

September 19, 2023

Morning Briefing

Economy

IMF to back relief efforts; Saudis confirm extension of \$3bn deposit

Capital Market, Economy | Positive

Pakistan received an advance confirmation from Saudi Arabia on Sunday to roll over its existing \$3 billion deposit maturing in December and an assurance from the International Monetary Fund (IMF) for its support to flood relief and reconstruction efforts. (Dawn) | [Click for more info.](#)

Senator Bob terms \$53m US aid for flood victims 'drop in bucket'

Economy | Positive

Describing \$53 million US aid to flood-ravaged Pakistan as a "drop in the bucket", a prominent American lawmaker has called for doing much more for the relief of an estimated 30 million displaced Pakistani people. (The News) | [Click for more info.](#)

Shehbaz to attend Biden reception at UN: FO

Economy | Neutral

Prime Minister Shehbaz Sharif will attend the 77th session of the United Nations General Assembly in New York from September 19-23. He will address the UN General Assembly on September 23. His focus will be on challenges faced by Pakistan in the wake of recent climate-induced catastrophic floods in the country. (The News) | [Click for more info.](#)

MoF seeks update on commitments made with IMF

Economy | Neutral

Ministry of Finance has sought an update from the Ministry of Energy (Power Division and Petroleum Division) on commitments / actions made with the International Monetary Fund (IMF) including power tariff adjustments and increasing PDL to Rs 50/ litre. The seventh and eighth combined reviews of IMF's EFF Programme have been completed. (BR) | [Click for more info.](#)

Foreign investors turning to Pakistan: Gillani

Economy | Neutral

The Federal Secretary said that the Japanese delegation is coming to identify available opportunities in various sectors. He said a delegation of Pakistan will visit Saudi Arabia on October 29-30 as the Saudi businessmen are keen to step into joint ventures with their Pakistani counterparts. (ET) | [Click for more info.](#)

ADB's ongoing sovereign portfolio in Pakistan includes 48 loans worth \$8.42bn

Economy | Neutral

The ongoing sovereign portfolio of the Asian Development Bank (ADB) in Pakistan includes 48 loans and three grants worth of \$8.42 billion. (BR) | [Click for more info.](#)

SCO bloc agrees to expand trade in national currencies

Economy | Neutral

The leaders of the Shanghai Cooperation Organisation (SCO) agreed on Friday to take steps to increase the use of national currencies in trade between their countries, according to a joint declaration adopted on Friday. The group - which comprises China, India, Russia and Pakistan alongside four Central Asian states - said "interested SCO member states" had agreed a "roadmap for the gradual increase in the share of national currencies in mutual settlements", and called for an expansion of the practice. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,573.2	28,455.9	-117.4	-0.4%
KSE100	41,772.1	41,679.5	-92.6	-0.2%
KSE30	15,684.9	15,648.5	-36.4	-0.2%
KMI30	68,911.5	68,619.3	-292.2	-0.4%

Top Five Gainers

	Open	Close	Chg.	%
BATA	2,050.0	2,200.0	150.0	7.3%
COLG	2,017.3	2,140.0	122.7	6.1%
SAPT	1,120.0	1,169.2	49.2	4.4%
SAPL	1,151.9	1,193.0	41.1	3.6%
TICL	282.9	298.0	15.1	5.3%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	109.5	116.2	6.7	27.57
HASCOL	6.4	6.9	0.5	26.09
WTL	1.2	1.2	0.0	20.95
KEL	3.1	3.2	0.1	19.56
KAPCO	32.2	31.5	-0.7	16.98

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	5.51	-0.30	5.21
F-Corporates	1.73	-2.95	-1.22
O/S Pakistanies	1.83	-2.34	-0.51
Net	9.07	-5.59	3.48
LIPI			
Individuals	34.76	-36.83	-2.07
Companies	1.31	-1.64	-0.33
Comm. Banks	1.65	-1.01	0.64
NBFC	0.03	-0.01	0.02
Mutual Funds	2.35	-4.34	-1.99
Other	0.30	-0.13	0.18
Brokers Proprietary	9.61	-9.50	0.11
Insurance	0.22	-0.25	-0.03
Net	50.23	-53.71	-3.48

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	85.11	0.5%
Brent oil	USD/bbl.	91.35	0.6%
Gold	USD/t oz.	1675.06	0.7%
Silver	USD/t oz.	19.59	3.3%
Coal	USD/ton	299.75	-2.2%
Steel Scrap (LME)	USD/ton	356.00	0.3%
Steel Rebar (LME)	USD/ton	665.00	0.3%
USD/PKR	Interbank	6.39	0.6%

News Source: Local / Int'l Newspapers and websites

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Poverty to engulf 15m post floods

Economy | Negative

A preliminary assessment from the World Bank (WB) reveals that up to 15.4 million more Pakistanis will fall into poverty and the primary budget deficit could widen to 2.8% of the nation's economy as a result of the flood. The assessment reveals that the country's economy will still grow in the range of 1.4% to 2.4% in the current fiscal year. (ET) | [Click for more info.](#)

Flood losses top \$30bn in initial estimate: minister

Economy | Negative

Minister of State for Finance Dr. Aisha Ghaus Pasha said Friday the recent floods caused total accumulated losses of over \$30 billion in accordance with an initial assessment. For the upcoming Ninth Review under the Extended Fund Facility, the IMF has slapped conditions for raising electricity prices further and discouraging more tax exemptions. It also imposed conditions to achieve a primary surplus of Rs153 billion for the current fiscal year. (The News) | [Click for more info.](#)

Jul 1-Sept 2 govt borrowing rises 21pc to Rs58bn YoY

Economy | Negative

The borrowing for budgetary support rose by 21 percent during a little over first two months of this fiscal year (FY23). According to the State Bank of Pakistan (SBP), the federal and provincial governments borrowed Rs 58.11 billion during July 1, 2022 to Sep 2, 2022 for budgetary support from the domestic banking system compared to Rs 48.18 billion in the same period of last fiscal year (FY22), depicting an increase of Rs 10 billion. (BR) | [Click for more info.](#)

Rupee unlikely to come out of blues next week

Economy | Neutral

The beat-up rupee is likely to languish next week as it is seen being driven down by an ongoing surge in dollar demand from local importers, amid drying dollar reserves of the country, analysts said on Saturday. The dollar, which is trending upwards globally, settled at Rs236.84 at the end of trading on Friday. (The News) | [Click for more info.](#)

Oil & Gas

POL prices to change by just 8 paise: Miftah

Oil | Neutral

Finance Minister Mitah Ismail has said the price of petroleum products will change by just 8 paise and a decision will be taken today. (The News) | [Click for more info.](#)

Pakistan mulls importing Russia oil on deferred payment

Oil | Neutral

Pakistan can import oil from Russia on deferred payment as both countries are in talks to discuss the possibility, a senior government functionary revealed on Sunday after the recent meeting between Prime Minister Shehbaz Sharif and Russian President Vladimir Putin on the sidelines of the Shanghai Cooperation Organisation (SCO) in Samarkand. (ET) | [Click for more info.](#)

Pakistan's POL import bill up by 6.97%

Oil | Neutral

Pakistan's import of overall petroleum group rose by 6.97% during the first two months of the current fiscal year (2022-23), compared to the corresponding period of the last year. (ET) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PHILP - PSEI	6,548.8	-26.90	-0.41%
US - S&P 500	3,873.3	-28.02	-0.72%
KSA - Tadawul	11,829.5	-63.73	-0.54%
CHINA - Shanghai	3,126.4	-73.52	-2.30%
PAK (KSE-100)	41,679.5	-92.60	-0.22%
Taiwan - TWII	14,561.8	-108.28	-0.74%
INDONESIA - IDX	7,168.9	-136.73	-1.87%
US - Dow 30	30,822.4	-139.40	-0.45%
HK - Hang Seng	18,761.7	-168.69	-0.89%
INDIA - SENSEX	58,840.8	-1093.22	-1.82%

Board Meetings

Scrip	Day	Agenda	Time
BCL	Monday	ANN A/c for 30Jun22	11:30 AM
ALTN	Monday	ANN A/c for 30Jun22	12:30 PM
HUMNL	Monday	ANN A/c for 30Jun22	1:00 PM
PIBTL	Monday	ANN A/c for 30Jun22	2:00 PM
FANM	Monday	ANN A/c for 30Jun22	3:30 PM
PPL	Tuesday	ANN A/c for 30Jun22	10:00 AM
KEL	Tuesday	ANN A/c for 30Jun22	10:30 AM
CNERGY	Tuesday	ANN A/c for 30Jun22	11:30 AM
MUGHAL	Tuesday	ANN A/c for 30Jun22	11:30 AM
NML	Tuesday	ANN A/c for 30Jun22	2:00 PM
MACFL	Tuesday	ANN A/c for 30Jun22	3:30 PM
PSYL	Tuesday	ANN A/c for 30Jun22	4:00 PM
HUSI	Wednesday	ANN A/c for 30Jun22	11:00 AM
PAKD	Wednesday	ANN A/c for 30Jun22	11:00 AM
PPP	Wednesday	ANN A/c for 30Jun22	11:00 AM
STML	Wednesday	ANN A/c for 30Jun22	11:00 AM
ICL	Wednesday	ANN A/c for 30Jun22	11:30 AM
PSX	Wednesday	ANN A/c for 30Jun22	2:00 PM
ADMM	Wednesday	ANN A/c for 30Jun22	4:00 PM
BNWM	Thursday	ANN A/c for 30Jun22	10:30 AM
ESBL	Thursday	ANN A/c for 30Jun22	10:30 AM
MUREB	Thursday	ANN A/c for 30Jun22	11:30 AM
PIOC	Thursday	ANN A/c for 30Jun22	11:30 AM
JDMT	Thursday	ANN A/c for 30Jun22	12:30 PM
KML	Thursday	ANN A/c for 30Jun22	12:30 PM
OGDC	Thursday	ANN A/c for 30Jun22	2:00 PM
SKRS	Thursday	1QA/c for 31Dec21	5:00 PM

Source: PSX

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MORNING BRIEFING

Allowing IPPs to buy fuel from 'any OMC' irks PSO**PSO | Neutral**

Pakistan State Oil (PSO), the state-owned fuel supplier, is annoyed with Central Power Purchasing Agency- Guaranteed (CPPA-G) for allowing two Independent Power Producers (IPPs) to purchase their fuel from any Oil Marketing Company (OMC). (BR) | [Click for more info.](#)

Refineries suggest import curbs on OMCs post-deregulation**Refinery | Neutral**

Refineries on Friday proposed to the Oil & Gas Regulatory Authority (OGRA) to make it mandatory for the oil marketing companies (OMCs) to import only those petroleum products that would be in short supply following the oil sector deregulation. The OGRA officials expressed willingness to consider this proposal during a meeting with the representatives of the refineries, according to sources. (The News) | [Click for more info.](#)

Power**CPPA-G seeks 22 paisa/unit positive adjustment in Aug FCA****Power, Discos | Neutral**

The consumers of Distribution Companies (Discos) would have relief in their bills as the Central Power Purchasing Agency-Guaranteed (CPPA-G) has sought paisa 22 per unit positive adjustment in FCA for August 2022 mainly due to higher generation from hydel resources and official policy of at least two hours loadshedding across the country. (BR) | [Click for more info.](#)

RLNG power plants: sell-off process hits a snag**Power | Negative**

The privatisation process of two RLNG-fired power plants is said to have hit snags due to legal issues related to proposed second extension of 90 days in validity period of bids of debt recapitalization and refinancing of Rs 102 billion. (BR) | [Click for more info.](#)

Cost of power generation jumps 57pc in August**Power | Negative**

The total cost of power generation surged 57 percent to Rs10.06/KWh in August 2022 from Rs6.41/kWh in the same month last year, mostly owing to increasing fuel prices, latest numbers showed on Saturday. (The News) | [Click for more info.](#)

Net metering system: No change on the cards, says Khurram**Power | Neutral**

Minister for Energy Khurram Dastgir on Saturday, commenting on reports of changes in net metering system, said that there is no such thing on the cards right now and no changes are being made for domestic solar energy users. (The News) | [Click for more info.](#)

Autos**Pakistan's Bestselling Car Suzuki Alto Gets a More Affordable AGS Variant****PSO | Positive**

Alto VXR has now been introduced with the AGS Technology, which was previously only available in the top-line variant Alto VXL. The VXR variant is cheaper than the top-of-the-line variant of course, which makes it an enticing option in the Alto family. (Propakistani) | [Click for more info.](#)

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Cement

Lucky Cement extends buyback period**LUCK | Neutral**

Lucky Cement Ltd told investors on Friday it's extending the period during which it'll buy back up to 10 million of its own shares from the stock market for the purpose of cancellation. (Dawn) | [Click for more info.](#)

Chemical

ICI sells stake in NutriCO for \$45m**ICI | Neutral**

ICI Pakistan Ltd, which will soon be formally renamed Lucky Core Industries Ltd, said on Friday it's executed a share purchase agreement with Morinaga Milk Industry Company Ltd under which the Japanese firm will buy 26.5 per cent shares in the local company's subsidiary — NutriCo Morinaga — at an aggregate price of \$45 million or \$2.07 per share. (Dawn) | [Click for more info.](#)

Pharmaceutical

Hudson Pharma gets investment from parent company**ISIL | Neutral**

Ismail Industries Ltd informed shareholders on Friday it's going to increase the quantum of long-term investment in its subsidiary, Hudson Pharma, from Rs800 million to Rs1.2 billion. The increase will serve to meet the current operational expenses/working capital requirements of Hudson Pharma. (Dawn) | [Click for more info.](#)

Firms dragging feet on producing paracetamol**Pharma | Neutral**

The government has issued licences to over 70 pharmaceutical companies to manufacture paracetamol tablets. However, only a few of them are producing the drug, adding to the shortage woes. (ET) | [Click for more info.](#)

Miscellaneous

Pakistan Central Bank Issued Show Cause Notice to Eight Banks Over Currency Speculation**Banks | Neutral**

Pakistan Central Bank, State Bank of Pakistan (SBP) issued show cause notice to eight banks over allegation of currency speculation as SBP is investigating whether they had charged well above market rate for opening of Letter of Credit (LCs) or not, says Pakistan's Finance Minister Miftah Ismail. (Augaf) | [Click for more info.](#)

Crescent Steel and Allied Products to issue Sukuk worth Rs800mn**CSAP | Neutral**

The Board of Directors of Crescent Steel and Allied Products Limited have approved the issuance of privately placed, secured, untradeable long-term Sukuk of Rs800 million, company's filing on the bourse showed today. (Mettis) | [Click for more info.](#)

Non-textile exports post paltry growth on demand slowdown**Economy | Neutral**

The exports of non-textile products slightly rose 1.81 per cent to \$1.68 billion in the first two months of the current fiscal year against \$1.65bn in the corresponding period last year as demand slowed down in buyer markets. (Dawn) | [Click for more info.](#)

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No dollars for food imports from Iran, Afghanistan**Economy | Negative**

The food importers, especially vegetables, from Afghanistan and Iran have been relying on the grey market to make payments since they are not allowed to buy dollars from banks or exchange companies. (Dawn) | [Click for more info.](#)

Flour price skyrockets across country**Food | Negative**

Flour price has skyrocketed in parts of the country and the masses are facing issues in buying the commodity despite the price hike. (Nation) | [Click for more info.](#)

Political News

PM to appoint new COAS in Nov: Asif

Defence Minister Khawaja Asif Saturday said Prime Minister Shehbaz Sharif would appoint the new army chief on time in November as per rules and procedures. Asif's remarks came days after former premier Imran Khan said that the next chief of army staff should be appointed by the new government after elections. (BR) | [Click for more info.](#)

Announce polls in two weeks or else, PTI tells govt

The Pakistan Tehreek-i-Insaf (PTI) on Saturday warned the coalition government to announce snap polls in two weeks, or else the party would hold a 'final' countrywide protest that, it said, would either pave the way for 'true and ideal democracy' in the country or turn it into another North Korea or Myanmar. (Dawn) | [Click for more info.](#)

International News

Stocks Fluctuate in Cautious Start to Key Fed Week: Markets Wrap

Stocks were mixed in a cautious start on Monday as investors await a slew of interest rate decisions in the days ahead and after global equities notched their worst week since hitting this year's low in June. (Bloomberg) | [Click for more info.](#)

Oil prices climb on weak dollar, supply concerns

Oil prices climbed during early Asian trade on Monday as a weaker dollar and supply concerns ahead of the European Union embargo on Russian oil in December offset fears of a global recession that could dampen fuel demand. (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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