



August 5,

MORNING BRIEFING

Economy

Shariah-compliant investment; SECP unveils list of 7 'prohibited' products, practices

PSX | Neutral

According to the SECP, it is not permissible to invest in, or utilize, the following products and practices as per Shariah:- Conventional derivative products, including futures and options, margin financing, short selling, day trading, dealing in preferred stock, trading subscription rights of listed securities and units of Shariah non-compliant REIT scheme. (BR) | [Click for more info.](#)

Pakistan, EU launch MIP with initial grant of 265m euros

Economy | Positive

The government of Pakistan and the European Union on Thursday launched Multi-Annual Indicative Programme (MIP), covering the period 2021-2027 with an initial grant of 265 million Euros earmarked for the period from 2021 to 2024. (BR) | [Click for more info.](#)

China has lent Pakistan \$21.9bn since 2018: report

Economy | Neutral

China has made nearly \$26 billion in short and medium-term loans to Pakistan and Sri Lanka over the past five years as its overseas lending shifts from funding infrastructure toward providing emergency relief, Bloomberg reported. (The News) | [Click for more info.](#)

Rupee gains more weight against dollar

Economy | Positive

The rupee continued its recovery drive for the fifth consecutive session against the US dollar on Thursday as it gained another Rs2.65 in the interbank market. The currency market dealers said the dollar closed further lower at Rs226.15 from Rs228.80 the previous day when the local currency appreciated by a record single-day gain of Rs9.58 or 4.19 per cent. (Dawn) | [Click for more info.](#)

Forex reserves fall by \$206m

Economy | Negative

The country's total liquid foreign exchange reserves declined by \$ 206 million during last week due to external debt servicing. According to weekly forex report issued by State Bank of Pakistan (SBP) Thursday, total liquid foreign exchange reserves held by the country stood at \$ 14.209 billion as on Jul 29, 2022 compared to \$14.145 billion on July 22, 2022. (BR) | [Click for more info.](#)

Oil & Gas

Rs30bn additional taxes to be finalised soon: FBR

PSO | Neutral

A special meeting of the ECC, in order to rescue PSO in a default like situation on Sunday, decided to impose Rs30 billion additional taxes after it was informed about the understanding with the International Monetary Fund (IMF) with regard to primary balance and absence of budgetary allocation in the current fiscal year. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,428.9	28,603.4	174.5	0.6%
KSE100	41,068.9	41,425.4	356.5	0.9%
KSE30	15,569.6	15,660.1	90.5	0.6%
KMI30	67,261.2	67,700.3	439.1	0.7%

Top Five Gainers

	Open	Close	Chg.	%
AWTX	3,373.5	3,626.5	253.0	7.5%
PRET	625.0	671.9	46.9	7.5%
INDU	1,058.7	1,075.9	17.2	1.6%
THALL	245.6	262.1	16.5	6.7%
AKDHL	147.7	158.7	11.1	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.2	1.2	0.0	44.41
TPLP	19.9	19.7	-0.2	12.20
PAEL	15.8	16.5	0.7	11.97
PRL	17.0	16.8	-0.2	11.42
UNITY	19.0	19.1	0.1	10.59

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.02	0.00	0.02
F-Corporates	0.48	-0.36	0.12
O/S Pakistanies	1.93	-2.24	-0.31
Net	2.43	-2.60	-0.17
LIPI			
Individuals	33.02	-32.75	0.27
Companies	1.28	-1.22	0.06
Comm. Banks	0.91	-1.47	-0.56
NBFC	0.05	-0.03	0.01
Mutual Funds	2.09	-1.78	0.31
Other	0.34	-0.31	0.03
Brokers Proprietary	8.34	-8.36	-0.02
Insurance	0.22	-0.15	0.07
Net	46.25	-46.08	0.17

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	88.54	-2.3%
Brent oil	USD/bbl.	94.12	-2.7%
Gold	USD/t oz.	1791.33	1.5%
Silver	USD/t oz.	20.19	0.6%
Coal	USD/ton	292.00	-6.1%
Steel Scrap (LME)	USD/ton	369.00	1.1%
Steel Rebar (LME)	USD/ton	631.50	-0.9%
USD/PKR	Interbank	6.28	-1.9%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106



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Petrol price to be fixed weekly under IMF conditions: sources Oil | Neutral

As part of its efforts in getting stalled \$6 billion IMF bailout package revived, the Pakistan government is all set to revise the prices of petroleum products on a weekly basis, which was one of the preconditions for the release of the amount to Islamabad, said sources in Finance Ministry. (The News) | [Click for more info.](#)

Govt rejects speculations about gas tariff hike SSGC, SNGP | Neutral

Minister of State for Petroleum Dr Musadik Malik on Thursday while assuring no increase in gas rate said that the government had not increased the rate of gas for any sector, being provided to the consumers on networks of the SNGPL and the SSGC. He said the price is the same as that was two months ago. (BR) | [Click for more info.](#)

Power

GoP directors on KE board; PD asked to seek legal opinion KEL | Neutral

Prime Minister Shehbaz Sharif has directed Power Division to seek opinion of Ministry of Law as to whether Federal Cabinet approval is required for nomination of GoP directors on the KE's Board of Directors, official sources told. (BR) | [Click for more info.](#)

NEPRA reserves decision on Rs4.15 per unit hike for hydel power stations Power | Neutral

The National Electric Power Regulatory Authority (NEPRA) on Thursday reserved its decision over the petition of WAPDA Hydroelectric for determination of power tariff for the financial year 2022-23. (PT) | [Click for more info.](#)

Weak PKR exacts a toll on Wapda's Eurobond as well Power | Neutral

The National Electric Power Regulatory Authority (Nepra) Thursday said that the value of Wapda's \$ 500 million raised through Eurobond and deposited into the National Bank of Pakistan, has reduced to \$312 million due to rupee depreciation versus the US dollar. (BR) | [Click for more info.](#)

Electricity shortfall reaches 6,997MW Power | Negative

Pakistan's power shortfall increased to 6,997 megawatts (MW) on Thursday. According to the details, the Power Division recorded the total power generation capacity at 22,003 MW against the demand of 29,000 MW. (PT) | [Click for more info.](#)

Refineries

Refineries' gross margin down 83pc in August Refineries | Negative

Gross margins of local refineries recorded the sharpest decline of 83 percent to \$4 per barrel compared to \$24 per barrel in July 2022, indicating poor profitability of the domestic sector on account of price hikes and surging inflation. (The News) | [Click for more info.](#)

World Indices			
	Last	Chg.	Chg. %
HK - Hang Seng	20,174.0	406.95	2.06%
PAK (KSE-100)	41,425.4	356.50	0.87%
PHILP - PSEi	6,483.1	53.03	0.82%
CHINA - Shanghai	3,189.0	25.37	0.80%
INDONESIA - IDX	7,057.4	10.71	0.15%
KSA - Tadawul	12,291.5	-0.39	0.00%
US - S&P 500	4,151.9	-3.23	-0.08%
INDIA - SENSEX	58,298.8	-51.73	-0.09%
Taiwan - TWII	14,702.2	-74.82	-0.51%
US - Dow 30	32,726.8	-85.68	-0.26%

Board Meetings			
Scrip	Day	Agenda	Time
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
NITG-ETF	Wednesday	Ann A/c for 30Jun22	12:30 PM
EPCL	Wednesday	HY A/c for 30Jun22	2:00 PM
EFGH	Wednesday	HY A/c for 30Jun22	3:00 PM
UNIC	Thursday	HY A/c for 30Jun22	11:30 AM
MEBL	Thursday	HY A/c for 30Jun22	12:00 PM
PCAL	Friday	Ann A/c for 30Jun22	9:00 AM

Source: PSX

Research Team

research@abaalihabib.com

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PMLN top brass discussed Refinery Policy 2022 for \$8-10 billion Investment from friendly Countries

Refineries | Neutral

Top executives of five local refineries – Pak-Arab Refinery, Pakistan Refinery, National Refinery, Attock Refinery and Cnergyco Pk were invited for the policy meeting. According to sources privy to the meeting, the government and refineries agreed to deregulate the sector on commercial terms in order to bring investments offered by KSA, UAE and Chinese government to shore-up Pakistan economy. (Augaf) | [Click for more info.](#)

Miscellaneous

Limited options for car buyers

Autos | Neutral

If a consumer is afraid of further price increases and chooses to buy locally assembled vehicles, he/she has the option of Korean and Chinese-assembled vehicles. Among the Japanese brands, Honda is the only choice in view of the booking closure of Toyota and Suzuki vehicles from May 18 and July 1, respectively. (Dawn) | [Click for more info.](#)

Sugar production to increase next season: PSMA

Sugar | Neutral

The Pakistan Sugar Mills Association (PSMA) referring to the statistics of the Federal Board of Revenue (FBR) expected surplus production in next season and demanded timely decision of allowing export of surplus sugar. PSMA said the statistics of the Federal Board of Revenue of July show that there will be 1.2 million tonnes of excess sugar stock available at the start of next crushing season whereas the sugar mills had produced two million tonnes of surplus sugar at the end of last crushing season. (BR) | [Click for more info.](#)

Meezan Bank partners with Javedan Corp for \$6.6mn REIT project

MEBL, AHL | Positive

Meezan Bank and Javedan Corp. signed a pact to invest \$6.6 million (Rs1.5 billion) for the construction of three buildings with more than 400 residential apartments, Bloomberg reported. Meezan Bank and Javedan will each make 50% of the investment in the project at Naya Nazimabad that will be part of the Globe Residency REIT, it noted. (Mettis) | [Click for more info.](#)

Meeting today to discuss SEL issues

STPL | Neutral

Prime Minister Office (PMO) has convened a meeting on Friday (today) to discuss the issues of 330-MW coal-fired power plant of Siddiqsons Energy Limited (SEL), after the company sought Prime Minister's support against a decision of PPIB, well informed sources told. (BR) | [Click for more info.](#)

Fixed tax regime; Decision deferred for a year: Miftah

Economy | Neutral

The government has decided to reverse the decision of the fixed tax regime on electricity bills for a period of one year, said Finance Minister Miftah Ismail on Thursday. (BR) | [Click for more info.](#)

Research Team

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Political News

Cabinet meeting: Declaration against PTI to be filed with SC

The federal cabinet Thursday decided to send a declaration against Pakistan Tehreek-e-Insaf (PTI) and its leadership to the Supreme Court, and directed the Federal Investigation Agency (FIA) to launch an inquiry against the party leaders for start of criminal proceedings against them on the charges of money-laundering and misuse of charity funds for political purposes. (The News) | [Click for more info.](#)

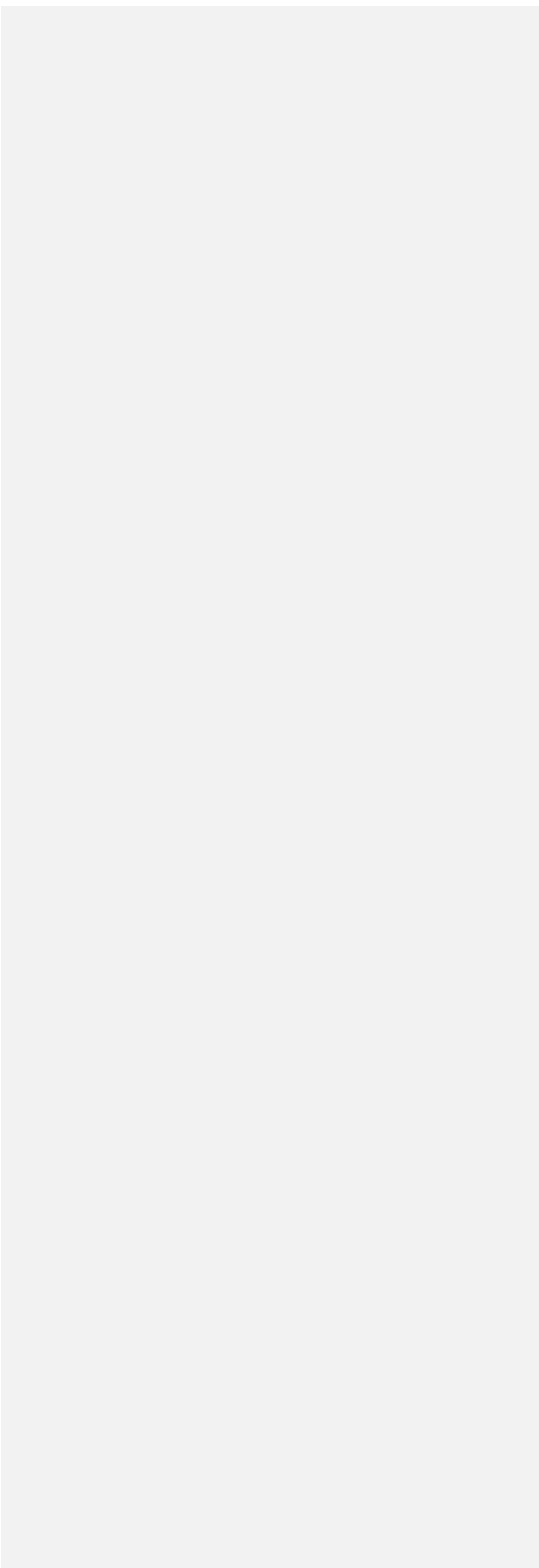
International News

Stocks Advance in Asia as Crude Oil Holds Retreat: Markets Wrap

An Asian stock index edged up on Friday as investors evaluated the latest batch of earnings and choppy economic prospects colored by a global wave of monetary tightening to tackle high inflation. (Bloomberg) | [Click for more info.](#)

Oil prices hit lowest since Ukraine invasion amid recession fears

Global oil prices dropped on Thursday to their lowest levels since before Russia's February invasion of Ukraine, as traders fretted over the possibility of an economic recession later this year that could torpedo energy demand. (Reuters) | [Click for more info.](#)



Research Team

research@abaalihabib.com

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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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THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Muhammad Ali - Research Analyst
Muhammadali@abaalihabib.com

Kainat Rohra- Research Analyst
Kainatrohra@abaalihabib.com

Ayesha Abid – Research Analyst
ayasha.abid@abaalihabib.com

SALES TEAM

Zaheer Ahmed - Head of Equity Sales & Business Dev.
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Mr. Salman Naqvi - Head of Retail Sales
(021) 32431925

Fahed Fazal- Manager Equity Sales
Fahedfazal@abaalihabib.com
(021) 32431925

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Shoaib- Equity Trader
shoibqadri@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Karachi Office

Suite# 505, 5th Floor, Business Plaza,
Mumtaz Hussan Road, Off I.I. Chundrigar
Road, Karachi
Contact: 021-32429664-7
Cell: [+92 3312766771](tel:+923312766771)