



August 4,

MORNING BRIEFING

## Economy

### China rolls over \$2bn loan for a year

Economy | **Positive**

China has rolled over \$2 billion loan in safe deposits for cash-strapped Pakistan's economy amid dwindling foreign exchange reserves. (The News) | [Click for more info.](#)

### \$72m worth agreement signed with OPEC Fund

Economy | **Positive**

The government of Pakistan and the OPEC Fund for International Development (OPEC Fund) signed a financing agreement amounting to \$72 million for Mohmand Dam Hydropower Project (MDHP). (BR) | [Click for more info.](#)

### IMF, import ebb help arrest rupee slide

Economy | **Positive**

Pakistani rupee witnessed a massive recovery against the US dollar on Wednesday, the largest single day increase in years, to close at 228.8. This highly significant recovery in the inter-bank market comes after the International Monetary Fund's (IMF) statement that Pakistan has managed to meet all pre-conditions for disbursement of the next tranche of its bailout programme. (BR) | [Click for more info.](#)

### Pakistan's dollar bond yields down after IMF loan clarity

Economy | **Neutral**

Pakistan's dollar-denominated sovereign bond yields fell on Wednesday as clarity from the International Monetary Fund fueled optimism over a revival of the loan programme, boosting global investors' confidence in the country's economy. (The News) | [Click for more info.](#)

### Govt raises Rs298.5bn via PIBs

Economy | **Neutral**

The government raised Rs298.5 billion through the auction of Pakistan Investment Bonds (PIBs), while yields on short-term papers fell slightly. (The News) | [Click for more info.](#)

### Service trade deficit doubles to \$5.2bn

Economy | **Negative**

The trade deficit in services more than doubled to \$5.2 billion during the previous fiscal year, with the June's figure coming in at around \$727 million, up nearly 150 per cent from a year ago. The export of services grew 17.2pc year-on-year in FY22 mainly driven by information technology, showed data released by the Pakistan Bureau of Statistics (PBS) on Wednesday. (Dawn) | [Click for more info.](#)

## Oil & Gas

### OMCs, refineries to bear Rs15bn losses over exchange rate formula

OMCs, Refineries | **Negative**

Oil marketing companies (OMCs) and refineries already mired in deep financial constraints would face almost Rs15 billion losses in next fifteen days due to altered exchange rate formula implemented by the government from August 1. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,898.3	28,428.9	530.6	1.9%
KSE100	40,191.6	41,068.9	877.3	2.2%
KSE30	15,247.8	15,569.6	321.7	2.1%
KMI30	65,688.4	67,261.2	1572.8	2.4%

### Top Five Gainers

	Open	Close	Chg.	%
NESTLE	5,994.5	6,170.0	175.5	2.9%
COLG	2,310.7	2,438.0	127.3	5.5%
SAPT	993.0	1,064.5	71.5	7.2%
LUCK	417.1	441.6	24.4	5.9%
INDU	1,041.0	1,058.7	17.7	1.7%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.2	1.2	0.0	32.50
TPLP	19.0	19.9	0.9	29.19
UNITY	18.8	19.0	0.3	22.89
PRL	16.1	17.0	0.9	20.25
CNERGY	4.9	5.0	0.1	14.11

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.86	-1.59	-0.72
O/S Pakistanies	2.26	-2.28	-0.02
<b>Net</b>	<b>3.13</b>	<b>-3.87</b>	<b>-0.74</b>
LIPI			
Individuals	39.62	-39.53	0.10
Companies	2.12	-2.00	0.13
Comm. Banks	1.73	-2.46	-0.73
NBFC	0.08	-0.08	0.00
Mutual Funds	3.54	-2.61	0.92
Other	0.31	-1.12	-0.81
Brokers Proprietary	11.14	-9.96	1.18
Insurance	0.43	-0.48	-0.05
<b>Net</b>	<b>58.98</b>	<b>-58.24</b>	<b>0.74</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	90.66	-4.0%
Brent oil	USD/bbl.	96.78	-3.7%
Gold	USD/t oz.	1765.49	0.2%
Silver	USD/t oz.	20.06	0.4%
Coal	USD/ton	311.00	-2.9%
Steel Scrap (LME)	USD/ton	365.00	0.3%
Steel Rebar (LME)	USD/ton	637.00	1.9%
USD/PKR	Interbank	6.31	-5.7%

News Source: Local / Int'l Newspapers and websites

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## Engro Eximp, Excelerate Energy sign MoU to develop private RLNG sector

**ENGRO | Positive**

Engro Eximp FZE, a subsidiary of Engro Corporation, announced today that it has entered into a Memorandum of Understanding (MoU) with Excelerate Energy, Inc. (NYSE: EE) (Excelerate), a leading provider of flexible LNG infrastructure solutions around the world, related to the development of a private sector gas marketing business in Pakistan. (BR) | [Click for more info.](#)

## Refineries to upgrade Euro-V specs in 5 years

**Refineries | Neutral**

Government and refineries agreed to upgrade on Euro-V specifications in the next 5 years, along with a deal to relegate government's role to only a tax collecting authority instead of a regulator. (The News) | [Click for more info.](#)

## UAE's Coral Energy becomes Pakistan's top fuel oil supplier

**Oil | Neutral**

Dubai-based trader Coral Energy has become the top fuel oil supplier to Pakistan in recent months after winning a slew of import tenders floated by state-run Pakistan State Oil (PSO). This is equivalent to more than 475,000 tonnes of fuel oil, Reuters calculations showed. Pakistan imported about 992,500 tonnes of fuel oil in the first half this year, data from Pakistan's Oil Companies Advisory Council showed. (BR) | [Click for more info.](#)

## Power

### CPHGCL urges CPPA-G to resolve issues of revolving account, forex

**Power | Neutral**

China Power Hub Generation Company (Pvt) Ltd (CPHGCL) has urged Central Power Purchasing Agency Guaranteed (CPPA-G) to resolve the issues of revolving account and foreign currency saying that two payments awaiting the SBP approval has resulted in exchange loss of Rs 1.3 billion. (BR) | [Click for more info.](#)

### Sindh CM launches 330MW coal-fired power project

**Power | Positive**

Sindh Chief Minister Syed Murad Ali Shah Wednesday said that with the launching of 330 MW Hubco power plant, we have successfully added 990 MW coal-fired power to the National Grid, which is not only our great success but is the realisation of Mohtarma Benazir Bhutto's dream of producing coal-fired energy to empower Pakistan with cheapest and indigenous source of energy. (BR) | [Click for more info.](#)

## Cement

### Cement Prices Have Increase by Over 33% Since March

**Cement | Neutral**

The prices of cement increased by 33.16 percent during March-July, 2022, according to official documents of the Ministry of Industries and Production. There are 25 cement manufacturing companies in the country which are private entities and therefore, do not come under the control of the government. (Propakistani) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	41,068.9	877.26	2.18%
US - Dow 30	32,812.5	416.33	1.29%
INDIA - SENSEX	58,350.5	214.17	0.37%
HK - Hang Seng	19,767.1	77.88	0.40%
PHILP - PSEi	6,430.1	67.78	1.07%
US - S&P 500	4,155.2	63.98	1.56%
INDONESIA - IDX	7,046.6	58.48	0.84%
Taiwan - TWII	14,777.0	29.79	0.20%
KSA - Tadawul	12,291.9	-18.70	-0.15%
CHINA - Shanghai	3,163.7	-22.60	-0.71%

### Board Meetings

Scrip	Day	Agenda	Time
MARI	Thursday	Ann A/c for 30Jun22	9:30 AM
EPQL	Thursday	HY A/c for 30Jun22	10:00 AM
CEPB	Thursday	Ann A/c for 30Jun22	3:00 PM
LUCK	Friday	Ann A/c for 30Jun22	11:30 AM
LOTCHEM	Friday	Ann A/c for 30Jun22	12:00 PM
PMPK	Wednesday	HY A/c for 30Jun22	12:00 PM
EPCL	Wednesday	HY A/c for 30Jun22	2:00 PM

Source: PSX

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## Fertilizer

**Govt mulls unified feed gas price; urea to get affected**

**Fertilizer | Neutral**

Government would table a workable solution and proposal regarding provision of feed gas to the industry at a unified price. (The News) | [Click for more info.](#)

## Miscellaneous

**Govt plans to auction 2100MHz spectrum**

**Telecom | Neutral**

The government on Wednesday decided to hold a spectrum auction of 2100MHz band in 2x5 bandwidth for 10 years for the Next Generation of Mobile Services (NGMS) although three out of four existing cellular operators had opposed the fresh auction. (Dawn) | [Click for more info.](#)

**Private equity, VC funds grow 64pc**

**Funds | Neutral**

The total size of private equity (PE) and venture capital (VC) funds reached Rs10.99 billion by June 30, with a growth of 64 per cent against the previous fiscal year, the Diagnostic Review of Pakistan's Private Funds Industry released by the Securities and Exchange Commission of Pakistan (SECP) said. (Dawn) | [Click for more info.](#)

**SBP to enhance monitoring of foreign exchange operations**

**Economy | Neutral**

The State Bank of Pakistan (SBP) announced on Wednesday that it has enhanced the monitoring of foreign exchange operations of domestic currency exchange companies (ECs) and banks after massive volatility was witnessed in the rupee-dollar parity. (BR) | [Click for more info.](#)

## International News

**Stocks Rise as Earnings Stir Bets for Soft Landing: Markets Wrap**

Asian stocks rose Thursday after a US rally triggered by earnings and robust economic data, while bets on further Federal Reserve interest-rate hikes supported shorter maturity Treasury yields. (Bloomberg) | [Click for more info.](#)

**Oil falls to nearly 6-month lows after surprise U.S. crude, gasoline build**

Oil prices slid about 4% on Wednesday to almost six-month lows, after U.S. data showed crude and gasoline stockpiles unexpectedly surged last week and as OPEC+ said it would raise its oil output target by 100,000 barrels per day (bpd). (Reuters) | [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.

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

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