

September 22, 2023

# Morning Briefing

## Economy

**Pakistan likely to receive \$1.5bn from ADB: Aisha Ghaus Pasha**

**Economy | Positive**

Minister of State for Finance and Revenue Dr Aisha Ghaus Pasha on Wednesday informed the Senate Standing Committee on Finance that Pakistan is expected to receive \$1.5 billion from Asian Development Bank (ADB) and \$500 million from Asian Infrastructure Investment Bank (AIIB). (Mettis) | [Click for more info.](#)

**Japanese govt agrees to defer \$160m debt**

**Economy | Positive**

The governments of Japan and Pakistan have agreed on a debt deferral amounting to \$160 million as the third and last phase of the 'G20 Debt Service Suspension Initiative (DSSI)'. Prior to this, both governments had agreed to the first debt deferral amounting to \$370m in April 2021 and the second debt deferral amounting to \$200m on October 2021, under the DSSI initiative. (Dawn) | [Click for more info.](#)

**Biden urges world community to help flood-hit Pakistan**

**Economy | Neutral**

US President Joe Biden on Wednesday made a fervent call during his speech to the UN General Assembly for extending help to Pakistan where floods have caused huge devastation. (ET) | [Click for more info.](#)

**PM, WB President discuss ongoing engagement to strengthen Pakistan's different sectors**

**Economy | Neutral**

President of the World Bank David R. Malpass has stressed that Pakistan should be prioritized for reconstruction through the collective support of the international community. The President expressed sympathy and condolence over the damage and destruction caused by the flood. He also expressed the World Bank Group's willingness to help Pakistan in its reconstruction and rehabilitation efforts. He pledged to immediately re-disburse 850 million dollars to help Pakistan in flood relief efforts. (Nation) | [Click for more info.](#)

**Jul-Aug CAD shrinks 19pc YoY**

**Economy | Positive**

The country's current account deficit shrank by 19 percent during the first two months of this fiscal year (FY23) due to lower import bill and increase in exports. The State Bank of Pakistan (SBP) Wednesday night reported that cumulatively the country recorded a current account deficit amounting to \$1.92 billion in Jul-Aug of FY23 compared to \$2.374 billion in the same period of last fiscal year, depicting a decline of \$ 456 million. (BR) | [Click for more info.](#)

**Headline inflation revised up to 18.0pc**

**Economy | Negative**

Pakistan's economy is forecast to slow to 3.5 percent in the fiscal year 2023 (ending 30 June 2023) from 4.5 percent (projected in April 2022) amid devastating floods, policy tightening, and critical efforts to tackle sizable fiscal and external imbalances. The forecast for headline inflation revised up to 18.0 percent from the earlier 8.5 percent projection due to a potentially strong second-round impact from the rupee's depreciation and fuel and energy price adjustments, says the Asian Development Bank (ADB). (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

|         | Open     | Close    | Chg.   | %     |
|---------|----------|----------|--------|-------|
| KSE All | 28,171.3 | 27,990.3 | -181.0 | -0.6% |
| KSE100  | 41,220.9 | 40,965.6 | -255.3 | -0.6% |
| KSE30   | 15,447.5 | 15,336.8 | -110.7 | -0.7% |
| KMI30   | 67,764.9 | 67,011.8 | -753.1 | -1.1% |

### Top Five Gainers

|      | Open    | Close   | Chg. | %    |
|------|---------|---------|------|------|
| SFL  | 1,075.9 | 1,156.6 | 80.7 | 7.5% |
| SAPT | 1,020.5 | 1,097.0 | 76.5 | 7.5% |
| SIEM | 700.0   | 730.0   | 30.0 | 4.3% |
| COLG | 2,130.0 | 2,145.0 | 15.0 | 0.7% |
| STJT | 100.3   | 105.6   | 5.3  | 5.2% |

### Top Five Volume Leaders

|        | Open  | Close | Chg. | Vol.  |
|--------|-------|-------|------|-------|
| KEL    | 3.0   | 2.9   | -0.1 | 40.32 |
| TPLP   | 19.9  | 19.4  | -0.5 | 11.93 |
| TRG    | 114.6 | 114.1 | -0.6 | 11.38 |
| CNERGY | 5.1   | 4.9   | -0.1 | 9.70  |
| WTL    | 1.2   | 1.1   | 0.0  | 7.40  |

### Portfolio Investments – Net Position

| FIPI                | Buy          | Sell          | Net          |
|---------------------|--------------|---------------|--------------|
| F-Individuals       | 0.70         | 0.00          | 0.70         |
| F-Corporates        | 0.07         | -0.50         | -0.43        |
| O/S Pakistanies     | 1.71         | -1.23         | 0.48         |
| <b>Net</b>          | <b>2.49</b>  | <b>-1.73</b>  | <b>0.75</b>  |
| LIPI                |              |               |              |
| Individuals         | 19.89        | -20.43        | -0.55        |
| Companies           | 0.77         | -1.50         | -0.73        |
| Comm. Banks         | 1.51         | -0.48         | 1.03         |
| NBFC                | 0.01         | -0.01         | 0.00         |
| Mutual Funds        | 1.03         | -1.13         | -0.10        |
| Other               | 0.15         | -0.09         | 0.06         |
| Brokers Proprietary | 5.12         | -5.23         | -0.11        |
| Insurance           | 0.25         | -0.60         | -0.35        |
| <b>Net</b>          | <b>28.73</b> | <b>-29.48</b> | <b>-0.75</b> |

### Commodity Outlook

|                   | Unit      | Close   | % chg. |
|-------------------|-----------|---------|--------|
| Crude oil         | USD/bbl.  | 82.88   | -1.4%  |
| Brent oil         | USD/bbl.  | 90.03   | -0.9%  |
| Gold              | USD/t oz. | 1667.12 | 0.2%   |
| Silver            | USD/t oz. | 19.59   | 1.5%   |
| Coal              | USD/ton   | 294.00  | -0.2%  |
| Steel Scrap (LME) | USD/ton   | 360.00  | 1.1%   |
| Steel Rebar (LME) | USD/ton   | 669.00  | 0.5%   |
| USD/PKR           | Interbank | 6.45    | 0.3%   |

News Source: Local / Int'l Newspapers and websites

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**Govt raises Rs1.3tr via T-bills**
**Economy | Neutral**

The government has raised Rs1.399 trillion through an auction of the Market Treasury Bill (T-bills), with the yields on 6 and 12 months papers increasing slightly, a statement said on Wednesday. The raised amount was lower than the pre-auction target of Rs1.500 trillion, the State Bank of Pakistan (SBP) reported. The cut-off yield on the three-month T-bill remained unchanged at 16 percent. The yield on the six-month paper increased by 15 basis points (bps) to 16 percent, while the cut-off yield on the six-month paper inched up by 1 bps to 15.99 percent. (The News) | [Click for more info.](#)

**PKR declines for 14th consecutive session**
**Economy | Negative**

The rupee's woeful fall continued as it neared its all-time low against the US dollar, depreciating for the 14th successive session to settle at 239.65 on Wednesday, driven by expectations of a rising import bill and a strong USD on the international front. (BR) | [Click for more info.](#)

**Power**
**Kapco steps up efforts for renewal of its PPA**
**KAPCO | Positive**

Kot Addu Power Company (Kapco) has expedited its efforts for renewal of its Power Purchase Agreement (PPA), saying that the plant can be available for another 10 years. (BR) | [Click for more info.](#)

**Autos**
**Import restrictions on CKD auto parts: car assemblers operating 'just 5-9 days per month'**
**Autos | Negative**

Restrictions on the import of completely-knocked down (CKD) auto parts have left the industry "cutting production by 21-25 days and operating just 5-9 days per month." (BR) | [Click for more info.](#)

**Miscellaneous**
**SBP to settle importers' payments in two days**
**Economy | Positive**

The State Bank of Pakistan has assured the business community of clearing all backlog import-related payments of less than \$50,000 within two days, said a statement issued by the Federation of Pakistan Chambers of Commerce and Industries (FPCCI) on Wednesday. (Dawn) | [Click for more info.](#)

**Ministry for allowing TCP to award wheat import contract**
**Food | Neutral**

The Ministry of National Food Security and Research (MNFS&R) has proposed to allow TCP to award contract of imported wheat, initially for three smaller vessels not exceeding 40,000 MT tonnage, for berthing at Gwadar Sea Port. (BR) | [Click for more info.](#)

**'Textile exports show a declining trend in Sept so far'**
**Textile | Negative**

Pakistan textile exports have fallen around twelve percent so far in the month of September compared to the same month of the previous year. "Textile exports are down by 12 percent in the current month of this year over the corresponding month of last year," Asif Inam told (The News) | [Click for more info.](#)

# Morning Briefing

**World Indices**

|                  | Last     | Chg.    | Chg. % |
|------------------|----------|---------|--------|
| CHINA - Shanghai | 3,117.2  | -5.23   | -0.17% |
| INDONESIA - IDX  | 7,188.3  | -8.64   | -0.12% |
| KSA - Tadawul    | 11,461.1 | -42.51  | -0.37% |
| US - S&P 500     | 3,789.9  | -66.00  | -1.71% |
| PHILP - PSEi     | 6,341.7  | -106.77 | -1.66% |
| Taiwan - TWII    | 14,424.5 | -124.78 | -0.86% |
| PAK (KSE-100)    | 40,965.6 | -255.33 | -0.62% |
| INDIA - SENSEX   | 59,456.8 | -262.96 | -0.44% |
| HK - Hang Seng   | 18,444.6 | -336.80 | -1.79% |
| US - Dow 30      | 30,183.8 | -522.45 | -1.70% |

**Board Meetings**

| Scrip  | Day      | Agenda              | Time     |
|--------|----------|---------------------|----------|
| 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  |
| DFSM   | Friday   | ANN A/c for 30Jun22 | 7:30 PM  |
| KOHC   | Saturday | ANN A/c for 30Jun22 | 11:00 AM |
| BUXL   | Saturday | ANN A/c for 30Jun22 | 11:30 AM |

Source: PSX

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## Political News

### Imran to launch 'Haqeeqi Azadi' movement on Saturday

Former prime minister and PTI Chairman Imran Khan on Wednesday said that PTI's movement for "Haqeeqi Azaadi" (actual freedom) will begin on Saturday (September 24) as he called on supporters to get ready for his call. (Dawn) | [Click for more info.](#)

### Minister warns of action against provincial govts supporting PTI's long march

Interior Minister Rana Sanaullah on Wednesday said that those provincial governments supporting the possible Pakistan Tehreek-e-Insaf (PTI) march aimed at storming the capital city, would violate the Constitution and this will have consequences. (BR) | [Click for more info.](#)

## International News

### Fed Rate Hikes Paint Bleak Picture for Southeast Asia Currencies

Investors face a further dimming of the allure of Southeast Asian currencies as aggressive US interest-rate hikes point to more losses in local markets. Asian currencies are set to come under renewed pressure after the Federal Reserve hiked by another 75 basis points Wednesday, widening the policy divergence. Asian bond yields are likely to keep climbing, with an index of emerging-Asia debt registering losses of around 1.8% for dollar-based investors this month. (Bloomberg) | [Click for more info.](#)

### Stocks Extend Drop on Fed Vow to Crush Inflation: Markets Wrap

Share market declines deepened from the open in Asia on Thursday amid diminishing odds of a soft economic landing after the Federal Reserve hiked interest rates by 75 basis points and signaled further aggressive tightening. (Bloomberg) | [Click for more info.](#)

### Oil prices slide 1% after U.S. Fed raises interest rates

Oil prices fell about 1% to a near two-week low in volatile trade on Wednesday after the U.S. Federal Reserve delivered another hefty rate hike to quell inflation that could reduce economic activity and demand for oil. (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.

## Analyst Certification <sup>AC</sup>

The research Analyst(s) hereby certify that the views about the company/companies and the security/securities discussed in this report accurately reflect his or her or their personal views and that s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

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