.19 billion**

**Economy | Neutral**

Pakistan's foreign exchange reserves held by the central bank increased by \$276 million to \$3.19 billion in the week ending February 10, the State Bank of Pakistan (SBP) said on Thursday. (The News) | [Click for more info.](#)

**Debt, liabilities surge 23.5pc to Rs63.9tr in July-Dec**

**Economy | Negative**

Pakistan total debt and liabilities dimbed 23.5 percent to Rs63.9 trillion at the end of December 2022, taking the cash-strapped country into uncharted waters. Overall debt and liabilities of the country had stood at \$51.7 trillion by the end of December 2021, data from the State Bank of Pakistan (SBP) on Thursday showed. (The News) | [Click for more info.](#)

**US says concerned about debt owed to China by Pakistan**

**Economy | Negative**

The United States is concerned about debt owed to China by Pakistan and other countries, US State Department Counselor Derek Chollet said on Thursday during a visit to Islamabad as the country dealt with an economic crisis. China and Chinese commercial banks held about 30% of Pakistan's total external debt of about \$100 billion, according to a report by the International Monetary Fund released in September last year. (BR) | [Click for more info.](#)

**Fiscal year 2022-23; Tax target raised to Rs7.64trn**

**Economy | Neutral**

Federal Board of Revenue (FBR) Chairman Asim Ahmad Thursday said the government will review the taxation measures of Rs170 billion taken through the Finance (Supplementary) Bill, 2023 in the coming budget and the FBR's annual target has been increased from Rs7,470 billion to Rs7,640 billion for 2022-23. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

|         | Open     | Close    | Chg.   | %     |
|---------|----------|----------|--------|-------|
| KSE All | 27,549.7 | 27,366.4 | -183.4 | -0.7% |
| KSE100  | 41,326.9 | 41,078.7 | -248.2 | -0.6% |
| KSE30   | 15,568.7 | 15,488.6 | -80.1  | -0.5% |
| KMI30   | 71,505.2 | 70,927.1 | -578.2 | -0.8% |

### Top Five Gainers

|        | Open    | Close   | Chg.  | %    |
|--------|---------|---------|-------|------|
| RMPL   | 8,450.0 | 8,799.0 | 349.0 | 4.1% |
| RCML   | 609.4   | 655.0   | 45.6  | 7.5% |
| NESTLE | 5,355.0 | 5,381.1 | 26.1  | 0.5% |
| ISIL   | 530.0   | 550.0   | 20.0  | 3.8% |
| ZIL    | 197.9   | 212.8   | 14.8  | 7.5% |

### Top Five Volume Leaders

|      | Open  | Close | Chg. | Vol.  |
|------|-------|-------|------|-------|
| WTL  | 1.2   | 1.2   | 0.0  | 13.50 |
| MLCF | 22.1  | 22.2  | 0.0  | 11.71 |
| MEBL | 92.4  | 96.6  | 4.2  | 7.24  |
| OGDC | 95.8  | 93.4  | -2.4 | 6.69  |
| TRG  | 113.8 | 114.4 | 0.6  | 5.80  |

### Portfolio Investments – Net Position

| FIPI                | Buy          | Sell          | Net          |
|---------------------|--------------|---------------|--------------|
| F-Individuals       | 0.00         | 0.00          | 0.00         |
| F-Corporates        | 0.55         | -0.44         | 0.11         |
| O/S Pakistanians    | 3.02         | -3.05         | -0.04        |
| <b>Net</b>          | <b>3.57</b>  | <b>-3.50</b>  | <b>0.08</b>  |
| LIPI                |              |               |              |
| Individuals         | 26.35        | -26.61        | -0.26        |
| Companies           | 3.12         | -0.63         | 2.49         |
| Comm. Banks         | 0.71         | -0.66         | 0.05         |
| NBFC                | 0.03         | -0.01         | 0.02         |
| Mutual Funds        | 1.41         | -3.32         | -1.91        |
| Other               | 0.53         | -0.31         | 0.22         |
| Brokers Proprietary | 8.16         | -8.41         | -0.26        |
| Insurance           | 0.09         | -0.52         | -0.43        |
| <b>Net</b>          | <b>40.40</b> | <b>-40.48</b> | <b>-0.08</b> |

### Commodity Outlook

|                   | Unit      | Close   | % chg. |
|-------------------|-----------|---------|--------|
| Crude oil         | USD/bbl.  | 77.82   | -0.9%  |
| Brent oil         | USD/bbl.  | 84.63   | -0.8%  |
| Gold              | USD/t oz. | 1837.44 | 0.1%   |
| Silver            | USD/t oz. | 21.60   | -0.1%  |
| Coal              | USD/ton   | 143.75  | -1.5%  |
| Steel Scrap (LME) | USD/ton   | 415.00  | -1.5%  |
| Steel Rebar (LME) | USD/ton   | 712.00  | 0.2%   |
| USD/PKR           | Interbank | 7.72    | -0.7%  |

News Source: Local / Int'l Newspapers and websites

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## Oil & Gas

**Rs9.92/litre on petrol, Rs13.12 on HSD; PSO allowed exchange rate adjustment**

**PSO | Neutral**

The federal government allowed the Pakistan State Oil (PSO) an exchange rate adjustment of Rs9.92 per litre on petrol and Rs13.12 per litre on high-speed diesel (HSD) with effect from February 16 while keeping the petroleum levy (PL) rates on both products unchanged. On January 29, there was no adjustment claim of PSO on petrol and Rs13.15 per litre on HSD. (RB) | [Click for more info.](#)

**OGDCL asked by ECC to give Missa Keswal D&PL extension**

**ODGC | Neutral**

The Economic Coordination Committee (ECC) of the Cabinet has directed Oil and Gas Development Company (OGDCL) to grant two-year extension in renewal in Missa Keswal Development and Production Lease (D&PL) within a month. (BR) | [Click for more info.](#)

## Power

**FCA for Dec 2022: Nepra asks Discos to refund Rs2.3/unit to consumers**

**Discos | Neutral**

The National Electric Power Regulatory Authority (Nepra) on Thursday allowed the state-run power distribution companies (Discos) to refund Rs2.3166/unit on account of monthly fuel charges adjustments (FCA) for December 2022. (The News) | [Click for more info.](#)

## Miscellaneous

**MEBL rakes in a whopping Rs45.12bn profit in 2022**

**MEBL | Positive**

Meezan Bank Limited (MEBL), Pakistan's first and largest Islamic bank, has unveiled its financial results today for the year ended on December 31, 2022, as per which, the bank's profitability grew by 58.35% to stand at Rs45.14 billion which translated into the EPS of Rs25.11. (Mettis) | [Click for more info.](#)

**SECP, PSX discuss relaunch of new trading system**

**PSX | Neutral**

The Securities and Exchange Commission of Pakistan (SECP) chairman Akif Saeed met with representatives of the brokerage industry on Thursday to deliberate relaunch of new trading system (NTS) at Pakistan Stock Exchange (PSX), a statement said. (The News) | [Click for more info.](#)

## Political News

**Imran asks president to hold inquiry against Gen Bajwa**

Pakistan Tehreek-e-Insaf Chairman Imran Khan has written to President Dr Arif Alvi to initiate an inquiry against former army chief Gen (ret'd) Qamar Javed Bajwa for violating the oath of his office. (The News) | [Click for more info.](#)

### World Indices

|                  | Last     | Chg.    | Chg. % |
|------------------|----------|---------|--------|
| HK - Hang Seng   | 20,987.7 | 175.50  | 0.84%  |
| Taiwan - TWII    | 15,550.5 | 117.61  | 0.76%  |
| INDIA - SENSEX   | 61,319.5 | 44.42   | 0.07%  |
| PHILP - PSEi     | 6,815.9  | -6.18   | -0.09% |
| INDONESIA - IDX  | 6,895.7  | -18.88  | -0.27% |
| KSA - Tadawul    | 10,548.5 | -24.60  | -0.23% |
| CHINA - Shanghai | 3,249.0  | -31.46  | -0.96% |
| US - S&P 500     | 4,090.4  | -57.19  | -1.38% |
| PAK (KSE-100)    | 41,078.7 | -248.20 | -0.60% |
| US - Dow 30      | 33,696.9 | -431.20 | -1.26% |

### Board Meetings

| Script  | Day      | Agenda                   | Time     |
|---------|----------|--------------------------|----------|
| 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  |
| MACTER  | Saturday | HY. A/c as of 31-Dec-22  | 11:00 AM |
| ITTEFAQ | Monday   | HY. A/c as of 31-Dec-22  | 10:00 AM |
| FANM    | Monday   | HY. A/c as of 31-Dec-22  | 11:00 AM |
| NML     | Monday   | HY. A/c as of 31-Dec-22  | 11:00 AM |
| MUGHAL  | Monday   | HY. A/c as of 31-Dec-22  | 11:30 AM |
| FDIBL   | Monday   | HY. A/c as of 31-Dec-22  | 12:30 PM |
| PSX     | Monday   | HY. A/c as of 31-Dec-22  | 2:00 PM  |
| BRR     | Monday   | HY. A/c as of 31-Dec-22  | 5:30 PM  |

Source: PSX

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MORNING BRIEFING

## International News

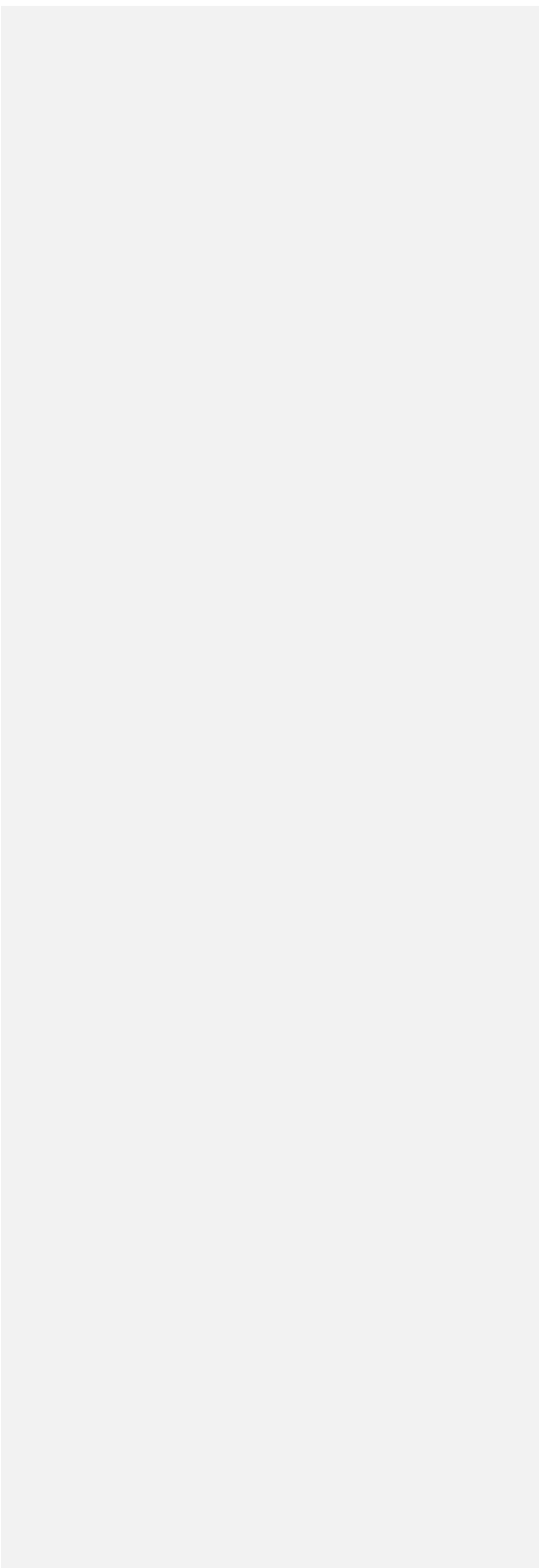
**Oil slightly lower on mixed U.S. economic data, crude stocks growth**

Oil prices settled slightly lower on Thursday after trading in a narrow range as the market weighed mixed U.S. economic signals and prospects for a Chinese demand recovery with a build in U.S. crude stockpiles. (Reuters) | [Click for more info.](#)

**Asia Stocks, US Futures Slide on Hawkish Fed Tone: Markets Wrap**

Stocks in Asia dropped alongside US equity futures after comments by two Federal Reserve officials that they were considering 50 basis-point interest rate hikes to battle persistently high inflation. (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.

## Analyst Certification <sup>AC</sup>

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