

September 1, 2022

## Economy

### Pakistan gets \$1.16 billion loan tranche from IMF

#### Economy | Positive

Pakistan has received a \$1.16 billion loan installment from the International Monetary Fund (IMF) under the Extended Fund Facility, which will support the country's foreign exchange reserves and appreciate the local currency. (The News) | [Click for more info.](#)

### ADB approves \$3mn for flood affectees in Pakistan

#### Economy | Positive

The Asian Development Bank (ADB) has approved a \$3 million grant to support Pakistan's emergency relief efforts amid widespread floods across the country. (Mettis) | [Click for more info.](#)

### Flood assistance; World community has pledged \$58.141m so far

#### Economy | Positive

The international community has so far pledged \$58.141 million in assistance to Pakistan to deal with the catastrophic floods following United Nations and government of Pakistan's launch of a joint flash appeal for \$160 million. (BR) | [Click for more info.](#)

### Foreign funded projects; more funds will be sought from donors: Aisha

#### Economy | Neutral

The government will seek additional funds from donors for the Foreign Funded Projects (FFPs) which suffered unmanageable losses due to heavy rains and flash floods. Currently, in total there are 113 projects in all provinces worth \$ 15.2 billion. (BR) | [Click for more info.](#)

### CPI likely to clock in at 26.74% YoY in August

#### Economy | Neutral

Accordingly, the CPI for August 2022 is expected to settle around 25.78%-27.6% with an average estimate of 26.74% YoY compared to 24.9% YoY in the last month and 8.4% YoY in August 2021. (Mettis) | [Click for more info.](#)

### FBR: Aug collection surpasses target

#### Economy | Positive

The Federal Board of Revenue (FBR) has provisionally collected net revenue of Rs 489 billion during August 2022 against the target of Rs. 483 billion, reflecting an increase of Rs 6 billion. (BR) | [Click for more info.](#)

### PKR extends gains by Rs1.37 in interbank after IMF bailout

#### Economy | Positive

The PKR continued to recover for the second consecutive session on Wednesday, gaining Rs1.37 against the dollar in the interbank market. The local currency closed at Rs218.75 per dollar after appreciating 0.63 per cent. The PKR was changing hands at Rs218.5 per dollar in the open market, data shared by the Forex Association of Pakistan showed. (Dawn) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,985.3	29,077.9	92.6	0.3%
KSE100	42,195.3	42,351.2	155.9	0.4%
KSE30	15,927.0	16,003.4	76.4	0.5%
KMI30	69,845.8	70,346.8	500.9	0.7%

### Top Five Gainers

	Open	Close	Chg.	%
BHAT	1,275.0	1,370.6	95.6	7.5%
SAPT	1,086.8	1,160.0	73.2	6.7%
AABS	292.3	308.0	15.8	5.4%
SCL	309.0	320.0	11.0	3.6%
SRVI	297.0	305.3	8.3	2.8%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	3.3	3.3	-0.1	15.14
UNITY	23.0	23.7	0.7	10.98
EPCL	58.4	62.3	3.9	10.26
FCCL	14.4	15.0	0.6	6.91
WTL	1.3	1.3	0.0	6.06

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	-0.03	-0.02
F-Corporates	1.67	-2.14	-0.47
O/S Pakistanies	1.58	-1.54	0.04
<b>Net</b>	<b>3.26</b>	<b>-3.71</b>	<b>-0.46</b>
LIPI			
Individuals	24.95	-24.71	0.24
Companies	2.08	-1.14	0.94
Comm. Banks	1.74	-1.50	0.24
NBFC	0.03	-0.03	0.00
Mutual Funds	2.55	-2.41	0.14
Other	0.43	-0.18	0.26
Brokers Proprietary	6.54	-5.74	0.80
Insurance	0.51	-2.67	-2.17
<b>Net</b>	<b>38.84</b>	<b>-38.38</b>	<b>0.46</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	89.55	-2.3%
Brent oil	USD/bbl.	94.88	-3.7%
Gold	USD/t oz.	1711.12	-0.8%
Silver	USD/t oz.	17.99	-2.4%
Coal	USD/ton	346.45	0.0%
Steel Scrap (LME)	USD/ton	389.20	-0.2%
Steel Rebar (LME)	USD/ton	643.64	-0.1%
USD/PKR	Interbank	6.00	-0.9%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

## Oil & Gas

**OGDC announces gas discovery in KPK's Kohat**

**OGDC | Positive**

Oil & Gas Development Company Limited (PSX: OGDC) announced on Wednesday a gas discovery from the deeper Samanasuk & Shinawari formations of Tolanj West Development & Production Lease (D&PL) in the Tolanj West-2 development well, which is located in district Kohat, Khyber Pakhtunkhwa Province (KPK). (Mettis) | [Click for more info.](#)

**Govt Hikes Petrol Price By Rs2.07 Per Litre**

**Oil | Positive**

In another jolt to the inflation-hit masses, the government has increased the petrol price by Rs 2.07 per litre and diesel price by Rs2.99 per litre. The new prices came into effect today (September 1, 2022). After the increase in prices, the new petrol price will be Rs235.98 per litre while diesel will be sold at Rs247.43 per litre. The price of kerosene oil was also increased by Rs10.92 per litre to Rs210.32 per litre. The price of light diesel oil was also increased by Rs9.79 per litre. The new price of light diesel will be Rs201.54 per litre. (Nation) | [Click for more info.](#)

**OGRA reduces LPG price by Rs75.11per 11.8-kg cylinder**

**BPL | Negative**

Oil and Gas Regulatory Authority (OGRA) on Wednesday issued a price-revision notification of Liquefied Petroleum Gas (LPG) for September, decreasing the commodity price by Rs75.11 per 11.8-kilogram cylinder. (Pakobserver) | [Click for more info.](#)

## Power

**KE's July tariff cut by Rs3.48, but Discos allowed Rs4.34 hike**

**KEL | Positive**

The National Electric Power Regulatory Authority (Nepra) on Wednesday cleared Rs4.34 per unit additional fuel cost adjustment (FCA) for ex-Wapda distribution companies (Discos) and about Rs3.48 per unit reduction in FCA for K-Electric consumers for power consumed in July. (Dawn) | [Click for more info.](#)

## Miscellaneous

**Ghee/oil industry lands in frying pan for overpricing**

**Vanaspati & Allied | Neutral**

The committee directed the authorities to ensure the prices of ghee/cooking oil products in the domestic market are reduced in line with the international prices of the palm oil. The manufacturers argued the rising input cost did not allow them to reduce the prices accordingly in the domestic market. (The News) | [Click for more info.](#)

**Amreli Steels, Bolan Castings halt production amid flood disruptions**

**ASTL, BCL | Negative**

Amreli Steels and Bolan Castings have announced production shutdowns in separate notices to the Pakistan Stock Exchange (PSX) on Wednesday as the country continues to suffer from effects of the cataclysmic floods. (BR) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	59,537.1	1564.45	2.70%
PAK (KSE-100)	42,351.2	155.90	0.37%
Taiwan - TWII	15,095.4	141.81	0.95%
INDONESIA - IDX	7,178.6	19.12	0.27%
HK - Hang Seng	19,954.4	5.36	0.03%
CHINA - Shanghai	3,202.1	-25.08	-0.78%
US - S&P 500	3,955.0	-31.16	-0.78%
PHILP - PSEi	6,583.7	-106.62	-1.59%
KSA - Tadawul	12,283.3	-172.32	-1.38%
US - Dow 30	31,510.4	-280.44	-0.88%

### Board Meetings

Scrip	Day	Agenda	Time
GTJR	Thursday	ANN A/c for 30Jun22	11:00 AM
TSML	Thursday	1Q A/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
HRPL	Monday	ANN A/c for 30Jun22	11:00 AM
OTSU	Tuesday	ANN A/c for 30Jun22	10:30 AM
FHAM	Tuesday	ANN A/c for 30Jun22	11:00 AM
HMM	Tuesday	ANN A/c for 30Jun22	12:30 PM
BWCL	Tuesday	ANN A/c for 30Jun22	3:00 PM
MFL	Wednesday	ANN A/c for 30Jun22	12:00 PM
DOL	Wednesday	ANN A/c for 30Jun22	2:30 PM
SSGC	Friday	HYA/c for 30Jun22	11:00 AM

Source: PSX

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## Power supply to 5 zero-rated sectors

**Textile | Neutral**

The Finance Ministry has reportedly got Prime Minister's nod to revisit Cabinet decision on supply of electricity to five zero-rated sectors during the entire fiscal year 2022-23 starting from August 1, 2022, saying this will require Rs80 billion additional funding and jeopardize fiscal deficit and primary balance targets agreed with the IMF. (BR) | [Click for more info.](#)

## ECC Approves Wheat Import, Six Debt Rescheduling Agreements Worth \$189.52m

**Food | Neutral**

The Economic Coordination Committee (ECC) of the Cabinet on Tuesday approved wheat import and six debt rescheduling agreements with three countries including Italy, Japan and Spain amounting to \$189.52 million. (Nation) | [Click for more info.](#)

## NA panel to propose wheat support price of Rs3,000/40kg

**Food | Neutral**

The National Assembly Standing Committee on Commerce has decided to recommend Rs3,000/40-kg as Minimum Support Price (MSP) of wheat for 2022, with the direction that the price should be announced by September 2022. (BR) | [Click for more info.](#)

## Cabinet allows Onion, Tomato import from Iran, Afghanistan

**Economy | Neutral**

Since the calamitous monsoon floods have sent food prices skyrocketing, the federal cabinet has approved the import of onions and tomatoes from Iran and Afghanistan. (Nation) | [Click for more info.](#)

## Govt to consider imports from India: Miftah

**Economy | Neutral**

Finance Minister Miftah Ismail Wednesday said the federal government will consider importing goods from India, as the cash-strapped nation looks for options to cushion the impact of the devastating floods. (The News) | [Click for more info.](#)

## International News

### Risk Aversion Hits Stocks, Futures as Dollar Jumps: Markets Wrap

US equity futures and Asian stocks fell Thursday as a hawkish drumbeat from central banks reverberated across markets, supporting the dollar and pushing up sovereign-bond yields. (Bloomberg) | [Click for more info.](#)

### Oil prices slump again, hit by demand concerns

Oil prices extended their slide on Wednesday, led lower by worries that the global economy would slow further with renewed restrictions to curb COVID-19 in China. (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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