

September 20, 2022

## Economy

### PM Shehbaz arrives in New York to attend UNGA session

#### Economy | Neutral

Prime Minister Shehbaz Sharif will reach New York from London on Monday (today) to represent Pakistan in the 77th session of the United Nations General Assembly (UNGA). During his stay in New York, he will hold important bilateral meetings with the leaders of other countries. On Wednesday, the prime minister will meet Managing Director of International Monetary Fund Kristalina Georgieva and World Bank President David Mills. (ET) | [Click for more info.](#)

### Rupee inches close to historic low, settles at 237.91 against US dollar

#### Economy | Negative

Pakistan's rupee continued to sustain losses against the US dollar for the 12th successive session, settling with a depreciation of 0.45% in the inter-bank market on Monday, as expectation of a higher import bill and the greenback's global strength added to pressure on the currency. As per the State Bank of Pakistan (SBP), the rupee closed at 237.91 after declining by Rs1.07. In the open market, the PKR lost 4 rupees for buying and 4.40 rupees for selling against USD, closing at 243 and 245.40, respectively. (BR) | [Click for more info.](#)

### NPCs: rate of return revised upward

#### Economy | Neutral

According to a notification, the PKR denominated conventional NPCs rate has been increased up to 550 basis points (bps); however, the rate of return on US dollar-dominated Certificates has remained unchanged. The rate of return (Gross annual return before tax) on 3-Month PKR-dominated NPCs, with minimum investment of 10,000 with integral multiples of 1,000, has been increased from 9.50 percent to 15 percent, up by 5.5 percent, the rate of return on 6-Month PKR-dominated certificates rose by 5.25 percent to 15.25 percent up from 10 percent. (BR) | [Click for more info.](#)

## Oil & Gas

### Pakistan's Largest Fuel Retailer Planning to Build \$500 Million LNG Terminal

#### PSO | Positive

Pakistan State Oil Co., the nation's largest fuel importer and retailer, is planning to build a \$500 million LNG terminal as part of its strategy to diversify into multiple businesses. The import terminal will be located near Karachi and would take four years to complete. The company has an understanding with a few large customers and has begun preliminary preparations for the project that will include Pakistan's first LNG storage facility, he said. (Bloomberg) | [Click for more info.](#)

### LNG import in the doldrums

#### Gas | Neutral

With the winter season looming, the entry of the private sector into importing and selling one LNG cargo a month under third party access (TPA) rules has landed in the red zone as an agreement about the utilisation of the excess capacity of 100 mmcf available at LNG Terminal-2 signed on August 3, 2022, between the Pakistan LNG Limited (PLL) and the Pakistan Port Gas Company Limited (PPGCL) has hit a snag. (The News) | [Click for more info.](#)

# Morning Briefing

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,455.9	28,380.7	-75.2	-0.3%
KSE100	41,679.5	41,520.6	-158.9	-0.4%
KSE30	15,648.5	15,603.1	-45.4	-0.3%
KMI30	68,619.3	68,299.0	-320.3	-0.5%

### Top Five Gainers

	Open	Close	Chg.	%
SFL	931.0	1,000.8	69.8	7.5%
PAKT	743.0	798.7	55.7	7.5%
PRET	749.0	784.0	35.0	4.7%
GATI	336.0	360.0	24.0	7.1%
FZCM	221.0	237.6	16.6	7.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	116.2	118.3	2.2	24.72
TPLP	19.1	19.6	0.5	11.40
HASCOL	6.9	6.8	-0.1	10.78
HUMNL	7.1	6.7	-0.4	9.53
EPCL	58.6	55.4	-3.2	7.32

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	5.05	0.00	5.05
F-Corporates	0.55	-1.59	-1.04
O/S Pakistanies	1.86	-1.50	0.37
<b>Net</b>	<b>7.46</b>	<b>-3.09</b>	<b>4.37</b>
LIPI			
Individuals	26.80	-28.51	-1.71
Companies	1.04	-3.36	-2.32
Comm. Banks	3.09	-3.53	-0.44
NBFC	0.02	-0.03	-0.02
Mutual Funds	1.82	-2.33	-0.51
Other	0.18	-0.35	-0.17
Brokers Proprietary	10.45	-9.56	0.89
Insurance	0.63	-0.72	-0.09
<b>Net</b>	<b>44.03</b>	<b>-48.40</b>	<b>-4.37</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	85.47	0.4%
Brent oil	USD/bbl.	91.75	0.4%
Gold	USD/t oz.	1675.86	0.0%
Silver	USD/t oz.	19.54	-0.3%
Coal	USD/ton	300.70	0.3%
Steel Scrap (LME)	USD/ton	360.00	1.1%
Steel Rebar (LME)	USD/ton	665.00	0.0%
USD/PKR	Interbank	6.44	0.4%

News Source: Local / Int'l Newspapers and websites

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# Morning Briefing

MORNING BRIEFING

## OGDC says gas reserves discovered in Khyber Pakhtunkhwa

### OGDC | Positive

Gas reserves have been discovered in Tolanj West-02, a development well in Tal block located in Kohat Plateau, Khyber Pakhtunkhwa, said Oil & Gas Development Company Limited (OGDCL) in a notice sent on Monday to the Pakistan Stock Exchange (PSX). (BR) | [Click for more info.](#)

## Refinery margins recover sharply to \$14/barrel

### Refinery | Positive

Gross refining margins (GRMs) of local refineries have recovered sharply to \$14 per barrel during the current month, after plunging to \$3 per barrel in August 2022. The GRMs might remain higher during the remainder of September as Middle Eastern crudes fell sharply in the last few days and were trading below \$95 per barrel. (The News) | [Click for more info.](#)

## Power

### DISCOs seek an increase of PKR 0.219 per unit in Electricity Bills for August 2022

#### Power | Negative

Based on the information provided by Central Power Purchasing Agency Guarantee Limited (CPPA-G), NEPRA is set to increase electricity prices by PKR 0.2192 per unit for the month of August 2022 due to high fuel cost adjustment (FCA). (Augaf) | [Click for more info.](#)

## Insurance

### TPL Insurance to increase share capital by Rs1bn

#### TPLI | Positive

The shareholders of TPL Insurance Limited (TPLI) have resolved to increase the authorized share capital of the company by Rs1 billion from Rs1.5bn to Rs2.5bn. (Mettis) | [Click for more info.](#)

## Steel

### ASTL to resume production from Oct 1<sup>st</sup>

#### ASTL | Neutral

Amrelli Steels (ASTL) announced that the company will resume production from 1st October 2022. On 31 August 2022, ASTL announced a temporary shutdown of its production plant because of decreased rebar demand in the country due to the monsoon season. Moreover, during the period of shutdown ASTL has sufficient stocks in hand to meet its country's demand. (Mettis) | [Click for more info.](#)

## Miscellaneous

### Meta Tech Health Ltd invests Rs100mn in Ensmile

#### META | Positive

In accordance with the revival business plan, Meta Tech Health Limited (Formerly Hashimi Can Company) has made an investment of Rs100 million out of the Rs300 million investment to be made by the company for the acquisition of a 33% equity stake in Ensmile (Invisible Dental Aligners). (Mettis) | [Click for more info.](#)

### Cotton Arrivals drop by 18.6% as of Sept 15

#### Textile | Negative

Cotton arrivals in the country dropped by 18.6% to 2.18million bales as of Sept 15, due to extensive rainfall in Sindh, Punjab, and Balochistan which damaged cotton crops, data showed on Monday. (Mettis) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	59,141.2	300.44	0.51%
US - Dow 30	31,019.7	197.26	0.64%
INDONESIA - IDX	7,195.5	26.62	0.37%
US - S&P 500	3,899.9	26.56	0.69%
CHINA - Shanghai	3,115.6	-10.80	-0.35%
PHILP - PSEi	6,437.4	-111.35	-1.70%
KSA - Tadawul	11,446.3	-125.85	-1.09%
Taiwan - TWII	14,425.7	-136.08	-0.93%
PAK (KSE-100)	41,520.6	-158.90	-0.38%
HK - Hang Seng	18,566.0	-195.72	-1.04%

### Board Meetings

Scrip	Day	Agenda	Time
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
ECOP	Friday	ANN A/c for 30Jun22	9:30 AM
ORM	Friday	ANN A/c for 30Jun22	10:00 AM
BIFO	Friday	ANN A/c for 30Jun22	10:30 AM
CASH	Friday	ANN A/c for 30Jun22	11:00 AM
PIM	Friday	ANN A/c for 30Jun22	11:00 AM

Source: PSX

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MORNING BRIEFING

**Wheat imports put big strain on forex reserves: ADB****Food | Negative**

The shortage of wheat production in the recent past, set against the domestic requirements of an ever-increasing population, has triggered price hikes, while wheat imports strained the country's foreign exchange reserves, says the Asian Development Bank (ADB). (BR) | [Click for more info.](#)

**Clean financing for agri sector enhanced to Rs5m****Banks | Neutral**

The State Bank of Pakistan (SBP) has amended the Prudential Regulations to facilitate the banks to enhance the flow of credits to the farm and non-farm sectors. The central bank on Monday increased the maximum limit of unsecured or clean financing for agriculture from Rs1 million to Rs5m. (Dawn) | [Click for more info.](#)

**FBR jacks up property valuation rates in 20 cities****Economy | Negative**

The Federal Board of Revenue (FBR) has jacked up valuation rates of properties in over 20 cities ranging between 10 and 30 percent on average and also included certain rural areas to bring them on a par with the DC rates during the current fiscal year. Under the World Bank (WB) loan of \$400 million titled 'Pakistan Raises Revenues (PRR)', the revision of valuation tables of properties in one condition is attached with it. (The News) | [Click for more info.](#)

## Political News

**PA seeks action against PM for sharing 'national secrets' with Nawaz**

The Punjab Assembly on Monday passed a resolution by majority vote, demanding action against Prime Minister Shehbaz Sharif under Article 6 of the Constitution. (ET) | [Click for more info.](#)

## International News

**Asia Stocks Gauge Gains for First Time in Six Days: Markets Wrap**

Stocks climbed in Asia Tuesday following a rebound in the final hour of New York trading as investors continue to weigh the market impact of super-sized interest rate hikes from the Federal Reserve. (Bloomberg) | [Click for more info.](#)

**Investors see U.S. oil between \$80 and \$100/bbl next year -survey**

U.S. crude oil prices will average between \$80 and \$100 per barrel next year, investors attending a Barclays conference this month estimated, suggesting a stronger outlook than future prices suggest. (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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