

September 21,
 2022

Morning Briefing

Economy

ADB says will provide new aid package soon

Economy | Positive

The Asian Development Bank (ADB) will soon provide Pakistan with a significant relief and rehabilitation package, to repair the infrastructure and help livelihood. On short- and medium-term basis, the bank would use ongoing projects to repair damaged infrastructure, including roads and irrigation infrastructure and support the development and financial stability of the agriculture sector to boost food security. (BR) | [Click for more info.](#)

WB's \$230m 'CLICK' project rated 'moderately' unsatisfactory

Economy | Neutral

The World Bank project "Competitive and Livable City of Karachi (CLICK)" of worth \$230 million is rated as moderately unsatisfactory and restructured with the inclusion of a Contingent Emergency Response Component (CERC) to repurpose \$27 million of the CLICK loan to meet the immediate needs of the flood emergency response. (BR) | [Click for more info.](#)

Currency declaration regime amended

Economy | Neutral

In what appears to be an attempt to modernise the currency declaration regime for travellers, the Customs Department has notified draft rules along with voluntary declaration forms on the pattern of developed and developing countries. The new SRO1751 of Customs stipulates the requirement that only amounts exceeding \$10,000 for incoming passengers and \$5,000 for outgoing passengers be declared. (Dawn) | [Click for more info.](#)

Rupee loses 26pc value against dollar this year

Economy | Negative

The downward journey of the rupee against the US dollar looks never-ending, with the Pakistani currency losing about 26 per cent value during the current calendar year (CY22). The State Bank of Pakistan (SBP) said the closing price of the dollar was Rs238.91 on Tuesday after it gained Re1 compared to Rs237.91 a day earlier. Meanwhile, currency dealers reported the dollar price at Rs240, which is more than the previous record of Rs239.50 in the interbank market on July 28. (Dawn) | [Click for more info.](#)

Oil & Gas

Petrol price up again, diesel left unchanged

Oil | Negative

After a delay of six days, the government finally notified the revised prices of petroleum products in the early hours of Wednesday, raising the petrol price by Rs1.45. According to the notification, the price of petrol has been increased from Rs235.98 to Rs237.43. (Dawn) | [Click for more info.](#)

Russia agrees to provide petrol to Pakistan on deferred payments

Oil | Positive

In a major development, Russia has agreed to provide petrol to Pakistan on deferred payments. The development came after Prime Minister Shahbaz Sharif and Vladimir Putin held important meetings in Uzbekistan on the sidelines of the Shanghai Cooperation Organisation (SCO) summit last week. The two leaders held three meetings during which matters related to oil, gas and wheat supplies to Pakistan from Russia were discussed. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,380.7	28,171.3	-209.4	-0.7%
KSE100	41,520.6	41,220.9	-299.7	-0.7%
KSE30	15,603.1	15,447.5	-155.6	-1.0%
KMI30	68,299.0	67,764.9	-534.1	-0.8%

Top Five Gainers

	Open	Close	Chg.	%
SFL	1,000.8	1,075.9	75.1	7.5%
PRET	784.0	799.0	15.0	1.9%
MTL	817.9	825.7	7.9	1.0%
THALL	261.5	268.0	6.6	2.5%
MARI	1,615.4	1,621.7	6.3	0.4%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	3.1	3.0	-0.1	18.42
TPLP	19.6	19.9	0.3	14.44
TRG	118.3	114.6	-3.7	14.35
WTL	1.2	1.2	0.0	9.88
EPCL	55.4	57.0	1.7	9.16

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.83	0.00	0.83
F-Corporates	0.09	-0.49	-0.41
O/S Pakistanies	1.51	-1.58	-0.07
Net	2.43	-2.07	0.36
LIPI			
Individuals	25.30	-23.73	1.57
Companies	0.76	-0.88	-0.12
Comm. Banks	0.81	-0.70	0.11
NBFC	0.01	-0.01	0.01
Mutual Funds	1.24	-1.59	-0.35
Other	0.51	-0.31	0.20
Brokers Proprietary	6.15	-7.49	-1.34
Insurance	0.11	-0.54	-0.43
Net	34.89	-35.25	-0.36

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	84.06	-1.6%
Brent oil	USD/bbl.	90.89	-0.9%
Gold	USD/t oz.	1663.11	-0.8%
Silver	USD/t oz.	19.31	-1.2%
Coal	USD/ton	294.50	-2.1%
Steel Scrap (LME)	USD/ton	356.00	-1.1%
Steel Rebar (LME)	USD/ton	666.00	0.2%
USD/PKR	Interbank	6.47	0.3%

News Source: Local / Int'l Newspapers and websites

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Power

KE moves regulator to cut tariff by Rs4.21 for August

Power | Positive, KEL | Negative

The K-Electric (KE) has sought about Rs4.21 per unit reduction in monthly fuel cost adjustment (FCA) to refund about Rs7.22 billion overcharged to consumers in August. (Dawn) | [Click for more info.](#)

Jamshoro coal power plant (Genco-1); KE interested in purchasing power

KEL | Positive

K-Electric (KE) has shown an interest in signing agreement with the Government of Pakistan to purchase power from the 2nd unit of Jamshoro coal power plan (Genco-1). (BR) | [Click for more info.](#)

PM forms body on Chinese IPPs, other matters

Power | Neutral

Prime Minister Shehbaz Sharif has constituted a Standing Committee on payments to Chinese Independent Power Producers (IPPs), as well as other issues related to different ministries. The receivables stock of Chinese IPPs is over Rs 300 billion due to which they are unable to import coal and meet other payment obligations. (BR) | [Click for more info.](#)

Banks

Auto financing falls in August

Banks, Autos | Negative

Outstanding consumer financing for transport, which includes purchase of cars etc, stood at Rs353 billion as of August 2022, a decline of Rs8 billion or 2.6% month-on-month (MoM), figures released by the State Bank of Pakistan (SBP) revealed. (BR) | [Click for more info.](#)

Miscellaneous

TPL Properties to acquire mobile tower business

TPLP | Positive

TPL Properties Ltd said on Tuesday one of its wholly owned subsidiaries has joined a consortium to buy a telecom tower infrastructure company. Even though the regulatory filing didn't give out any financial details, a source privy to the deal told Dawn the size of the transaction is "Rs100 billion-plus". (Dawn) | [Click for more info.](#)

FFL to issue 1.17billion shares to Fauji group subsidiaries

FFL | Neutral

Fauji Foods Limited (FFL) is issuing shares to Fauji group subsidiaries, the total volume of shares is 1.17bn at par Rs10 per share, the company's stock filings on the stock exchange showed. (Mettis) | [Click for more info.](#)

Crop damages to hit rice, cotton exports

MATCO, Textile | Negative

Pakistan's rice and cotton exports are likely to suffer due to massive production losses caused by recent floods, said Hyderabad Chamber of Commerce and Industry president Adeel Siddiqui on Tuesday. He said the floods had destroyed the rice crop by 50pc whereas cotton had been washed away which was a direct loss to textile exports. (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	59,719.7	578.51	0.98%
HK - HangSeng	18,781.4	215.45	1.16%
Taiwan - TWII	14,549.3	123.62	0.86%
KSA - Tadawul	11,503.6	57.27	0.50%
PHILP - PSEi	6,448.5	11.04	0.17%
CHINA - Shanghai	3,122.4	6.81	0.22%
INDONESIA - IDX	7,197.0	1.46	0.02%
US - S&P 500	3,855.9	-43.96	-1.13%
PAK (KSE-100)	41,220.9	-299.68	-0.72%
US - Dow 30	30,706.2	-313.45	-1.01%

Board Meetings

Scrip	Day	Agenda	Time
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
MTL	Friday	ANN A/c for 30Jun22	11:30 AM
CPHL	Friday	ANN A/c for 30Jun22	3:00 PM
HASCOL	Friday	1st A/c for 31Mar22	3:00 PM
HTL	Friday	ANN A/c for 30Jun22	4:00 PM
DWTM	Friday	ANN A/c for 30Jun22	4:30 PM
DMTM	Friday	ANN A/c for 30Jun22	5:30 PM
DKTM	Friday	ANN A/c for 30Jun22	6:30 PM

Source: PSX

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2022**Cross-border payments to be centralised at TOD from Oct 1: SBP Economy | Neutral**

In order to further streamline the cross-border payments, the State Bank of Pakistan (SBP) has announced to reengineer its business process by centralizing all cross-border payments at the SBP's Treasury Operations Department with effect from 1st October, 2022. (BR) | [Click for more info.](#)

International News**Asian Stocks Decline Ahead of Hawkish Fed: Markets Wrap**

Asian stocks opened lower after US shares declined and Treasury yields held near multiyear highs as investors position for a hefty interest rate hike from a hawkish Federal Reserve. (Bloomberg) | [Click for more info.](#)

Oil prices extend losses on fears aggressive Fed rate hike will curb

Oil prices slid on Wednesday, extending the previous day's losses, as investors braced for another aggressive interest rate hike from the U.S. Federal Reserve that they fear could lead to recession and plunging fuel demand. (Reuters) | [Click for more info.](#)

MORNING BRIEFING

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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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