



August 23,

MORNING BRIEFING

Economy

Pakistan to receive \$2bn from Qatar: report

Economy | Positive

Pakistan will receive \$2 billion from Qatar in bilateral support to help ease its financing crunch, reported Bloomberg, citing acting governor of the State Bank of Pakistan (SBP) Dr Murtauza Syed, on Monday. Pakistan will also get \$1 billion in oil financing from Saudi Arabia and a similar amount in investments from the UAE. All the funds are expected over 12 months, Dr Syed said in a briefing, added the report. (BR) | [Click for more info.](#)

PM to leave for Qatar today

Economy | Neutral

The Prime Minister will hold in-depth consultations with the Qatari leadership. The two sides will review the entire spectrum of bilateral relations, with a particular focus on advancing energy-related cooperation, deepening trade and investment ties, and exploring greater employment opportunities for Pakistanis in Qatar. They will also exchange views on a range of regional and international issues of mutual interest. (BR) | [Click for more info.](#)

Loan resumption; IMF board to take up heavy agenda on 29th

Economy | Neutral

The International Monetary Fund (IMF) will consider “Pakistan - combined seventh and eighth reviews under the extended arrangement under the Extended Fund Facility (EFF); request for waivers of nonobservance of performance criteria, and for extension, augmentation, and rephrasing of access” on August 29. The Fund updated its website according to which the board meeting will be held on August 29. (BR) | [Click for more info.](#)

Pakistan assets hit as Government weighs action against Khan

Economy | Negative

Pakistan’s dollar-denominated bonds took a hit Monday along with its currency and stocks after the government said it is considering legal action against former Prime Minister Imran Khan. Securities due April 2024 fell, widening their yield premium over equivalent US Treasuries by more than 90 basis points to 2,823, according to indicative pricing data collected by Bloomberg. Spreads on other notes, including 2031 and and 2051 debt issued just last year, also widened, though they remain well inside their highs of July. The rupee fell 0.9% to 216.66 per dollar, according to central bank data. (Bloomberg) | [Click for more info.](#)

Amended tax laws come into force

Economy | Negative

President Arif Alvi Monday signed the Tax Laws (Second Amendment) Ordinance 2022 for additional taxation on the tobacco industry of Rs36 billion, sales tax exemption on single cylinder agriculture diesel engines, exemption of Capital Value Tax for the passenger/goods transport vehicles and vehicles of foreign diplomats and foreign diplomatic missions and restoration of old tax scheme for small traders/retailers prevailing prior to Finance Act 2022. In this connection, the Tax Laws (Second Amendment) Ordinance 2022 has been promulgated. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,650.8	29,385.6	-265.2	-0.9%
KSE100	43,270.7	42,826.7	-444.0	-1.0%
KSE30	16,398.7	16,232.3	-166.4	-1.0%
KMI30	71,313.4	70,769.1	-544.3	-0.8%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	9,660.0	10,000.0	340.0	3.5%
SFL	1,127.5	1,206.7	79.2	7.0%
SAPT	1,007.0	1,082.5	75.5	7.5%
INDU	1,014.2	1,036.5	22.3	2.2%
SCL	303.1	320.5	17.4	5.7%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PRL	19.8	19.1	-0.7	17.53
KEL	3.4	3.4	-0.1	14.69
WTL	1.5	1.4	-0.1	12.97
CNERGY	5.8	5.7	-0.2	12.02
UNITY	22.9	22.1	-0.8	10.32

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.97	-1.36	-0.39
O/S Pakistanies	2.07	-2.17	-0.09
Net	3.05	-3.53	-0.48
LIPI			
Individuals	24.99	-25.13	-0.13
Companies	1.46	-1.69	-0.23
Comm. Banks	2.43	-1.93	0.50
NBFC	0.03	-0.03	0.00
Mutual Funds	1.06	-1.47	-0.41
Other	0.39	-0.29	0.10
Brokers Proprietary	8.50	-8.02	0.48
Insurance	0.22	-0.06	0.16
Net	39.10	-38.62	0.48

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	90.36	-0.5%
Brent oil	USD/bbl.	96.73	0.0%
Gold	USD/t oz.	1736.24	-0.6%
Silver	USD/t oz.	18.99	-0.3%
Coal	USD/ton	344.50	3.4%
Steel Scrap (LME)	USD/ton	387.00	0.8%
Steel Rebar (LME)	USD/ton	641.00	-0.2%
USD/PKR	Interbank	6.01	0.8%

News Source: Local / Int'l Newspapers and websites

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Pakistan's fiscal deficit soars to Rs5.3tr in FY22

Economy | Negative

Pakistan's overall fiscal deficit in FY22 stood at 7.9% of GDP (Rs5.3trillion) against Rs3.4tn in FY20, showing a colossal surge of around 2tr or 55% YoY, as per data reported by Finance Ministry. This notable surge in fiscal deficit may be attributed to the energy subsidies around Rs1.5tr provided by the previous government. (Mettis) | [Click for more info.](#)

SBP leaves policy rate unchanged at 15pc 'to fight inflation'

Economy | Neutral

The State Bank of Pakistan (SBP) on Monday left its policy rate unchanged at 15 per cent for the next two months to cool down the economy and control inflation. (Dawn) | [Click for more info.](#)

Dollar rises by Rs2

Economy | Negative

The US dollar gained Rs2 against the rupee in the interbank market on Monday reflecting the weakening of the local currency despite positive announcements by the State Bank of Pakistan (SBP) and the government about expected inflows from the International Monetary Fund and friendly countries. The greenback closed the session at Rs216.66 against Rs214.65 the previous session, reported the central bank. (Dawn) | [Click for more info.](#)

New UAE rules trigger dirham shortage in Pakistan

Economy | Negative

The open market is experiencing a dearth of UAE dirhams (AED) as the Gulf state made it essential for Pakistani travellers to disclose 5,000 dirhams at the airport at the time of landing, foreign exchange dealers said. (The News) | [Click for more info.](#)

Power

Electricity generation declines by 9.8% YoY in July

Power | Negative

Total power generation in the country decreased by 9.8% YoY to 14,151 GWh during July 2022 at a cost of Rs10.71 per unit, compared to 15,680 GWh in Jul 2021 at the cost of Rs6.47 per unit, monthly power production data released by the National Electric Power Authority (NEPRA) on Saturday showed. (Mettis) | [Click for more info.](#)

11,300MW to be added to national grid: Wapda

Power | Neutral

The newly-appointed chairman of the Water and Power Development Authority (Wapda) on Monday linked the economic stability and social uplift of the country with the completion of 10 hydel power projects. "These projects, which are scheduled to be completed from 2022 to 2029 in a phased manner, will add 11.7 million acre feet (MAF) of gross water storage and 11,300 megawatt (MW) of low-cost, clean and green hydroelectricity to the national grid," Wapda Chairman, retired Lt Gen Sajjad Ghani, said. (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
CHINA - Shanghai	3,277.8	19.71	0.60%
Taiwan - TWII	15,408.8	12.02	0.08%
KSA - Tadawul	12,560.5	5.98	0.05%
INDONESIA - IDX	7,172.4	-14.13	-0.20%
US - S&P 500	4,138.0	-90.49	-2.14%
HK - Hang Seng	19,657.0	-116.05	-0.59%
PHILP - PSEi	6,704.4	-159.45	-2.32%
PAK (KSE-100)	42,826.7	-443.99	-1.03%
US - Dow 30	33,063.6	-643.13	-1.91%
INDIA - SENSEX	58,773.9	-872.28	-1.46%

Board Meetings

Scrip	Day	Agenda	Time
SMBL	Tuesday	HY A/c for 30Jun22	10:30 AM
GSKCH	Tuesday	HY A/c for 30Jun22	11:00 AM
NPL	Tuesday	Ann A/c for 30Jun22	11:00 AM
EFUG	Tuesday	HY A/c for 30Jun22	11:30 AM
KSBP	Tuesday	HY A/c for 30Jun22	11:45 AM
HASCOL	Tuesday	Multiple Periods	12:00 PM
GLAXO	Tuesday	HY A/c for 30Jun22	1:00 PM
DAWH	Tuesday	HY A/c for 30Jun22	3:00 PM
NEXT	Tuesday	Ann A/c for 30Jun22	3:45 PM
CYAN	Tuesday	HY A/c for 30Jun22	4:30 PM
JSBL	Wednesday	HY A/c for 30Jun22	10:30 AM
ALAC	Wednesday	HY A/c for 30Jun22	11:00 AM
CSAP	Wednesday	Ann A/c for 30Jun22	11:00 AM
TPLI	Wednesday	HY A/c for 30Jun22	11:00 AM
ALIFE	Wednesday	HY A/c for 30Jun22	11:30 AM
PIAA	Wednesday	HY A/c for 30Jun22	11:45 AM
BAHL	Wednesday	HY A/c for 30Jun22	12:00 PM
ASIC	Wednesday	HY A/c for 30Jun22	2:00 PM
JLICL	Wednesday	HY A/c for 30Jun22	2:00 PM
CPPL	Wednesday	Ann A/c for 30Jun22	3:00 PM
FCEPL	Wednesday	HY A/c for 30Jun22	3:30 PM
CSIL	Wednesday	HY A/c for 30Jun22	4:00 PM
IGIL	Wednesday	HY A/c for 30Jun22	4:00 PM
PIL	Wednesday	HY A/c for 30Jun22	4:00 PM
SCBPL	Wednesday	HY A/c for 30Jun22	4:00 PM

Source: PSX

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Autos

Sazgar Engineering all set to introduce CKD Haval SUVs this month

SAZEW | Neutral

Sazgar Engineering Works Limited (SAZEW) on Monday notified the Pakistan Stock Exchange (PSX) that it will be introducing the completely-knocked-down (CKD) variants of its Haval lineup of vehicles within August. According to the details, the H6 1.5 and 2.0, the two variants being introduced, will retail for prices of PKR 7.425 million and PKR 8.499 million respectively. Both vehicles are crossover-SUVs (CUV). (PT) | [Click for more info.](#)

Banks

Auto financing rises by 14.87% YoY in July 2022

Banks | Neutral

Automobile financing in Pakistan has increased by 14.87% YoY in July 2022 to a record high at Rs367 billion, compared to Rs313.86bn in the same month last year, the latest data issued by SBP showed today. (Mettis) | [Click for more info.](#)

Miscellaneous

Govt backs out of subsidised power decision

Textile | Negative

In a major U-turn, the Federal Government has reportedly backed out from its decision to supply electricity to five export-oriented sectors (erstwhile zero rated sectors) at cents 9 per unit for the entire current fiscal year (CFY 2022-23) after a summary approved by the Prime Minister was sent by the Finance Division in "violation" of rules of business 1974, well informed sources in Commerce Ministry told. (BR) | [Click for more info.](#)

Political News

Ishaq Dar files petition in SC for early hearing of appeal

The latest application in the Supreme Court of Pakistan is requesting intervention by the apex court to consider his case on merit. According to his lawyers, Senator-elect Dar was first "blacklisted" by the Directorate General of Immigration and Passports without any basis or justification on July 24, 2018. (The News) | [Click for more info.](#)

International News

Stocks drop amid higher bond yields, firm Dollar: Markets Wrap

Stocks retreated in Asia on Tuesday after worries about Federal Reserve monetary tightening saddled US shares with their worst drop in two months while boosting bond yields and the dollar. (Bloomberg) | [Click for more info.](#)

Oil prices rise after Saudi says OPEC could cut output

Oil prices edged up on Tuesday, after Saudi Arabia warned that OPEC could cut output to correct a recent drop in oil futures. (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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