



August 25,

MORNING BRIEFING

Economy

Qatar to invest \$3bn in Pakistan

Economy | Positive

Qatar's Diwan-e-Emiri Wednesday confirmed that the Qatar Investment Authority (QIA) aims to invest \$3 billion in Pakistan. (The News) | [Click for more info.](#)

Pakistan's technical compliance rating upgraded by FATF's APG

Economy | Positive

The Asia Pacific Group (APG), a subsidiary body of the Financial Action Task Force (FATF), has released the fourth technical compliance report on the implementation of the FATF Action Plan by Pakistan, in which Pakistan's technical compliance rating has been upgraded. (BR) | [Click for more info.](#)

No tax relief without NA approval under IMF conditions

Economy | Negative

The International Monetary Fund (IMF) has made it compulsory for Pakistan to get the National Assembly's (NA) approval before launching any tax amnesty scheme in order for the country to secure its economic bailout. (PT) | [Click for more info.](#)

Govt advised against steep regulatory duties ahead of IMF meet

Economy | Neutral

The National Tariff Commission (NTC) has cautioned the federal government of a possible fallout of imposing the highest-ever regulatory duties (RD) on goods imports ahead of the International Monetary Fund (IMF) executive board meeting. Fearing the reaction from the IMF board members as well as other multilateral institutions like the Geneva-based World Trade Organisation (WTO) and the World Bank, the NTC's top officials suggested the government avoid imposing regulatory duties ahead of the board meeting because many countries will be affected by this decision at a time when the global economy is slowing down. (Dawn) | [Click for more info.](#)

FDI drops to \$59 million in July

Economy | Negative

Pakistan's foreign direct investment (FDI) fell 43 percent to \$59 million in July from \$103.8 million a year ago, the central bank data showed on Wednesday. The FDI saw a 78 percent decline on a month-on-month basis. It amounted to \$271 million in June. (The News) | [Click for more info.](#)

CAD shrinks 45pc in July

Economy | Positive

Pakistan's current account deficit (CAD) shrank 45 per cent month-on-month to \$1.2 billion in July, the State Bank of Pakistan (SBP) said on Wednesday. The country's trade deficit dropped 18.3pc to \$2.64bn during the same month from \$3.23bn a year ago. Pakistan posted a massive current account deficit of \$17.3bn in the previous fiscal year, or a monthly average of \$1.44bn. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,703.3	29,653.3	-50.0	-0.2%
KSE100	43,366.8	43,338.0	-28.8	-0.1%
KSE30	16,490.8	16,526.6	35.8	0.2%
KMI30	72,126.1	72,195.2	69.0	0.1%

Top Five Gainers

	Open	Close	Chg.	%
RCML	460.0	494.0	34.0	7.4%
SYS	380.2	391.1	10.9	2.9%
JLICL	162.0	172.0	10.0	6.1%
TGL	121.1	130.2	9.1	7.5%
FZCM	231.3	240.0	8.7	3.7%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HASCOL	6.9	6.8	-0.1	27.02
KEL	3.4	3.5	0.1	20.81
PIAA	4.9	5.4	0.4	13.49
BAFL	32.2	32.5	0.3	13.10
TPLP	20.0	20.1	0.1	10.81

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.54	-2.31	-1.76
O/S Pakistanies	3.37	-3.39	-0.02
Net	3.92	-5.70	-1.78
LIPI			
Individuals	41.51	-40.96	0.54
Companies	5.92	-6.23	-0.30
Comm. Banks	2.94	-0.74	2.19
NBFC	0.06	-0.07	0.00
Mutual Funds	2.82	-2.88	-0.06
Other	0.80	-0.32	0.48
Brokers Proprietary	11.40	-11.90	-0.50
Insurance	0.15	-0.72	-0.57
Net	65.60	-63.83	1.78

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	94.89	1.2%
Brent oil	USD/bbl.	101.70	1.5%
Gold	USD/t oz.	1751.41	0.2%
Silver	USD/t oz.	19.12	0.0%
Coal	USD/ton	328.00	-1.6%
Steel Scrap (LME)	USD/ton	390.00	0.6%
Steel Rebar (LME)	USD/ton	645.50	1.1%
USD/PKR	Interbank	6.05	0.8%

News Source: Local / Int'l Newspapers and websites

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Trade deficit in services shrinks by 62% MoM in July 2022

Economy | Positive

Pakistan's trade deficit in services improves by around 62% MoM to \$260 million in July 2022 from \$682mn in the previous month, the data released by the State Bank of Pakistan (SBP) showed on Tuesday. (Metis) | [Click for more info.](#)

T-bill yields rise slightly

Economy | Neutral

The government raised Rs828 billion through an auction of the Market Treasury Bill (T-bill), with the yields on short-duration papers increasing slightly. The raised amount was higher than the pre-auction target of Rs750 billion. The cut-off yield on the three-year T-bill inched up by 5 basis points (bps) to 15.79 percent. The yield on the six-month paper increased by 5bps to 15.85 percent, while the cut-off yield on the six-month paper remained unchanged at 15.94 percent. (The News) | [Click for more info.](#)

Pakistan's REER falls to 93.2 in July

Economy | Neutral

Pakistan's Real Effective Exchange Rate (REER), a measure of the value of a currency against a weighted average of several foreign currencies, decreased marginally as it clocked in at 93.2 in July 2022, down from 93.98 in June this year, data released by the State Bank of Pakistan (SBP) showed on Wednesday. A REER below 100 means the country's exports are competitive, while imports are expensive. (BR) | [Click for more info.](#)

Dollar climbs to Rs229 in open market

Economy | Negative

The US dollar on Wednesday continued its winning streak for the third consecutive session against the Pakistani rupee and rose by Rs7 to Rs229 in the open market ahead of the International Monetary Fund's (IMF) executive board meeting — scheduled for August 29 in Washington. In the interbank market, the local unit, however, closed at 218.38 after losing 0.72 against the dollar, up from yesterday's close of 217.66, according to the State Bank of Pakistan. (The News) | [Click for more info.](#)

Oil & Gas

Hascal inches closer to loan restructuring

HASCOL | Positive

Hascal Petroleum Ltd said on Wednesday its board has approved a plan for rehabilitating the company through restructuring and settlement of liabilities. The oil marketing company has been in financial trouble since 2018. (Dawn) | [Click for more info.](#)

Govt May Increase Petrol Price By Rs20 Per Litre

Oil | Neutral

Government is likely to drop the petrol bomb on the already suffering masses by increasing the prices of petroleum products by up to Rs20 per litre. (Nation) | [Click for more info.](#)

World Indices			
	Last	Chg.	Chg. %
US - Dow 30	32,969.2	59.64	0.18%
INDIA - SENSEX	59,085.4	54.13	0.09%
INDONESIA - IDX	7,194.7	31.44	0.44%
PHILP - PSEi	6,643.5	25.07	0.38%
KSA - Tadawul	12,443.8	23.00	0.19%
US - S&P 500	4,140.8	12.04	0.29%
Taiwan - TWII	15,069.2	-26.70	-0.18%
PAK (KSE-100)	43,338.0	-28.81	-0.07%
CHINA - Shanghai	3,215.2	-61.02	-1.86%
HK - Hang Seng	19,268.7	-234.51	-1.20%

Board Meetings			
Scrip	Day	Agenda	Time
HUBC	Thursday	Ann A/c for 30Jun22	10:00 AM
PSMC	Thursday	HY A/c for 30Jun22	10:00 AM
ATIL	Thursday	HY A/c for 30Jun22	11:00 AM
FATIMA	Thursday	HY A/c for 30Jun22	11:00 AM
SAPL	Thursday	HY A/c for 30Jun22	11:00 AM
FABL	Thursday	HY A/c for 30Jun22	12:00 PM
JSCC	Thursday	HY A/c for 30Jun22	12:15 PM
CHCC	Thursday	Ann A/c for 30Jun22	12:30 PM
PAKOXY	Thursday	HY A/c for 30Jun22	2:00 PM
DLL	Thursday	HY A/c for 30Jun22	3:00 PM
IGIHL	Thursday	HY A/c for 30Jun22	3:30 PM
BATA	Thursday	HY A/c for 30Jun22	4:00 PM
CENI	Thursday	HY A/c for 30Jun22	4:00 PM
SYS	Thursday	HY A/c for 30Jun22	5:30 PM
PSO	Friday	Ann A/c for 30Jun22	9:30 AM
SGF	Friday	HY A/c for 30Jun22	9:30 AM
TATM	Friday	Ann A/c for 30Jun22	9:30 AM
BOK	Friday	HY A/c for 30Jun22	10:00 AM
AGIL	Friday	Ann A/c for 30Jun22	10:30 AM
AGL	Friday	HY A/c for 30Jun22	10:30 AM
PINL	Friday	HY A/c for 30Jun22	11:00 AM
SPWL	Friday	HY A/c for 30Jun22	11:30 AM
SRVI	Friday	HY A/c for 30Jun22	11:30 AM
UPFL	Friday	HY A/c for 30Jun22	2:30 PM
PKGS	Friday	HY A/c for 30Jun22	3:00 PM

Source: PSX

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OCAC seeks lower mdr

Oil | Neutral

The oil industry has sought reduction in merchant discount rate (MDR) on fuel purchases through cards, and recommended it to be capped at 0.3 percent from 1.5 percent. The oil sector has requested the State Bank of Pakistan (SBP) to intervene in the matter citing that the current rate of MDR was not sustainable for the industry. (The News) | [Click for more info.](#)

PD plans to withdraw gas from old units of TPSG

Gas | Neutral

The Petroleum Division has reportedly prepared a plan to withdraw gas from older and inefficient units of Thermal Power Station Guddu (TPSG) aimed at giving it to the fertilizer sector, which has been lobbying for quite some time, well-informed sources told. (BR) | [Click for more info.](#)

Power

200 units power cap for FCA exemption

KEL, Discos | Neutral

Following the announcement of the relief package by Prime Minister Shehbaz Sharif, Federal Minister for Power Khurram Dastgir Khan explained on Wednesday that only the households that consume electricity up to 200 units will get an exemption from the Fuel Charges Adjustment (FCA). (The News) | [Click for more info.](#)

Power sector circular debt rises to Rs2.6 trillion: PAC told

Power | Negative

The Public Accounts Committee was informed on Wednesday that the circular debt of the power sector had risen to Rs2.6 trillion, increasing by Rs1.6 trillion in one year. (The News) | [Click for more info.](#)

Miscellaneous

SECP allows Modaraba companies to deal or trade

Modaraba | Neutral

According to SRO 1546 (I)/2022 issued by the SECP on Wednesday, a Modaraba company can hold, deal or trade in real estate projects, subject to the laid down conditions. (BR) | [Click for more info.](#)

Pandemic pushed back fight against poverty: ADB

Economy | Neutral

The Covid-19 pandemic has set back the fight against poverty in Asia and the Pacific by at least two years, and many in the region will likely find it harder than before to escape poverty, an Asian Development Bank (ADB) report released on Wednesday said. (Dawn) | [Click for more info.](#)

Political News

Expats' voting rights; SC removes objections to IK's and others' petitions

The Supreme Court removed the objections on Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan's and others' petitions on overseas Pakistanis voting rights in the general elections. (BR) | [Click for more info.](#)

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Imran Khan's street politics sets up showdown with Pakistan Army

Pakistan's military-backed establishment faces a dilemma: The more they seek to boot Imran Khan out of politics, the greater the risk he becomes even more popular. Since his ouster in a no-confidence vote in April, Khan has sought to rally his supporters in the world's fifth-most populous country to hit the streets and push for a fresh national vote. The campaign has been paying off lately, with Khan's party winning key by-election. (Bloomberg) | [Click for more info.](#)

International News

Oil ends higher on U.S. response to Iran nuclear deal comments

Oil prices ended Wednesday higher after a volatile trading session on concerns that the United States will not consider additional concessions to Iran in its response to a draft agreement that would restore Tehran's nuclear deal - and potentially the OPEC member's crude exports. (Reuters) | [Click for more info.](#)

Firm Asia Open Ahead Amid China Vow, Fed Countdown: Markets Wrap

Stocks in Asia look set for a steady open Thursday on China's pledge of more steps to shore up its economy and as traders await a key speech by Federal Reserve Chair Jerome Powell about the policy outlook. (Bloomberg) | [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 ^{AC}

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