

September 15, 2022

MORNING BRIEFING

Morning Briefing

Economy

FATF team visit smooth, successful: FO
Economy | Neutral

Pakistan Wednesday termed the recent onsite visit of a FATF technical team 'smooth and successful' and said it looked forward to a logical conclusion to the ongoing evaluation process. (The News) | [Click for more info.](#)

SBP raises Rs235bn via PIBs auction, yields come down by 1-3bps
Economy | Neutral

The State Bank of Pakistan (SBP) raised Rs235 billion on Wednesday, against the target of Rs175 billion by selling fixed-rate Pakistan Investment Bonds (PIBs). The cut-off yield for 3-year and 5-year PIBs decreased by 3bps and 1bps to 13.92% and 13.39% respectively. The Cut-off yields for 10-year PIBs settled at 12.95%. In last auction, central bank rejected the bids for the 10-year bonds. The highest participation was seen in 5-year bonds as SBP received bids worth Rs333 billion for 5-year, Rs108 billion for 3-year, and Rs109 billion for 10-year. However, no bids were received for 15-year, 20-year and 30-year bonds. (Mettis) | [Click for more info.](#)

ADB provided \$1.31bn to Pakistan in 2021 for social sector development
Economy | Neutral

The Asian Development Bank (ADB) provided \$1.31 billion to Pakistan in terms of loan and grant during last year (2021), which was comprised \$0.3 billion in program lending, \$1.01 billion from project lending and \$3 million from grants. To date, the bank has committed 723 public sector loans, grants, and technical assistance totaling \$37 billion to Pakistan. Cumulative loan and grant disbursements to Pakistan amount to \$28.27 billion, it added. (Mettis) | [Click for more info.](#)

Rupee continues sliding, closes at Rs234.32 in interbank market
Economy | Negative

The local unit fell Rs2.40 to close at Rs234.32 in the interbank market, down in value from the previous close of Rs231.92 against the dollar, according to the State Bank of Pakistan. (The News) | [Click for more info.](#)

Oil & Gas

Petrol price to drop by Rs9.62, diesel to go up Rs3.04 from 16th
Oil | Neutral

The price of Mogas may decrease by Rs9.62 per litre to Rs226.36 per litre from Rs235.98 and diesel may go up by Rs3.04 per litre to Rs250.30 from Rs247.26 per litre for the next fortnight from September 16 (tomorrow). (The News) | [Click for more info.](#)

36 LNG spot cargoes; PLL seeks exemption from PPRA rules
Gas | Neutral

Fearing extreme volatility in the international market during the upcoming years, Pakistan LNG Limited (PLL) has sought exemption from PPRA rules for procurement of approximately 36 LNG spot cargoes for the period from January to December 2023, well-informed sources told. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

| | Open | Close | Chg. | % |
|---------|----------|----------|-------|-------|
| KSE All | 28,806.2 | 28,765.3 | -40.9 | -0.1% |
| KSE100 | 42,001.3 | 42,011.8 | 10.5 | 0.0% |
| KSE30 | 15,723.4 | 15,757.5 | 34.1 | 0.2% |
| KMI30 | 69,345.1 | 69,469.0 | 123.9 | 0.2% |

Top Five Gainers

| | Open | Close | Chg. | % |
|------|---------|---------|------|------|
| SAPL | 1,128.4 | 1,165.0 | 36.6 | 3.2% |
| PRET | 790.5 | 824.9 | 34.4 | 4.4% |
| SRVI | 319.0 | 339.4 | 20.4 | 6.4% |
| MARI | 1,677.5 | 1,689.6 | 12.1 | 0.7% |
| DLL | 168.0 | 177.8 | 9.8 | 5.9% |

Top Five Volume Leaders

| | Open | Close | Chg. | Vol. |
|--------|------|-------|------|-------|
| TRG | 96.8 | 102.3 | 5.4 | 16.74 |
| KEL | 3.2 | 3.2 | 0.0 | 14.84 |
| HUBC | 64.5 | 66.4 | 1.9 | 11.15 |
| CNERGY | 5.1 | 5.1 | 0.0 | 10.97 |
| HASCOL | 6.8 | 6.6 | -0.2 | 8.59 |

Portfolio Investments – Net Position

| FIPI | Buy | Sell | Net |
|---------------------|--------------|---------------|--------------|
| F-Individuals | 1.27 | 0.00 | 1.27 |
| F-Corporates | 0.67 | -0.53 | 0.14 |
| O/S Pakistanies | 2.08 | -1.69 | 0.39 |
| Net | 4.02 | -2.21 | 1.80 |
| LIPI | | | |
| Individuals | 26.68 | -26.36 | 0.31 |
| Companies | 0.54 | -0.73 | -0.19 |
| Comm. Banks | 2.11 | -1.72 | 0.40 |
| NBFC | 0.02 | -0.02 | 0.00 |
| Mutual Funds | 2.20 | -2.06 | 0.13 |
| Other | 0.42 | -0.22 | 0.20 |
| Brokers Proprietary | 6.56 | -6.53 | 0.03 |
| Insurance | 0.32 | -2.99 | -2.67 |
| Net | 38.84 | -40.64 | -1.80 |

Commodity Outlook

| | Unit | Close | % chg. |
|-------------------|-----------|---------|--------|
| Crude oil | USD/bbl. | 89.05 | 0.1% |
| Brent oil | USD/bbl. | 94.66 | -0.4% |
| Gold | USD/t oz. | 1695.80 | -1.9% |
| Silver | USD/t oz. | 19.69 | -0.9% |
| Coal | USD/ton | 304.00 | -0.1% |
| Steel Scrap (LME) | USD/ton | 355.00 | -0.8% |
| Steel Rebar (LME) | USD/ton | 664.00 | 0.6% |
| USD/PKR | Interbank | 6.39 | 0.2% |

News Source: Local / Int'l Newspapers and websites

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Power

KE's monopoly over power supply in city to end by 2023, says energy minister

KEL | Neutral

The Sindh government will end the monopoly of Karachi's sole power provider K-Electric (KE) by 2023. The announcement to this effect was made by Sindh Energy Minister Imtiaz Ahmed Shaikh as he addressed a press conference on Tuesday. He said that if there were more than one electricity supply companies in Karachi, better facilities would be available to the citizens. More power companies, he said, would result in a healthy competition that would ultimately benefit the people. (The News) | [Click for more info.](#)

Fuel charges adjustment being deferred, not waived, clarifies govt Power | Negative

Minister for Power Engineer Khurram Dastgir Khan has clarified that the fuel charges adjustment (FCA) for consumers having up to 300 units has not been waived but deferred, which will be collected from October to March. (ET) | [Click for more info.](#)

600MW projects offered; Govt unveils solar PV projects policy Power | Neutral

The government Wednesday unveiled its policy on fast-track development of solar PV projects at an investors' conference to offer projects of 600 MW. (BR) | [Click for more info.](#)

Autos

Hyundai announces price hike for sedans

NML | Neutral

Hyundai Nishat has increased the prices of all of its Sedans, apart from the Elantra 1.5. The new prices will come into effect from October 1 and will be the second price increase announced by Hyundai in FY23 so far. (PT) | [Click for more info.](#)

Cement

Lucky to install 25MW captive solar plant

LUCK | Positive

Lucky Cement Ltd said on Wednesday it has entered into an arrangement with Orient Energy Systems Ltd for supplying and installing a 25.3-megawatt captive solar power at its Karachi plant. (Dawn) | [Click for more info.](#)

DG Khan Cement to invest Rs900m in Hyundai

DGKC | Positive

The DG Khan Cement Company (DGKCC) on Tuesday notified the Pakistan Stock Exchange (PSX) that it plans to invest Rs900 million into Hyundai Nishat Pakistan for equity. (PT) | [Click for more info.](#)

Miscellaneous

Zarai Bank defers Rs20bn loans for one year

Economy | Neutral

The Zarai Taraqiati Bank Limited (ZTBL) has decided in principle to defer up to Rs20 billion in agricultural loans for one year to help more than 57,000 farming families weather unprecedented floods that played havoc on major crops. The bank had requested the government to find a way to fund about Rs4bn interest that will become due over the period against the farmers whose crops have been inundated or destroyed. (Dawn) | [Click for more info.](#)

World Indices

| | Last | Chg. | Chg. % |
|------------------|----------|---------|--------|
| US - Dow 30 | 31,135.1 | 30.12 | 0.10% |
| US - S&P 500 | 3,946.0 | 13.32 | 0.34% |
| PAK (KSE-100) | 42,011.8 | 10.48 | 0.02% |
| CHINA - Shanghai | 3,237.5 | -26.26 | -0.80% |
| INDONESIA - IDX | 7,278.1 | -39.94 | -0.55% |
| PHILP - PSEi | 6,582.9 | -118.95 | -1.77% |
| KSA - Tadawul | 11,893.3 | -191.18 | -1.58% |
| INDIA - SENSEX | 60,347.0 | -224.11 | -0.37% |
| Taiwan - TWII | 14,658.3 | -236.10 | -1.59% |
| HK - Hang Seng | 18,847.1 | -479.76 | -2.48% |

Board Meetings

| Scrip | Day | Agenda | Time |
|--------|----------|---------------------|----------|
| 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 |
| 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 |
| MACTER | Saturday | ANN A/c for 30Jun22 | 11:00 AM |
| TGL | Saturday | ANN A/c for 30Jun22 | 11:00 AM |
| GATI | Saturday | ANN A/c for 30Jun22 | 11:30 AM |

Source: PSX

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September 15,
2022**Inflation in the country is at its peak, admits PM Shehbaz****Economy | Negative**

Prime Minister Shehbaz Sharif on Wednesday admitted that without any shadow of a doubt, inflation in the country is at its peak. (Nation) | [Click for more info.](#)

Economists list factors behind pressure on PKR**Economy | Neutral**

Smuggling of the dollar, increase in trade deficit, non-materialization of funds from friendly countries as well as absence of investment have contributed to the ongoing pressure on the rupee. (BR) | [Click for more info.](#)

Political News

Karachi LG elections on Oct 23

Two days after announcing by-elections on four constituencies—comprising a National Assembly and three Punjab Assembly seats, on October 9, the electoral body, Wednesday, once again revised the by-polls schedule, for the second time in less than a week, on these four seats as well as eight other NA seats as by-polls on all these 12 seats would now be held on October 16. (BR) | [Click for more info.](#)

International News

Asia Stocks Edge Higher as Traders Assess Fed Path: Markets Wrap

Asian stocks inched up following their worst sell-off in two weeks after US equities rebounded as investors weigh the prospect of large interest rate hikes by the Federal Reserve. The dollar was little changed. (Bloomberg) | [Click for more info.](#)

Oil rises on weakening dollar, potential supply disruptions

Oil prices edged upwards in early Asian trade on Thursday, as supply concerns and a looming rail stoppage in the United States, the world's biggest crude consumer, supported markets. (Reuters) | [Click for more info.](#)

US inflation gloom casts dark shadow over markets

Global equities sank further on Wednesday as stronger-than-expected US inflation data sparked fears of a prolonged campaign of Federal Reserve interest rate hikes. London was the heaviest faller in Europe after news that UK inflation slowed last month but held close to a 40-year high. (Dawn) | [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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