

August 31,

## Economy

**US announces \$30mn in support for Pakistan flood response**

**Economy | Positive**

The United States will provide \$30 million in support for Pakistan following severe rains and flooding, the US embassy in Islamabad announced on Tuesday. (BR) | [Click for more info.](#)

**Flood emergency: UN announces flash appeal for \$160m to assist Pakistan**

**Economy | Positive**

United Nations Secretary-General Antonio Guterres on Tuesday announced a flash appeal for \$160 million to support the Pakistan government's flood relief efforts. (BR) | [Click for more info.](#)

**Dollar bonds' yields rebound on IMF deal**

**Economy | Neutral**

Yields on Pakistan's dollar-denominated sovereign bonds rallied on Tuesday as the country managed to dodge a default on its foreign debt repayments following the resumption of the International Monetary Fund bailout package. (The News) | [Click for more info.](#)

**PKR gains Rs1.8 against dollar in interbank as IMF approves disbursement**

**Economy | Neutral**

The PKR recovered by Rs1.8 against the dollar in the interbank market on Tuesday. Data shared by the State Bank of Pakistan showed the local currency closed at Rs220.12, up 0.82 per cent. (Dawn) | [Click for more info.](#)

**MoF revises strategy to release funds for development budget**

**Economy | Neutral**

The Ministry of Finance on Tuesday amended the strategy for releasing funds for the current fiscal year's (FY23) development budget which deals with public sector development. (PT) | [Click for more info.](#)

## Power

**LHC strikes off fuel adjustment charges from electricity bills**

**Power | Neutral**

The Lahore High Court (LHC) Rawalpindi Circuit bench on Tuesday quashed fuel adjustment charges from electricity bills. Justice Jawadul Hassan directed the WAPDA and the NEPRA not to charge tax in the electricity bills of consumers. (The News) | [Click for more info.](#)

**Thar coal power plants to hit 2,000MW target in 2023**

**Power | Neutral**

Shanghai Electric's Thar Coal Power Plant is set to start injecting electricity into the system, the country's top energy executive said on Tuesday, while coal-fired projects' generation is seen hitting 2,000MW this year. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,191.0	28,985.3	-205.7	-0.7%
KSE100	42,504.3	42,195.3	-309.1	-0.7%
KSE30	16,089.6	15,927.0	-162.6	-1.0%
KMI30	70,290.0	69,845.8	-444.2	-0.6%

### Top Five Gainers

	Open	Close	Chg.	%
SAPT	1,011.0	1,086.8	75.8	7.5%
RMPL	9,950.0	10,000.0	50.0	0.5%
SRVI	279.0	297.0	18.0	6.4%
ATBA	188.6	202.7	14.1	7.5%
NESTLE	5,790.0	5,800.0	10.0	0.2%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	3.5	3.3	-0.2	38.18
WTL	1.3	1.3	0.0	13.74
UNITY	22.9	23.0	0.1	12.88
FCCL	14.6	14.4	-0.2	11.22
PRL	19.0	18.9	-0.1	10.94

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.56	-0.59	-0.03
O/S Pakistanies	2.21	-2.05	0.16
<b>Net</b>	<b>2.77</b>	<b>-2.64</b>	<b>0.12</b>
LIPI			
Individuals	32.13	-30.52	1.60
Companies	2.08	-1.96	0.12
Comm. Banks	1.04	-1.42	-0.37
NBFC	0.12	-0.11	0.02
Mutual Funds	1.79	-1.80	-0.01
Other	0.19	-0.26	-0.07
Brokers Proprietary	7.98	-7.92	0.05
Insurance	0.38	-1.85	-1.47
<b>Net</b>	<b>45.71</b>	<b>-45.84</b>	<b>-0.12</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	91.64	-5.5%
Brent oil	USD/bbl.	98.55	-4.3%
Gold	USD/t oz.	1724.32	-0.8%
Silver	USD/t oz.	18.44	-1.8%
Coal	USD/ton	346.60	-0.5%
Steel Scrap (LME)	USD/ton	390.00	0.0%
Steel Rebar (LME)	USD/ton	644.00	0.2%
USD/PKR	Interbank	6.05	-0.4%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

### Ex-UK judge to head tribunal to settle IPPs issue

**IPPs | Neutral**

David Edmond Neuberger, a former Supreme Court judge of the UK, has been appointed as the chairman of the tribunal for the settlement of a dispute involving Rs52 billion with 12 independent power producers (IPPs) set up under the 2002 policy. (ET) | [Click for more info.](#)

### Opening of L/Cs; PPIB urges SBP to facilitate IPPs

**IPPs | Neutral**

Private Power & Infrastructure Board (PPIB) has urged the State Bank of Pakistan (SBP) to facilitate Independent Power Producers (IPPs) in opening Letters of Credit (L/Cs) to timely carry out periodic and breakdown maintenance of generation plants and machinery and to fulfil its contractual obligations. In case, IPPs are unable to get approval for opening requisite L/Cs, power plants operations may be hampered and eventually cause shortfall in generation and contractual dispatch to the national grid. (BR) | [Click for more info.](#)

## Autos

### Toyota, Millat shut plants

**INDU, MTL | Negative**

The auto sector crisis deepened as Indus Motor Company (IMC) and Millat Tractor Ltd (MTL) on Tuesday announced production shutdowns due to parts shortages and delivery disruptions due to flood devastation across the country. (Dawn) | [Click for more info.](#)

## Miscellaneous

### FFL increases share capital by Rs10bn

**FFL | Positive**

Fauji Foods Limited (FFL) has resolved an increase in the authorized share capital of the company from Rs18 billion to Rs28bn in an extra general ordinary meeting held on August 30, 2022, the company's filing on bourse showed today. (Mettis) | [Click for more info.](#)

### PABC's production capacity increases by 250mn cans per annum

**PABC | Positive**

Pakistan Aluminium Beverage Cans Limited (PABC)'s project for the enhancement of production capacity has been fully commissioned and made operational. During the meeting held yesterday, the Chief Executive Officer (CEO) elaborated to the Board of Directors of the company that the rated production capacity has been increased from 700 million cans per annum (p.a) to 950 million cans p.a. (Mettis) | [Click for more info.](#)

### ECC decides to boost strategic reserves of wheat

**Economy, Food | Neutral**

The Economic Coordination Committee (ECC) of the Cabinet has decided to increase wheat strategic reserves to two million metric tons in order to deal with expected hoarding and prices' increase in the wake of rainfalls and floods.(BR) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	59,537.1	1564.45	2.70%
Taiwan - TWII	14,953.6	27.44	0.18%
INDONESIA - IDX	7,159.5	27.42	0.38%
CHINA - Shanghai	3,227.2	-13.51	-0.42%
US - S&P 500	3,986.2	-44.45	-1.10%
PHILP - PSEi	6,690.3	-62.23	-0.92%
HK - Hang Seng	19,949.0	-74.19	-0.37%
KSA - Tadawul	12,455.7	-75.01	-0.60%
US - Dow 30	31,790.9	-308.12	-0.96%
PAK (KSE-100)	42,195.3	-309.09	-0.73%

### Board Meetings

Scrip	Day	Agenda	Time
KAPCO	Wednesday	ANN A/c for 30Jun22	10:30 AM
BWHL	Wednesday	ANN A/c for 30Jun22	11:30 AM
AMBL	Wednesday	HY A/c for 30Jun22	12:00 PM
FEROZ	Wednesday	ANN A/c for 30Jun22	12:00 PM
AHL	Wednesday	ANN A/c for 30Jun22	4:00 PM
GTYR	Thursday	ANN A/c for 30Jun22	11:00 AM
TSML	Thursday	1QA/c for 31Dec22	3:00 PM
MLCF	Thursday	ANN A/c for 30Jun22	3:30 PM
KTML	Friday	ANN A/c for 30Jun22	3:30 PM

Source: PSX

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MORNING BRIEFING

**Import and supply of flood goods: FBR gives ST, WHT, FED exemptions**

**Economy | Neutral**

The Federal Board of Revenue (FBR) has granted exemption of sales tax, withholding tax and Federal Excise Duty on the import and local supply of all goods received as gifts and relief consignments, donations from foreign governments or organizations for the relief operations for flood victims. (BR) | [Click for more info.](#)

## Political News

**Flood victims' rehabilitation: KP CM rules out any contact with Centre**

Khyber Pakhtunkhwa Chief Minister Mahmood Khan said Tuesday there was no coordination with the federal government for the rehabilitation of the flood-affected people. (The News) | [Click for more info.](#)

## International News

**Will take 'a few years' to get US inflation back to 2%, says Fed official**

The Federal Reserve is committed to bringing soaring US inflation back down to two per cent, but that will take "a few years," a top central banker said Tuesday. (Khaleejtimes) | [Click for more info.](#)

**Oil dives nearly \$6 a barrel on demand fears, Iraq exports**

Oil prices fell nearly \$6 a barrel on Tuesday, the steepest decline in about a month, on fears that fuel demand could soften as global central banks hike rates to fight surging inflation, and as unrest in Iraq failed to dent the OPEC nation's crude exports. (Reuters) | [Click for more info.](#)

**Stocks fall on hawkish red outlook; oil trims drop: Markets Wrap**

Stocks in Asia fell Wednesday on the prospect of continued aggressive Federal Reserve monetary tightening and as traders assessed a possible uptick in tension between China and Taiwan. (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.

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