

September 14, 2023

Morning Briefing

Economy

South Korea to invest \$1 billion in Pakistan: Suleman Chawla

Economy | Positive

Mr. Suleman Chawla, Acting President FPCCI, has apprised that South Korea plans to invest \$1 billion in Pakistan's various industrial sectors and economically significant initiatives over the next 5 years and it will help Pakistan in many ways. (Pakobserver) | [Click for more info.](#)

Remittances go up with \$2.7bn in August

Economy | Positive

Despite an upsurge in inflation that has pushed the cost of living across the globe in the post-Covid era, the overseas Pakistanis remitted a higher amount of \$2.7 billion in August. (Dawn) | [Click for more info.](#)

PKR to dollar: Rupee continues free fall for eighth straight session

Economy | Negative

The local unit fell by Rs2.1 to Rs231.92 in the interbank market, down in value from yesterday's close of Rs229.82. The rupee also lost Rs9.21 or 4.2% against the greenback cumulatively last week. (The News) | [Click for more info.](#)

Oil & Gas

PRL to close today if diesel off-take remains slumped

PRL | Negative

Pakistan Refinery Limited (PRL) on Tuesday warned of shutting down their operations today (Wednesday) if their high-speed diesel (HSD) deadstock remains unpurchased by the local oil marketing companies (OMCs). (The New) | [Click for more info.](#)

Hascol Petroleum to Remain in Defaulter Segment

HASCOL | Neutral

Pakistan Stock Exchange informed that Hascol Petroleum Limited will remain in the Defaulter Segment despite submitting annual accounts and convened the AGM. (Augaf) | [Click for more info.](#)

Govt likely to revise RLNG tariff of \$6.5/MMBTU

SSGC, SNGP | Neutral

The government is likely to revise RLNG tariff of \$6.5/MMBTU to discourage rent seeking nature of Captive Power Plants (CPPs) besides limiting gas/RLNG supply. Secretary Petroleum made a brief presentation wherein he informed the committee about the approved gas supply priority order which places export sector, including its captive power units, as second priority alongside with power and fertilizer. (BR) | [Click for more info.](#)

Power

Asset evaluation of three Discos ordered

Discos | Neutral

The Cabinet Committee on Privatisation (CCoP) on Tuesday directed the Power Division to carry out the complete evaluation of the assets of three power distribution companies by a reputed valuation firm and present synopsis of their financial health. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,747.4	28,806.2	58.9	0.2%
KSE100	41,862.3	42,001.3	139.0	0.3%
KSE30	15,662.8	15,723.4	60.6	0.4%
KMI30	69,099.7	69,345.1	245.3	0.4%

Top Five Gainers

	Open	Close	Chg.	%
SAPT	1,066.4	1,107.5	41.1	3.9%
MTL	808.6	838.4	29.9	3.7%
COLG	2,340.0	2,367.0	27.0	1.2%
SAPL	1,102.0	1,128.4	26.4	2.4%
OTSU	155.3	165.6	10.3	6.6%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HASCOL	6.6	6.8	0.2	10.21
KEL	3.2	3.2	0.0	6.93
QUICE	3.9	4.5	0.7	5.42
JSBL	4.0	4.0	0.0	5.03
WTL	1.2	1.2	0.0	4.26

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.92	-0.05	0.87
O/S Pakistanians	1.35	-1.01	0.34
Net	2.27	-1.07	1.21
LIPI			
Individuals	14.16	-14.04	0.12
Companies	0.52	-0.61	-0.09
Comm. Banks	1.82	-0.56	1.26
NBFC	0.00	-0.04	-0.04
Mutual Funds	0.70	-1.01	-0.31
Other	0.15	-0.16	-0.01
Brokers Proprietary	2.88	-4.03	-1.15
Insurance	0.14	-1.12	-0.98
Net	20.37	-21.57	-1.21

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	87.58	-0.2%
Brent oil	USD/bbl.	93.53	-0.5%
Gold	USD/t oz.	1701.55	-1.3%
Silver	USD/t oz.	19.32	-2.3%
Coal	USD/ton	304.25	1.8%
Steel Scrap (LME)	USD/ton	358.00	0.8%
Steel Rebar (LME)	USD/ton	660.00	-1.5%
USD/PKR	Interbank	6.39	1.3%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

Morning Briefing

Autos

Car sales drop to lowest in more than two years

Autos | Negative

Car sales dropped to the lowest in more than two years as rising prices suppressed demand and import curbs hurt production even before the full impact of the devastating floods are factored in. Sales fell 50 percent to 8,980 units in August from a year ago, according to data released by Pakistan Automotive Manufacturers Association on Tuesday. (The News) | [Click for more info.](#)

Miscellaneous

Highest profit in history of PNSC despite challenging global economic environment

PNSC | Positive

Despite the challenging global economic environment, Pakistan National Shipping Corporation (PNSC) Group has achieved highest to date annual net profit after tax amounting to Rs.5,650 million during the year 2021-22 as compared to Rs.2,264 million during the preceding year. (Pakobserver) | [Click for more info.](#)

Italy to back Pakistan's GSP Plus renewal bid

Textile | Positive

Italy, on Tuesday, said it would support Pakistan for renewal of the EU's Generalised Scheme of Preferences Plus or GSP+ concession. (Dawn) | [Click for more info.](#)

Cotton crop; Aptma estimates \$1.5bn production losses

Textile | Negative

All Pakistan Textile Mills Association (Aptma) has estimated \$1.5 billion production losses of cotton crop due to rains and floods in the country. Accordingly, in order to avoid cotton shortage in the country, Aptma has decided to explore the international market to ensure procurement of quality cotton at reasonable rates. (BR) | [Click for more info.](#)

No restrictions on raw material imports: SBP

Pharmaceutical, Economy | Neutral

According to a statement issued by the SBP, some media reports and representatives of trade organisations have claimed that banks were not opening letters of credit (LCs) for essential raw materials, including pharmaceuticals. (The News) | [Click for more info.](#)

International News

Oil dips nearly 1%, reversing gains after bearish U.S. economic data

Oil prices ended nearly 1% lower on Tuesday, reversing earlier gains as U.S. consumer prices unexpectedly rose in August, giving cover for the U.S. Federal Reserve to deliver another hefty interest rate increase next week. (Reuters) | [Click for more info.](#)

Ugly Selloff Pushes Stocks Down Most Since 2020: Markets Wrap

Asian stocks, bonds and currencies tumbled in the wake of the broad-based selloff on Wall Street after hotter-than-expected inflation data fueled bets for jumbo interest-rate hikes by the Federal Reserve. (Bloomberg) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	60,571.1	455.95	0.76%
PAK (KSE-100)	42,001.3	139.05	0.33%
Taiwan - TWII	14,894.4	86.98	0.59%
INDONESIA - IDX	7,318.0	63.56	0.88%
KSA - Tadawul	12,084.5	62.33	0.52%
CHINA - Shanghai	3,263.8	1.75	0.05%
PHILP - PSEi	6,701.8	-13.94	-0.21%
HK - Hang Seng	19,326.9	-35.39	-0.18%
US - S&P 500	3,932.7	-177.72	-4.32%
US - Dow 30	31,105.0	-1276.37	-3.94%

Board Meetings

Scrip	Day	Agenda	Time
BRR	Wednesday	ANN A/c for 30Jun22	4:00 PM
SPEL	Wednesday	ANN A/c for 30Jun22	4:30 PM
ILP	Thursday	ANN A/c for 30Jun22	9:00 AM
GIL	Thursday	ANN A/c for 30Jun22	11:30 AM
KOHE	Thursday	ANN A/c for 30Jun22	2:15 PM
OLPM	Thursday	ANN A/c for 30Jun22	3:00 PM
FANM	Thursday	ANN A/c for 30Jun22	3:30 PM
PPVC	Friday	ANN A/c for 30Jun22	9:30 AM
OLPL	Friday	ANN A/c for 30Jun22	10:00 AM
KAPCO	Friday	ANN A/c for 30Jun22	10:30 AM
JKSM	Friday	ANN A/c for 30Jun22	11:00 AM
ISIL	Friday	ANN A/c for 30Jun22	11:30 AM
AKGL	Friday	ANN A/c for 30Jun22	2:00 PM

Source: PSX

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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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