

January 19, 2023

Morning Briefing

Economy

UAE has rolled over \$2bn loan: SBP governor

Economy | Positive

Governor State Bank of Pakistan (SBP) Jameel Ahmad on Wednesday said that the UAE has rolled over \$2 billion loan and assured the businessmen of facilitating their imports on a suppliers' credit. (BR) | [Click for more info.](#)

S. Arabia mulling 'creative ways' to support Pakistan

Economy | Neutral

After extending the term of a \$3 billion deposit to boost its foreign-currency reserves late last year, Saudi Arabia's finance minister has said his country is also discussing with the World Bank and other institutions how can it be "more creative to provide that support" to Pakistan. (Dawn) | [Click for more info.](#)

World Bank delays approval of \$1.1bn for Pakistan

Economy | Negative

The World Bank has delayed the approval of two loans for Pakistan worth \$1.1 billion until the next fiscal year pending some steps on the country's energy debt and tariffs, a finance ministry source told Reuters on Wednesday. (Dawn) | [Click for more info.](#)

FDI turns negative with \$17m outflow in December

Economy | Negative

The country saw a net outflow of \$17 million in foreign direct investment (FDI) in December, official data showed on Wednesday, with investment coming into the country plunging 59 per cent in the second half of 2022. (Dawn) | [Click for more info.](#)

CAD contracts to \$3.33bn in 1HFY23

Economy | Positive

Pakistan's current account deficit (CAD) widened month-on-month by almost 59 per cent in December, but shrank 78pc when compared with December 2021. The State Bank of Pakistan (SBP) data on Wednesday showed that the CAD dipped almost 60pc to \$3.667 billion in the first half of the current fiscal year from \$9.091bn in the same period of FY22. (Dawn) | [Click for more info.](#)

Pakistan Expects Dollar Inflows in Days After Shortage

Economy | Negative

Pakistan expects multiple foreign exchange inflows in the coming days that will help ease a foreign currency shortage, central bank governor Jameel Ahmad said without giving details. (Bloomberg) | [Click for more info.](#)

Dollar reserves insufficient to tackle import pressure

Economy | Negative

State Bank of Pakistan (SBP) Governor Jameel Ahmad said on Wednesday the current dollar reserves held by the country are insufficient to bear import pressure faced by the economy. (ET) | [Click for more info.](#)

PKR decline continues for 21st consecutive session

Economy | Negative

Pakistani rupee's downward spiral against the US dollar continued for the 21st consecutive session, as it depreciated 0.11% in the inter-bank market on Wednesday. As per the State Bank of Pakistan (SBP), the rupee declined by Re0.25 to close at 228.91. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	25,991.7	26,142.8	151.1	0.6%
KSE100	38,342.2	38,791.1	448.9	1.2%
KSE30	14,080.5	14,347.9	267.4	1.9%
KMI30	64,821.5	66,221.2	1399.7	2.2%

Top Five Gainers

	Open	Close	Chg.	%
BHAT	948.2	1,019.3	71.1	7.5%
SYS	458.0	480.7	22.7	5.0%
TICL	234.6	252.2	17.6	7.5%
DLL	210.0	225.0	15.0	7.1%
PECO	270.1	285.0	14.9	5.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.1	1.1	0.0	19.04
KEL	2.1	2.2	0.1	13.15
TRG	92.3	96.6	4.3	10.19
HASCOL	6.0	6.1	0.1	6.79
PPL	68.3	69.9	1.6	6.11

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	1.92	-0.24	1.68
O/S Pakistanies	1.70	-1.83	-0.13
Net	3.63	-2.08	1.55
LIPI			
Individuals	23.36	-23.60	-0.25
Companies	1.20	-1.00	0.19
Comm. Banks	0.59	-0.33	0.27
NBFC	0.04	-0.01	0.03
Mutual Funds	0.83	-2.73	-1.90
Other	1.44	-0.56	0.88
Brokers Proprietary	6.32	-7.31	-1.00
Insurance	1.02	-0.79	0.22
Net	34.79	-36.34	-1.55

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	79.80	-1.4%
Brent oil	USD/bbl.	84.59	-0.8%
Gold	USD/t oz.	1903.76	-0.3%
Silver	USD/t oz.	23.43	-2.3%
Coal	USD/ton	167.00	1.6%
Steel Scrap (LME)	USD/ton	414.50	-0.6%
Steel Rebar (LME)	USD/ton	692.50	1.0%
USD/PKR	Interbank	6.96	-0.3%

News Source: Local / Int'l Newspapers and websites

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Oil & Gas

Talks start with Russian team for oil, gas import

Oil | Neutral

After the G7 imposed a price cap on the Russian oil in the wake of invasion of Ukraine, Moscow under its new policy "Look at Asia" Wednesday initiated talks with Islamabad on provision of crude oil, finished products, LNG and change in IGA for flagship project of \$3 billion Pakistan Stream Gas Pipeline (PSGP) Project. (The News) |

[Click for more info.](#)

Power

K-Electric seeks to refund Rs10.2/unit

KEL | Negative

K-Electric has sought to refund about Rs10.26 per unit charged to its consumers under monthly fuel charges during December 2022 involving a negative financial adjustment of about Rs12.1 billion in KE's accounts. (Dawn) | [Click for more info.](#)

Gwadar plants on Thar coal; Two Chinese loans to be confirmed soon

Power | Neutral

China has reaffirmed strong resolve to extend financial support to Pakistan including early confirmation of two loans, i.e., from ICBC and CBC, as Pakistan has reverted its decision regarding shifting of Gwadar coal power projects from imported to local coal, well informed sources told. (BR) | [Click for more info.](#)

Cement

DGKC ships second consignment to US

DGKC | Positive

DG Khan Cement Company shipped a second consignment of 37,500 tonnes of cement to the United States on vessel Abu Al-Abyad which left for Houston, Texas on Wednesday. (Dawn) | [Click for more info.](#)

Miscellaneous

PIA adds two more aircraft to its operational fleet

PIAA | Positive

In the last 24 hours, PIA's operational fleet has grown by two more aircraft after it added an A320 to flying duties while also bringing back a Boeing 777 from long grounding. (The News) | [Click for more info.](#)

Countries lacking banking channels; ECC approves B2B barter trade mechanism

Economy | Neutral

The Economic Coordination Committee (ECC) of the Cabinet has approved business-to-business (B2B) barter trade mechanism in view of the absence of banking channels in a few countries to facilitate trade. (BR) | [Click for more info.](#)

Envoy calls for enhancing cooperation between Pakistan, US

Tech & Communication | Neutral

US Ambassador to Pakistan Donald Blome on Wednesday emphasised upon increasing cooperation in information technology and telecom sector between the US and Pakistan. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	38,791.1	448.88	1.17%
INDIA - SENSEX	61,045.7	390.02	0.64%
HK - Hang Seng	21,678.0	100.36	0.47%
PHILP - PSEi	7,094.9	80.82	1.15%
Taiwan - TWII	14,932.9	5.92	0.04%
CHINA - Shanghai	3,224.4	0.16	0.00%
INDONESIA - IDX	6,765.8	-1.55	-0.02%
KSA - Tadawul	10,664.0	-18.86	-0.18%
US - S&P 500	3,928.9	-62.11	-1.56%
US - Dow 30	33,297.0	-613.89	-1.81%

Board Meetings

Script	Day	Agenda	Time
UNITY	Friday	Ann. A/c as of 30Jun22	10:00 AM
DATM	Friday	Ann. A/c as of 30Jun22	11:00 AM
NML	Friday	Other Matters	11:00 AM
IDYM	Friday	1QA/c as of 30Sep23	3:00 PM
QUET	Monday	Other Matters	11:00 AM
PAKOXY	Monday	Other Matters	3:00 PM
KOHC	Tuesday	Other Matters	11:00 AM
SHSML	Tuesday	1QA/c as of 31Dec22	11:00 AM
JACL	Tuesday	Other Matters	12:00 PM
SASML	Wednesday	1QA/c as of 31Dec22	11:00 AM
LCI	Wednesday	H/Y A/c of 31Dec22	3:00 PM
PCAL	Thursday	H/Y A/c of 31Dec22	10:00 AM
HCAR	Thursday	1rd Qtr. A/c as of 31Dec22	11:00 AM
ARPL	Thursday	1QA/c as of 31Dec22	12:15 PM
ISL	Friday	H/Y A/c of 31Dec22	9:00 AM
ALNRS	Friday	1QA/c as of 31Dec22	10:30 AM
FFBL	Friday	Ann. A/c as of 31Dec22	11:00 AM

Source: PSX

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MORNING BRIEFING

PPMA urges continuity in raw material import to avert drug crisis Pharma | Neutral

Pakistan Pharmaceutical Manufacturers' Association (PPMA) has appealed the government to adopt emergency fiscal measures so import of raw materials for medicines and essential equipment could be resumed. (The News) | [Click for more info.](#)

Senate panel concerned over closure of industrial units Economy | Negative

The Senate Standing Committee on Commerce on Wednesday showed concern over the non-clearance of letters of credit (LCs) causing the closure of industrial units besides the shortage of edible items in the domestic market. (Dawn) | [Click for more info.](#)

Political News

IK declares himself candidate for bypolls to 33 NA seats

The Pakistan Tehreek-e-Insaf (PTI) Chairman, Imran Khan, has once again decided to contest by-elections in all 33 National Assembly seats which fell vacant after the National Assembly speaker accepted resignations of the party's 35 lawmakers. (BR) | [Click for more info.](#)

International News

Stocks Extend Decline on Deepening Growth Concerns: Markets Wrap

Asian stocks followed Wall Street lower Thursday as concern over economic growth overshadowed optimism that central banks will slow policy tightening. Treasuries held gains from the US session. (Bloomberg) | [Click for more info.](#)

Oil Extends Decline on US Recession Concern, Inventory Build

Oil fell for a second day as concerns over a US recession deepened and figures pointed to another build in inventories, eclipsing optimism that China's dismantling of Covid Zero will aid demand. (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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