



August 10,

MORNING BRIEFING

Economy

UAE investing \$1bn in PSX, says Miftah Ismail

Economy | Positive

In a bid to expand bilateral economic ties, Finance Minister Miftah Ismail on Saturday confirmed that the United Arab Emirates (UAE) was investing in the country's stock exchange. Earlier, the UAE expressed its intention to invest \$1 billion in Pakistani companies in various economic and investment sectors. (The News) | [Click for more info.](#)

Pakistan to soon bridge external financing gap of \$4 billion: SBP

Economy | Positive

Pakistan will soon bridge its external financing gap of \$4 billion with the help of friendly countries under the IMF condition in the face of huge pressure on foreign currency reserves, said Acting Governor SBP Dr Murtaza Syed. (The News) | [Click for more info.](#)

COAS reaches out to UAE, Saudi Arabia for bailout package

Economy | Neutral

Days after speaking to the US deputy secretary of state, Army Chief General Qamar Javed Bajwa has now reached out to Saudi Arabia and the United Arab Emirates (UAE) as part of efforts to ensure financial assistance for Pakistan. (ET) | [Click for more info.](#)

Once IMF programme resumes; ADB to disburse over \$1.5bn to support BoP

Economy | Neutral

The Asian Development Bank (ADB) will disburse over \$1.5 billion to Pakistan in the current calendar year for balance of payment support, once the International Monetary Fund's Extended Fund Facility (EFF) programme restores. (BR) | [Click for more info.](#)

ADB to provide \$200m for resource mobilisation programme

Economy | Neutral

The Asian Development Bank will provide a loan of \$200 million to Pakistan for a resource mobilisation programme, and an ADB fact-finding mission will arrive in Islamabad next week to discuss the proposed loan with authorities. (Dawn) | [Click for more info.](#)

SBP, govt did not directly intervene to bring dollar down: Miftah

Economy | Neutral

Finance Minister Miftah Ismail clarified on Saturday that neither the State Bank of Pakistan nor he had "directly intervened" to bring the dollar's value down, stating that it was influenced by market factors. (Dawn) | [Click for more info.](#)

SBP allows NRPs to contribute to pension funds

Economy | Neutral

The State Bank of Pakistan (SBP) has allowed the Non-Resident Pakistanis (NRP) to contribute in pension funds, authorized by the Securities and Exchange Commission of Pakistan (SECP) under Voluntary Pension Funds Rules 2005 (VPS Rules). (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,603.4	29,000.4	397.0	1.4%
KSE100	41,425.4	42,096.2	670.9	1.6%
KSE30	15,660.1	15,882.8	222.7	1.4%
KMI30	67,700.3	68,649.2	949.0	1.4%

Top Five Gainers

	Open	Close	Chg.	%
AWTX	3,626.5	3,898.5	272.0	7.5%
NESTLE	5,994.9	6,185.0	190.1	3.2%
GATI	361.0	388.0	27.0	7.5%
MTL	826.8	850.3	23.4	2.8%
TICL	234.0	251.6	17.6	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
CENERGY	5.0	5.5	0.5	64.34
PRL	16.8	18.0	1.2	29.94
WTL	1.2	1.3	0.1	20.36
TPLP	19.7	19.9	0.2	16.80
PAEL	16.5	17.0	0.5	15.94

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.09	-0.02	0.07
F-Corporates	0.45	-0.50	-0.05
O/S Pakistanies	3.26	-2.83	0.43
Net	3.81	-3.35	0.46
LIPI			
Individuals	48.49	-49.77	-1.28
Companies	2.52	-2.57	-0.05
Comm. Banks	0.80	-1.35	-0.55
NBFC	0.04	-0.09	-0.05
Mutual Funds	3.87	-3.00	0.87
Other	0.37	-0.17	0.20
Brokers Proprietary	11.52	-10.75	0.77
Insurance	0.33	-0.69	-0.36
Net	67.94	-68.40	-0.46

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	90.50	-0.3%
Brent oil	USD/bbl.	96.51	-0.1%
Gold	USD/t oz.	1794.49	0.3%
Silver	USD/t oz.	20.54	-0.7%
Coal	USD/ton	296.25	2.5%
Steel Scrap (LME)	USD/ton	395.00	-0.8%
Steel Rebar (LME)	USD/ton	660.50	1.6%
USD/PKR	Interbank	6.30	-0.2%

News Source: Local / Int'l Newspapers and websites

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Roshan Digital Accounts: inflow in July down 25% month-on-month

Economy | Negative

Cumulative inflow under the Roshan Digital Accounts (RDA) reached \$4.8 billion at the end of July, 23 months since the programme was launched, said the State Bank of Pakistan (SBP). According to data released by the central bank, month-on-month basis RDA inflows decreased by 25% to \$188 million in July, compared to \$250 million in June 2022. (BR) | [Click for more info.](#)

Monetary policy: Chasing vs targeting inflation

Economy | Neutral

The statement from Dr Murtaza Syed, acting Governor of the SBP, that monetary policy “will not risk creating economic recession to bring inflation down and real positive interest rate can be achieved in the longer run” is a significant step in the right direction. With headline inflation racing rapidly and projected by SBP to remain as high as 18% to 20% in the current fiscal year, markets were concerned that further policy tightening could lead to an economic recession. (ET) | [Click for more info.](#)

Finance minister seeks to slash imports

Economy | Neutral

Finance Minister Miftah Ismail has said the risk of Pakistan’s default on international payments is fading with every passing day, as tough decisions like increase in energy prices have cut imports and slashed demand for foreign exchange. (ET) | [Click for more info.](#)

Inter-governmental commercial transactions law; Govt deletes some proposed clauses

Economy | Neutral

The government has deleted some clauses proposed in Inter-Governmental Commercial Transactions Act, 2022, after reservations expressed by some of the cabinet members especially those from PPP on the word “binding” for provinces, well informed sources told. The government intends to sell some public sector entities to friendly countries as Privatisation Commission has failed to sell-off/ materialise any key transaction. (BR) | [Click for more info.](#)

Oil & Gas

SNGPL wins international arbitration case against QATPL

SNGP | Positive

London Court of International Arbitration (LCIA) has validated Sui Northern Gas Pipeline Limited (SNGPL) stance against Quaid e Azam Thermal Power (Private) Ltd. (QATPL) over latter’s failure to offtake the take-or-pay quantities of Regasified Liquefied Natural Gas (RLNG) as per Gas Supply Agreement (GSA). (The News) | [Click for more info.](#)

Engro to start LNG marketing business

Engro | Positive

Engro Corporation is setting up a gas marketing business in Pakistan along with the New York Stock Exchange-listed Excelerate Energy, a company official told. (Dawn) | [Click for more info.](#)

World Indices			
	Last	Chg.	Chg. %
PAK (KSE-100)	42,096.2	670.87	1.62%
INDIA - SENSEX	58,853.1	465.14	0.80%
PHILP - PSEI	6,469.0	34.73	0.54%
KSA - Tadawul	12,330.0	32.70	0.27%
Taiwan - TWII	15,050.3	29.87	0.20%
INDONESIA - IDX	7,102.9	16.03	0.23%
CHINA - Shanghai	3,247.4	10.50	0.32%
US - S&P 500	4,122.5	-17.59	-0.42%
HK - Hang Seng	20,003.4	-42.33	-0.21%
US - Dow 30	32,774.4	-58.13	-0.18%

Board Meetings			
Scrip	Day	Agenda	Time
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
AKBL	Monday	HY A/c for 30Jun22	10:00 AM
HINOON	Monday	HY A/c for 30Jun22	11:00 AM
AGIC	Monday	HY A/c for 30Jun22	11:30 AM
MCBAH	Monday	Ann A/c for 30Jun22	3:00 PM
EFUL	Tuesday	HY A/c for 30Jun22	11:00 AM
RMPL	Tuesday	HY A/c for 30Jun22	11:00 AM
NRL	Tuesday	Ann A/c for 30Jun22	12:00 PM
APL	Tuesday	Ann A/c for 30Jun22	1:00 PM
ATRL	Tuesday	Ann A/c for 30Jun22	2:00 PM
ENGRO	Tuesday	HY A/c for 30Jun22	2:30 PM
POL	Tuesday	Ann A/c for 30Jun22	3:00 PM
ACPL	Tuesday	Ann A/c for 30Jun22	4:00 PM

Source: PSX

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Pakistan seeks six-year LNG supply contract

Gas | **Positive**

Pakistan here on Saturday issued a two-part tender seeking bid prices from well-reputed international LNG trading companies for six years agreement at a time when LNG shortfall in the international market has touched a new high. (The News) | [Click for more info.](#)

PSO may stop serving airports amid auction row with CAA

PSO | **Neutral**

Amid current financial challenges, the state-run Pakistan State Oil (PSO) has expressed its inability to serve only the loss-making airports if the profitable fuelling facility at Karachi's Jinnah International Airport is auctioned out to a private supplier, with PSO officials asking another state-owned entity, the Civil Aviation Authority, to adopt a uniform policy for all airports across the country. (Dawn) | [Click for more info.](#)

Onward payment to PSO, PPL; DG (Gas) writes to PD for payment of TDS to KE

PSO, PPL | **Neutral**

The Director General (Gas) Petroleum Division has approached Power Division for early release of Tariff Differential Subsidy (TDS) to K-Electric for onward payment to PSO and PPL against supply of RLNG. (BR) | [Click for more info.](#)

Power

WB to start 2 energy projects of 245 MW in KP

Power | **Neutral**

The World Bank will start 2 hydropower projects of 245 megawatts in Swat district this year, the completion of which will generate an annual income of more than 13 billion rupees to the province. In this regard, an agreement of 450 million dollars has been signed between the WB and the provincial government. These projects will be completed by 2027, from which the province will have an annual income of more than 13 billion rupees. (Pakoserver) | [Click for more info.](#)

Rs100bn cost overrun likely to hit Dasu hydropower project

Power | **Neutral**

In a shocking development, the country's most important project — Dasu hydropower project's stage -1 with the capacity to generate 2160 MW hydel electricity — has got delayed by three years, and the cost overrun cost is feared to have gone up by Rs100 billion. (The News) | [Click for more info.](#)

Power shortfall again hits 6,439 MWs

Power | **Negative**

The electricity shortfall across the country has again reached 6,439 megawatts, causing power outages of six to eight hours in cities and 10 to 12 hours in rural areas. The total production of electricity in the country is 18,461MWs while the total demand stands at 24,900MWs. According to Power Division sources, 7,500MWs of electricity was being generated from private sector power plants. (ET) | [Click for more info.](#)

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Autos

GPCCI urges to lift import ban on automobiles

Autos | Neutral

The German Pakistan Chamber of Commerce and Industry (GPCCI) has warned that ban on import of vehicles from Germany may have adverse effects on upcoming GSP+ negotiations with the European Union (EU) and has requested the Pakistani government to immediately lift the import ban. (ET) | [Click for more info.](#)

Fertilizer

High DAP cost may hit wheat crop

Fertilizer | Negative

Expressing their concern over an extraordinary rise in prices of di-ammonium phosphate (DAP), the farming community has warned that the high cost may prove to be a disaster for wheat crop during the upcoming Rabi sowing season. "DAP fertiliser prices currently stand at around Rs14,800 per 50kg bag compared to around Rs6,000 per bag a year ago," said a progressive farmer from Punjab. (ET) | [Click for more info.](#)

Banks

2 Islamic savings schemes launched

Banks | Neutral

The Central Directorate of National Savings (CDNS) will launch two Shariah-compliant schemes — Sarwa Islamic Savings Account (SISA) and Sarwa Islamic Term Account (SITA) — from next month. A notification issued by the Ministry of Finance on Friday said the expected rate of profit payable on the deposits made in SISA would be 13.50pc, and returns on the SITA deposits will be 12.60pc and 13.28pc for five and three-year tenors, respectively. (Dawn) | [Click for more info.](#)

Miftah gives banks tax relief, import curbs to remain

Banks | Neutral

Finance Minister Miftah Ismail said on Friday banks won't have to pay higher tax rates for maintaining a low advances-to-deposits ratio (ADR) on their earnings from 2021. (Dawn) | [Click for more info.](#)

SBP reverses cash margins on imports

Banks | Neutral

The State Bank of Pakistan (SBP) on Friday reversed the cash margins on imports from 100 per cent to 25pc and in some cases to zero, showing the strength of confidence of the policymakers hoping for a better outcome of negotiations with the International Monetary Fund (IMF) and friendly countries. (Dawn) | [Click for more info.](#)

Miscellaneous

Food prices soared by up to 30% in Pakistan: WB

Food, Economy | Neutral

The World Bank has said the prices of food items in Pakistan had increased by 5% to 30%. This was stated in the "World Food Security Update Report" released by the WB. (ET) | [Click for more info.](#)

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Record 9m tonnes of rice production expected

MATCO | Positive

The country is expected to produce record-breaking over 9 million tonnes of rice against all odds in the current fiscal year against the 8.9m tonnes produced in 2021-22. The US Foreign Agricultural Service GAIN report for July 2022 forecasts a lower production at 8.4m tonnes in Pakistan. (Dawn) | [Click for more info.](#)

PNSC announces acquisition of M.T Mardan, M.T Sargodha

PNSC | Positive

Pakistan National Shipping Corporation has announced the acquisition of M.T Mardan, inducted in its fleet on August 3rd, 2022. The other vessel namely M.T Sargodha will be inducted within a week. With the induction of these two vessels, PNSC's carrying capacity will increase to 107,123 Metric tons, which is the highest PNSC has achieved since its inception in 1979. (Pakobserver) | [Click for more info.](#)

Govt in a 'quandary' over supply of cheap power

Textile | Neutral

The federal government is to either cut its expenditure or increase revenue to 'appease' the already incentivized five zero-rated sectors by supplying electricity at cents 9 per unit throughout the financial year 2022-23, which requires additional subsidy of over Rs 80bn. (BR) | [Click for more info.](#)

Securities deals; Insurance cos to unveil policy to check 'insider trading'

Insurance | Neutral

Every insurance company will issue an employees trading policy governing trading or investment in securities by its employees, their spouse and dependent children to check 'insider trading'. (BR) | [Click for more info.](#)

Political News

Call to guard parliament against 'institutional overreach'

Law Minister and Leader of the House in Senate Azam Nazeer Tarar said on Friday parliament must be defended against the overreach of the judiciary and other institutions. (Dawn) | [Click for more info.](#)

International News

Stocks Set to Slip in Asia Ahead of Inflation Data: Markets

Wrap

Asian stocks look set to fall Wednesday following a Wall Street retreat and as investors adopt cautious positions before US inflation data that will shape bets on how rapidly the Federal Reserve will hike interest rates. (Bloomberg) | [Click for more info.](#)

Oil settles lower as halted Russian pipeline flows appear temporary, demand fears rise

Oil prices settled slightly lower on Tuesday after a see-saw session as worries that a slowing economy could cut demand vied with news that some oil exports had been suspended on the Russia-to-Europe Druzhba pipeline that transits Ukraine. (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.

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