

September 6, 2022

## Economy

**Pakistan likely to get additional loan of \$2.57b**

**Economy | Positive**

The International Monetary Fund (IMF) has said that Pakistan is likely to receive an additional \$2.57 billion in external debt during the current fiscal year 2022-23. According to the IMF report, Islamabad needs financing of \$30.75 billion in the current financial year — equivalent to 8.4 percent of GDP — and is likely to receive \$16.61 billion in commercial loans. It said that Pakistan will get \$14.39 billion from other institutions besides the IMF, direct foreign investment of \$2.16 billion is also expected. According to the report, the country's short-term debt of \$12.83 billion is likely to roll over. (ET) | [Click for more info.](#)

**Sindh secures \$92 million assistance from World Bank**

**Economy | Positive**

Sindh Chief Minister Syed Murad Ali Shah presented the case of Sindh relating to the devastation caused by flood in his meeting with the World Bank Country Director Najy Behhassine. The chief minister was successful in getting approval for \$92 million in assistance, while the sum will be diverted from different projects of the bank for relief and rehabilitation of the affected people. (ET) | [Click for more info.](#)

**More aid likely in a few days, says leader of US team**

**Economy | Positive**

US Congressional delegation on Monday reaffirmed the United States' commitment to continue support to Pakistan in recovering from the devastation caused by floods in the country. Sheila Jackson said as the United States stands in solidarity with Pakistan in this difficult time, adding that the US has already announced a \$30million assistance for flood-affected people in Pakistan. She said that the US will provide more assistance in the coming few days. (BR) | [Click for more info.](#)

**IMF programme revival credit positive, but challenges remain, says Moody's**

**Economy | Neutral**

Moody's Investors Service has termed the International Monetary Fund's (IMF) recent approval of \$1.1-billion loan disbursement and programme revival a 'credit positive' for Pakistan. (BR) | [Click for more info.](#)

**Need to enhance disaster risk finance approach**

**Economy | Neutral**

Examining risks from flooding and earthquakes in the Central Asia Regional Economic Countries (Carec) region, the Asian Development Bank has emphasised that there is an urgent need to enhance the current disaster risk finance approach in Pakistan. (Dawn) | [Click for more info.](#)

**Rupee trading in range of 230-232 in open market as spread with inter-bank widens**

**Economy | Negative**

Spread between inter-bank and open-market rates soared to what currency dealers said was a historic high with the gap hitting Rs10-12 on Monday. The US dollar finished at 219.86 in the inter-bank market, but was trading at the 230-232 level in the open, a massive difference that usually stays within the range of Rs2-4, according to Exchange Companies Association of Pakistan (ECAP) data. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,117.2	29,031.2	-86.0	-0.3%
KSE100	42,460.1	42,309.1	-151.0	-0.4%
KSE30	16,016.5	15,932.6	-83.9	-0.5%
KMI30	70,539.8	70,094.7	-445.1	-0.6%

### Top Five Gainers

	Open	Close	Chg.	%
COLG	2,335.4	2,396.0	60.6	2.6%
PRET	699.5	748.0	48.5	6.9%
SFL	1,206.7	1,243.3	36.6	3.0%
NESTLE	5,729.0	5,765.0	36.0	0.6%
GATI	374.1	402.2	28.1	7.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.3	1.3	0.0	11.93
FLYNG	7.9	8.0	0.1	9.72
SILK	1.2	1.3	0.1	8.96
CNERGY	5.3	5.2	-0.1	8.31
PAEL	16.7	16.8	0.2	7.77

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.03	0.00	0.03
F-Corporates	0.05	-0.53	-0.49
O/S Pakistanians	1.62	-1.18	0.44
<b>Net</b>	<b>1.70</b>	<b>-1.71</b>	<b>-0.01</b>
LIPI			
Individuals	17.43	-17.00	0.43
Companies	0.73	-1.13	-0.41
Comm. Banks	2.39	-1.06	1.32
NBFC	0.78	-0.01	0.77
Mutual Funds	2.00	-3.30	-1.30
Other	0.29	-0.14	0.16
Brokers Proprietary	3.80	-4.01	-0.21
Insurance	0.27	-1.02	-0.75
<b>Net</b>	<b>27.69</b>	<b>-27.68</b>	<b>0.01</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	86.87	0.3%
Brent oil	USD/bbl.	93.02	0.7%
Gold	USD/t oz.	1712.19	0.9%
Silver	USD/t oz.	18.04	1.2%
Coal	USD/ton	348.00	-0.7%
Steel Scrap (LME)	USD/ton	377.50	-0.7%
Steel Rebar (LME)	USD/ton	670.00	2.3%
USD/PKR	Interbank	5.96	-0.5%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

## Oil & Gas

### Govt orders paperwork for oil sector deregulation

#### Oil, OMCs | Negative

Amid record prices, the government has decided in principle to go for deregulation of the oil sector and has asked the Oil & Gas Regulatory Authority (Ogra) to work out its modalities in consultation with oil refineries and marketing companies. A senior official told Dawn the government had asked Ogra to thrash out terms of reference for oil sector deregulation in order to promote competition and efficiency. (Dawn) | [Click for more info.](#)

### Fuel purchase; OCAC for capping MDR at 0.3pc

#### OMCs | Neutral

The Oil Companies Advisory Council (OCAC) has written a letter to the State Bank of Pakistan (SBP) for a review of the merchant discount rate (MDR) of 1.5 percent on fuel purchases through credit or debit cards arguing that although the MDR varies across the industry; however, on an average around 1.5pc is being charged by banks at petrol pumps and the cost is being borne by the OMCs and their dealers (petrol pump owners and operators). (BR) | [Click for more info.](#)

### Ogra asks officials keep check on LPG prices

#### BPL | Neutral

The Oil and Gas Regulatory Authority (OGRA) has issued directions to the chief secretaries and district authorities to ensure the LPG prices, as notified by the OGRA on September 1, 2022. The current notified LPG producers price is Rs 2,013 per 11.8 kg cylinder and for the consumer, it is Rs 2,496. (BR) | [Click for more info.](#)

## Power

### Floods destroy 105 mini hydropower stations in Malakand, Hazara

#### Power | Negative

As many as 105 mini hydel power stations in nine districts of Malakand and Hazara division have been severely damaged or destroyed completely due to rains and floods, according to a preliminary report compiled by the Pakhtunkhwa Energy Development Organization (PEDO). (PT) | [Click for more info.](#)

### PM forms body to review performance of Discos

#### Discos | Neutral

Prime Minister, Shehbaz Sharif has constituted a five-member committee to review performance of power Distribution Companies (Discos) besides supply of electricity and gas in upcoming season. (BR) | [Click for more info.](#)

### PPIB supports 10pc blending of Thar coal for PQEPCL

#### Power | Neutral

The Private Power & Infrastructure Board (PPIB) has supported 10 per cent blending of Thar-coal in imported-coal fired power plant of Port Qasim Electric Power Company (Pvt) Limited (PQEPCL). (BR) | [Click for more info.](#)

### PC Board approves expediting process of power firm's transaction

#### Power | Neutral

The Board of Privatisation Commission (PC) on Monday unanimously approved the proposal for expediting the transaction-related matters of the National Power Parks Management Company Ltd (NPPMCL). (Dawn) | [Click for more info.](#)

World Indices			
	Last	Chg.	Chg. %
PHILP - PSEI	6,692.7	104.37	1.58%
INDIA - SENSEX	58,803.3	36.74	0.06%
INDONESIA - IDX	7,177.2	24.07	0.34%
CHINA - Shanghai	3,186.5	1.50	0.05%
US - S&P 500	3,924.3	-42.59	-1.07%
Taiwan - TWII	14,673.0	-128.82	-0.87%
KSA - Tadawul	12,142.7	-140.68	-1.15%
HK - Hang Seng	19,452.1	-145.22	-0.74%
PAK (KSE-100)	42,309.1	-150.97	-0.36%
US - Dow 30	31,318.4	-337.98	-1.07%

Board Meetings			
Scrip	Day	Agenda	Time
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	HY A/c for 30Jun22	11:00 AM

Source: PSX

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## Miscellaneous

### PSX launches index for income-seeking investors

**PSX | Positive**

On the first day of its formal launch on Monday, the Pakistan Stock Exchange (PSX) Dividend 20 Index shed 116.57 points of 0.84 per cent to close at 13,809.11 points. (Dawn) | [Click for more info.](#)

### MoF, FBR agree to clear Rs36bn deferred GST refunds

**Textile | Positive**

The Ministry of Finance and the Federal Board of Revenue (FBR) have agreed to clear Rs36 billion deferred sales tax refunds of the textile sector in 32,000 cases pending since 2019. (BR) | [Click for more info.](#)

### FTO endorses govt's proposal for Rs60bn additional taxes

**Beverage | Negative**

The Federal Tax Ombudsman (FTO) has strongly endorsed the government's proposal to impose additional taxes of Rs60 billion on the beverage industry under contingency taxation measures. (BR) | [Click for more info.](#)

### Over 60pc taxes, duty on imported paper: PAPGAI

**Paper | Neutral**

Pakistan Association of Printing and Graphic Arts Industry (PAPGAI) has resented tariff structure on the printing and publishing industry, saying the sector could not flourish with over 60 percent taxes and duty on import of its basic raw material, paper. (BR) | [Click for more info.](#)

## Political News

### Legal fallout of Imran's controversial remarks on COAS selection

The skies above former prime minister Imran Khan's Banigala residence were seeming to be a bit clear a few weeks ago. However, the legal storm clouds on Monday stretched from Rawalpindi to Islamabad to superior courts, propelling him into heavy legal and political weather. (ET) | [Click for more info.](#)

## International News

### Stocks, Treasury Yields Rise as Crude Oil Climbs: Markets Wrap

Stocks in Asia rose along with US equity futures on Tuesday amid a dip in the dollar, a break from the dour sentiment that's been prevailing in markets as central banks tighten monetary policy. (Bloomberg) | [Click for more info.](#)

### Oil Holds Advance After OPEC+ Delivers Modest Cut in Production

Oil held a gain spurred by an OPEC+ decision to deliver a small supply cut as traders weighed the prospect of follow-up action from the group. (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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