



August 19,

MORNING BRIEFING

## Economy

### Import ban on luxury items lifted

#### Economy | Negative

Finance Minister Miftah Ismail Thursday announced lifting of ban on the import of luxury items to comply with the International Monetary Fund (IMF) condition ahead of its Executive Board meeting scheduled for 29th August 2022 to ensure approval of the seventh and eighth review of the Extended Fund Facility (EFF). (BR) | [Click for more info.](#)

### Mini-budget: Govt plans additional revenue of Rs50bn

#### Economy | Negative

Through a presidential ordinance, which will be promulgated in the coming days, the government will fetch additional revenues of Rs50 billion. "We have decided to impose 400 to 600 percent Regulatory Duty, Additional Customs Duty and Sales Tax on import of luxury items, which will fetch revenues in the range of Rs5 to Rs14 billion. The enhanced tax rate on cigarettes and tobacco processing will add Rs36 billion in totality. The government will bring additional Rs50 billion into the national kitty," he said. (The News) | [Click for more info.](#)

### Govt may lift ban on raw gold import after IMF deal

#### Economy | Neutral

Pakistan may lift a ban on gold import after ten years once the International Monetary Fund (IMF) stalled program is revived, a special secretary for commerce on Thursday informed a parliamentary panel. (The News) | [Click for more info.](#)

### SBP's reserves up \$67m to \$7.897bn

#### Economy | Positive

State Bank of Pakistan's foreign exchange reserves rose by \$ 67 million during last week. With current increase, the SBP's reserves surged to \$ 7.897 billion as of Aug 12, 2022 up from \$7.830 billion as of August 5, 2022. However, during the week under review the net foreign reserves held by commercial banks declined slightly \$15 million to \$5.716 billion. (BR) | [Click for more info.](#)

## Oil & gas

### Attock Refinery warns of complete shutdown by coming weekend

#### ATRL | Negative

Since Oil Marketing Companies (OMCs) are taking off the insignificant amount of petroleum products, especially HSD, Attock Refinery Limited (PSX: ARL) is left with accumulated high stocks and if the dispatch pattern persists, the company will have to shut down its operations by the coming weekend. While highlighting this concern to Oil and Gas Regulatory Authority (OGRA), the company stated, "To manage the ullage situation and avoid complete refinery shutdown, we had earlier temporarily shut down one of our crude distillation units and now have further reduced our refinery throughput. (Mettis) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,922.9	29,776.3	-146.6	-0.5%
KSE100	43,676.6	43,481.5	-195.1	-0.4%
KSE30	16,532.2	16,475.6	-56.6	-0.3%
KMI30	71,799.5	71,571.0	-228.5	-0.3%

### Top Five Gainers

	Open	Close	Chg.	%
BATA	1,945.1	2,000.0	54.9	2.8%
GATI	354.8	381.4	26.6	7.5%
COLG	2,375.0	2,400.0	25.0	1.1%
RCML	440.0	460.0	20.0	4.5%
PSEL	1,341.0	1,355.0	14.0	1.0%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.3	1.4	0.1	170.78
CNERGY	5.7	5.9	0.2	62.88
KEL	3.7	3.5	-0.3	58.05
PRL	19.0	19.9	0.9	41.24
PIAA	5.2	4.8	-0.4	19.15

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.18	-0.53	-0.35
O/S Pakistanies	2.92	-2.47	0.45
<b>Net</b>	<b>3.10</b>	<b>-3.01</b>	<b>0.10</b>
<b>LIPI</b>			
Individuals	45.10	-45.18	-0.08
Companies	4.04	-3.04	1.00
Comm. Banks	1.31	-1.15	0.16
NBFC	0.06	-0.02	0.04
Mutual Funds	2.45	-1.80	0.65
Other	0.12	-0.65	-0.53
Brokers Proprietary	11.21	-11.88	-0.67
Insurance	0.25	-0.93	-0.68
<b>Net</b>	<b>64.54</b>	<b>-64.64</b>	<b>-0.10</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	90.50	2.7%
Brent oil	USD/bbl.	96.54	3.9%
Gold	USD/t oz.	1758.45	-0.2%
Silver	USD/t oz.	19.45	-1.8%
Coal	USD/ton	327.80	0.7%
Steel Scrap (LME)	USD/ton	385.50	1.4%
Steel Rebar (LME)	USD/ton	645.00	0.7%
USD/PKR	Interbank	6.02	-0.3%

News Source: Local / Int'l Newspapers and websites

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## Petroleum Division seeks fresh analysis, proposals for new refinery policy

**Oil | Neutral**

The Petroleum Division's Directorate General of Oil on Thursday asked the managing directors (MDs) of five refineries to provide a fresh analysis along with necessary changes in the proposed Pakistan Oil Refining Policy 2021. (PT) | [Click for more info.](#)

## Power

### 5000MW electricity export: Iran shares MoU draft

**Power | Neutral**

Iranian government has shared draft of Memorandum of Understanding (MoU) for export of 5000MW electricity to Pakistan, official sources told. (BR) | [Click for more info.](#)

## Autos

### Pak Suzuki extends automobile plant shutdown citing inventory levels

**PSMC | Negative**

Pak Suzuki Motor Company (PSMC) on Thursday said it has further extended the shutdown of its automobile production plant from August 22 to 26, citing import restrictions by the State Bank of Pakistan (SBP) that have "adversely impacted clearance of import consignments, which resulted in affecting its inventory levels". (BR) | [Click for more info.](#)

## Fertilizer

### Urea prices seen soaring as input costs continue to swell

**Fertilizer | Negative**

Escalating cost of inputs may push urea price to new highs as an onerous taxation regime has already eroded the profitability of the sector. According to an analysis, in the event of a rise in gas costs, which is very much likely or a move toward reforming tariff structure by adopting weighted average cost of gas (WACOG), further urea price increases cannot be ruled out. (The News) | [Click for more info.](#)

### DAP import regulations irk stakeholders

**Fertilizer | Neutral**

Fertilizer importers have criticised the government's decision to regulate di-ammonium phosphate (DAP) import and local pricing via the Trading Corporation of Pakistan (TCP), fearing that it will not only raise prices of the commodity but also lead to corruption and cartelisation due to a lack of competition. (Dawn) | [Click for more info.](#)

### Subsidy on fertilizer: Mol&P heavily censured for benefiting manufacturers

**Fertilizer | Neutral**

The Economic Coordination Committee (ECC) of the Cabinet has reportedly grilled Ministry of Industries and Production (Mol&P) for using subsidy to benefit fertilizer manufactures instead of farmers. This criticism came at a recent meeting of the ECC when a summary of Mol&P on revision of price of imported urea came under discussion on August 11, 2022. (BR) | [Click for more info.](#)

World Indices			
	Last	Chg.	Chg. %
INDONESIA - IDX	7,186.6	53.11	0.74%
INDIA - SENSEX	60,298.0	37.87	0.06%
US - Dow 30	33,999.0	18.72	0.06%
US - S&P 500	4,283.7	9.70	0.23%
PHILP - PSEi	6,824.6	5.64	0.08%
CHINA - Shanghai	3,277.5	-14.99	-0.46%
KSA - Tadawul	12,621.7	-25.01	-0.20%
Taiwan - TWII	15,396.8	-68.69	-0.44%
HK - Hang Seng	19,763.9	-158.54	-0.80%
PAK (KSE-100)	43,481.5	-195.06	-0.45%

Board Meetings			
Scrip	Day	Agenda	Time
JSIL	Friday	HY A/c for 30Jun22	10:00 AM
PKGP	Friday	HY A/c for 30Jun22	10:30 AM
LPL	Friday	HY A/c for 30Jun22	12:00 PM
AMBL	Friday	Ann A/c for 31Dec21	3:00 PM
PRL	Saturday	Ann A/c for 30Jun22	10:00 AM
JGICL	Monday	HY A/c for 30Jun22	10:00 AM
CLVL	Monday	Ann A/c for 30Jun22	11:00 AM
PICT	Monday	HY A/c for 30Jun22	11:15 AM
SBL	Monday	HY A/c for 30Jun22	2:00 PM
INIL	Monday	Ann A/c for 30Jun22	3:00 PM
JSGCL	Monday	HY A/c for 30Jun22	3:00 PM

Source: PSX

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## Miscellaneous

**FTA likely in 6 months: Pakistan, Iran agree to remove 'anti-trade' barriers**

**Economy | Neutral**

Pakistan and Iran have agreed to remove "anti-trade" tariff and non-tariff barriers to enhance bilateral trade volume besides desiring to ink Free Trade Agreement (FTA) in the next six months. (BR) | [Click for more info.](#)

**Export boost: Miftah assures Aptma all-out support**

**Textile | Neutral**

Finance Minister Miftah Ismail Thursday stated that the government's foremost priority is to promote the export-oriented sectors of the country and in this regard, all possible cooperation would be provided to them. (BR) | [Click for more info.](#)

**Exchange firms allowed to disburse remittances**

**Economy | Neutral**

Exchange companies (ECs) have been allowed the disbursement of home remittances in the local currency and could share the benefits with banks. (Dawn) | [Click for more info.](#)

## Political News

**PTI announces to hold 'grand public gatherings' across country**

Under a well-conceived move to mobilise the masses, Pakistan Tehreek-e-Insaf (PTI) on Thursday announced schedule of party chairman Imran Khan's marathon nationwide public gatherings to be held in 17 major cities across the country. (ET) | [Click for more info.](#)

## International News

**Asia Stock Gauge Dips; Dollar Nears One-Month High: Markets Wrap**

An Asian equity index dipped on Friday amid mixed Federal Reserve policy signals on the likely pace of interest-rate hikes, while the dollar climbed as the spotlight fell again on geopolitical tension. (Bloomberg) | [Click for more info.](#)

**Oil up 3% on robust U.S. fuel consumption, tight supply outlook**

Oil prices gained about 3% on Thursday as positive U.S. economic data and robust U.S. fuel consumption offset concerns that slowing economic growth in other countries could undercut demand. (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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