

September 16, 2022

Morning Briefing

Economy

Floods to weigh on agri production: Fitch

Economy | Neutral

Fitch Solutions has stated that the severe floods in Pakistan to weigh on agricultural production and exacerbate the country's external imbalances, and revised real GDP growth forecast for the fiscal year 2022-23 down to 0.2 percent from 0.6 percent previously. Fitch Solutions in its latest report on Pakistan stated that a reduction in crop production will also likely lead to higher inflation, which could in turn prompt the State Bank of Pakistan (SBP) to tighten monetary policy even more aggressively than we currently expect. (BR) | [Click for more info.](#)

Most budget figures to undergo fluctuations: MoEA

Economy | Negative

Most of the budget figures for the current fiscal year 2022-23, including GDP growth rate, debt-to-GDP ratio and the budget deficit would fluctuate massively on account of unabated depreciation of the local currency against the dollar followed by heavy rains and floods which devastated all sectors including agriculture and infrastructure across the county. (BR) | [Click for more info.](#)

No respite for rupee, falls 0.66 percent against dollar

Economy | Negative

In the interbank market, rupee closed at Rs235.88 against the US currency compared to Wednesday's close of Rs234.32, finishing the 10th session on a losing streak. (The News) | [Click for more info.](#)

SBP reserves fall \$176mn to \$8.6bn

Economy | Negative

The State Bank of Pakistan (SBP) foreign exchange reserves fell by \$176 million in the week ended on September 9, 2022 on external debt and other payments. (The News) | [Click for more info.](#)

Oil & Gas

Gas supply to Pakistan possible: Putin

Gas | Neutral

Russian President Vladimir Putin said on Thursday that a pipeline for gas supply to Pakistan is possible, and that part of the necessary infrastructure is already in place, Russian state-owned news agency RIA reported. (The News) | [Click for more info.](#)

Pakistan's oil, gas production dips amid flash floods

Gas | Neutral

Pakistan's oil and gas production dropped 3% and 2.1% respectively, during the week ended September 08, as production was halted amid flash floods. The decline in oil and gas production comes at a time when the country is already suffering from an energy crisis that features prolonged power outages for residential, industrial and commercial consumers. (BR) | [Click for more info.](#)

Some oil products likely to be dropped from PPRA schedule

Gas | Neutral

The government is likely to drop some petroleum products from Schedule-1 of PPRA but furnace oil will continue to be retained to avail shorter response time and bid validity, well informed sources told. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,765.3	28,573.2	-192.1	-0.7%
KSE100	42,011.8	41,772.1	-239.7	-0.6%
KSE30	15,757.5	15,684.9	-72.6	-0.5%
KMI30	69,469.0	68,911.5	-557.5	-0.8%

Top Five Gainers

	Open	Close	Chg.	%
SAPT	1,100.0	1,120.0	20.0	1.8%
SIEM	700.0	712.9	12.9	1.8%
THALL	260.0	269.6	9.6	3.7%
ZIL	120.5	129.5	9.0	7.5%
META	114.5	123.1	8.6	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	102.3	109.5	7.3	27.44
WTL	1.2	1.2	0.0	21.63
TPLP	18.6	19.0	0.4	21.49
FABL	27.0	27.5	0.5	11.23
KEL	3.2	3.1	0.0	11.13

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	7.38	-2.06	5.31
F-Corporates	0.45	-0.24	0.21
O/S Pakistanies	3.15	-2.70	0.45
Net	10.97	-5.01	5.97
LIPI			
Individuals	38.77	-39.24	-0.47
Companies	1.37	-1.83	-0.46
Comm. Banks	2.04	-2.85	-0.82
NBFC	0.02	-0.15	-0.13
Mutual Funds	1.70	-4.95	-3.24
Other	0.37	-0.23	0.13
Brokers Proprietary	10.60	-11.08	-0.48
Insurance	0.43	-0.92	-0.49
Net	55.29	-61.26	-5.97

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	84.69	-4.9%
Brent oil	USD/bbl.	90.78	-4.1%
Gold	USD/t oz.	1663.74	-1.9%
Silver	USD/t oz.	18.97	-3.7%
Coal	USD/ton	306.35	0.8%
Steel Scrap (LME)	USD/ton	355.00	0.0%
Steel Rebar (LME)	USD/ton	663.00	-0.2%
USD/PKR	Interbank	6.42	0.5%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

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Transportation

Current value assessed at Rs1.951bn
PIAA | Neutral

The Ministry of Privatisation has informed the Cabinet Committee on Privatisation (CCoP) that the fresh value of Services International Hotel (SIH) was assessed at Rs1.951 billion; therefore, the previous valuation was reasonable. An official on condition of anonymity said that the previous valuation was around Rs2 billion. (BR) | [Click for more info.](#)

Roosevelt Hotel: team likely to be sent to US for talks with union
PIAA | Neutral

The government is likely to dispatch a team comprising of officials from the Aviation Division, the Finance Division and the Law Division to negotiate with the union of M/s Roosevelt Hotel, New York to protect it from land marking and other emergent related issues, well-informed sources told. (BR) | [Click for more info.](#)

Miscellaneous

PSX e-IPO system introduced for investors, RDA holders
Capital Market | Neutral

The Securities and Exchange Commission of Pakistan (SECP) in coordination with the Pakistan Stock Exchange (PSX) has introduced the PSX e-IPO system for Initial Public Offering (IPO) investors including individual investors, corporate investors, and Roshan Digital Account holders. (BR) | [Click for more info.](#)

Textile exports increase 6.37pc in Aug 2022
Textile | Positive

Pakistan's textiles exports have increased 6.37 percent to \$1.57 billion in August 2022 compared to last month's \$1.48 billion exports, with all major components – cotton cloth, knitwear, bedwear, towels, and readymade garments – showing growth. (The News) | [Click for more info.](#)

Oil, food imports rise to \$5bn in July-August
Economy | Negative

Pakistan's oil and eatables imports grew 11.4 per cent in the first two months of the current fiscal year to \$5.08 billion from \$4.56bn a year ago, the Pakistan Bureau of Statistics (PBS) said on Thursday. In contrast, textile and clothing exports could only rise by 4.2pc year-on-year to \$3.05bn due to slow demand and high cost of local production because of expensive energy. (Dawn) | [Click for more info.](#)

K-Electric to Charge Municipal Utility Charges in Electricity Bills from This Month
KEL | Neutral

Government of Sindh have authorizes KE, the sole distributor of electricity in Pakistan's Largest City, to collect Municipal Utility Charges and Taxes (MUCT) on behalf of KMC through its electricity bills. (Augaf) | [Click for more info.](#)

GO expands its retail network of outlets in Karachi
Oil | Neutral

Pakistan's fastest growing OMC, Gas & Oil Pakistan Ltd. (GO), inaugurated their first COCO retail outlet in Karachi in Scheme 33 and another retail outlet in the heart of Karachi on Main Shakra-e-Faisal. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	18,930.4	83.28	0.44%
INDONESIA - IDX	7,305.6	27.52	0.38%
Taiwan - TWII	14,670.0	11.73	0.08%
PHILP - PSEi	6,575.7	-7.19	-0.11%
CHINA - Shanghai	3,199.9	-37.62	-1.16%
US - S&P 500	3,901.4	-44.66	-1.13%
KSA - Tadawul	11,829.5	-63.73	-0.54%
US - Dow 30	30,961.8	-173.27	-0.56%
PAK (KSE-100)	41,772.1	-239.73	-0.57%
INDIA - SENSEX	59,934.0	-412.96	-0.68%

Board Meetings

Scrip	Day	Agenda	Time
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
SITC	Saturday	ANN A/c for 30Jun22	3:30 PM

Source: PSX

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Political News

Imran Khan demands immediate elections, warns to call out public
PTI Chairman Imran Khan on Thursday demanded immediate elections and said that the PTI "will not stay patient for too long". Speaking during a televised address, Khan said that the political situation of the country has been destabilised by the government. (The News) | [Click for more info.](#)

International News

Asian Stocks Head for Fifth Straight Weekly Drop: Markets Wrap
Asian stocks headed for a fifth week of declines following more weakness in US equities and a surge in short-end Treasury yields that reflects expectations for outsized Federal Reserve interest rate hikes. (Bloomberg) | [Click for more info.](#)

Oil slumps over 3% on U.S. rail agreement, demand concerns
Oil futures fell over 3% to a one-week low on Thursday on a tentative agreement that would avert a U.S. rail strike, expectations for weaker global demand and continued U.S. dollar strength ahead of a potentially large interest rate increase. (Reuters) | [Click for more info.](#)

WB warns of rising recession risk amid higher interest rates
The threat of a global recession is growing as central banks focus on bringing down soaring inflation rates, the World Bank warned on Thursday, calling on governments to help boost supply to ease the constraints behind rising prices. (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.

Analyst Certification ^{AC}

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