

October 20, 2022

Economy

\$172m debt relief pact inked with JICA

Economy | Positive

The Government of Pakistan on Wednesday signed a debt service suspension agreement with the Japan International Cooperation Agency (JICA), amounting to deferment of payment of loans worth \$172 million, under the G-20 Debt Service Suspension Initiative (DSSI) framework. (BR) | [Click for more info.](#)

Q1 C/A deficit down by 37pc

Economy | Positive

The country's current account deficit declined by 37 percent during the first quarter of this fiscal year (FY23) due to government's measures to contain the rising import bill. (BR) | [Click for more info.](#)

Dar expects 'positive' results from IMF talks

Economy | Neutral

Federal Minister of Finance Ishaq Dar said on Wednesday that talks with the International Monetary Fund (IMF) are progressing well and with 'positive' results are expected soon. (ET) | [Click for more info.](#)

Pakistan seeks billions of dollars in new loans after floods

Economy | Neutral

Pakistan will ask international lenders for billions of dollars in loans after devastating floods exacerbated the nation's economic crisis, the Financial Times reported on Wednesday. "We are asking for additional funds." The prime minister did not specify the amount Pakistan is seeking, but repeated an estimate of \$30 billion of flood losses, the report said. (ET) | [Click for more info.](#)

Pakistan's troubles justify slump in bond prices, says JPMorgan

Economy | Neutral

Investment bank JPMorgan has called the slump in Pakistan's bonds to just a third of their face value justified, following the country's devastating floods and recent warnings by officials that some debt payments may need to be suspended. (Dawn) | [Click for more info.](#)

Govt raises Rs853bn via T-bill auction

Economy | Neutral

The government on Wednesday raised Rs853 billion less than the auction target of treasury bills but the cut-off yields were slightly reduced. The State Bank of Pakistan (SBP) reported the cut-off yields for the three- and six-month T-bills were reduced by 2 and 1 basis points to 15.72pc and 15.74pc, respectively. (Dawn) | [Click for more info.](#)

Q1 FDI declines 47pc to \$253.4m YoY

Economy | Negative

Foreign Direct Investment (FDI) continued negative growth and plunged by 47 percent during the first quarter of this fiscal year (FY23). Pakistan fetched FDI amounted to \$253.4 million during July-Sep of FY23 as against \$479.2 million in the same period of last fiscal year (FY22), depicting a decline of \$226 million. During the period under review, FDI inflows fell sharply 32 percent to \$395.3 million as against \$142 million outflows, which rose by 42 percent. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,460.7	28,718.2	257.4	0.9%
KSE100	41,839.3	42,226.1	386.8	0.9%
KSE30	15,426.0	15,541.4	115.4	0.7%
KMI30	70,015.4	70,928.0	912.6	1.3%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	5,850.0	6,000.0	150.0	2.6%
PAKT	761.2	818.3	57.1	7.5%
MARI	1,624.1	1,669.5	45.5	2.8%
SAPT	1,059.0	1,100.0	41.0	3.9%
MTL	684.7	712.9	28.2	4.1%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
GTECH	9.1	10.1	1.0	22.37
WTL	1.6	1.6	0.0	21.18
GTECHBR	1.4	2.0	0.6	14.80
GGL	16.2	17.4	1.2	14.55
DFML	8.1	8.5	0.5	12.22

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	-0.04	-0.03
F-Corporates	0.99	-1.41	-0.42
O/S Pakistanies	1.74	-1.97	-0.23
Net	2.74	-3.42	-0.68
LIPI			
Individuals	27.52	-26.07	1.45
Companies	0.65	-1.22	-0.57
Comm. Banks	0.59	-1.00	-0.41
NBFC	0.01	-0.04	-0.03
Mutual Funds	2.20	-2.05	0.15
Other	0.05	-0.39	-0.33
Brokers Proprietary	6.27	-5.92	0.35
Insurance	0.62	-0.54	0.08
Net	37.91	-37.23	0.68

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	84.81	2.0%
Brent oil	USD/bbl.	92.58	2.2%
Gold	USD/t oz.	1627.24	-1.5%
Silver	USD/t oz.	18.41	-1.9%
Coal	USD/ton	242.00	0.4%
Steel Scrap (LME)	USD/ton	365.50	0.6%
Steel Rebar (LME)	USD/ton	677.50	-0.2%
USD/PKR	Interbank	5.79	0.3%

News Source: Local / Int'l Newspapers and websites

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Jul-Aug LSMI output decreases

Economy | Negative

The Large-Scale Manufacturing Industries (LSMI) output has declined by 0.4 per cent during the first two months (July-August) of the current fiscal year 2022-23 when compared with the same period of last year, says the Pakistan Bureau of Statistics (PBS). (BR) | [Click for more info.](#)

PKR weakens further

Economy | Negative

As per the State Bank of Pakistan (SBP), the rupee closed at 220.88 after depreciating Rs1.17. The rupee has cumulatively depreciated Rs3.09 or 1.4 % in the last six sessions. In the open market, the PKR lost 1.70 rupees for both buying and selling against USD, closing at 225.70 and 227.90, respectively. (BR) | [Click for more info.](#)

Oil & Gas

Govt 'actively' mulling importing Russian oil: Dar
Oil | Neutral

Finance Minister Ishaq Dar said Wednesday that Pakistan is actively considering the import of oil from Russia, and if India is getting oil, Pakistan can also get it and this was conveyed to the concerned quarters in Washington. He said that he would fulfil the commitments made by his predecessors with the International Monetary Fund (IMF). (BR) | [Click for more info.](#)

Power

K-Electric's major controlling share sold to offshore BVI company
KEL | Neutral

The Karachi Electric (KE) has confirmed to the Pakistan Stock Exchange (PSE) that a large part of the controlling stake in Karachi Electric has been acquired by Sage Venture Group Limited, a British Virgin Islands registered special purpose company. (The News) | [Click for more info.](#)

Autos

Vehicles' parts, accessories; FBR slaps additional customs duty
Autos, Auto Parts | Negative

The Federal Board of Revenue (FBR) has imposed/ revised additional customs duty on the import of a wide range of components and accessories used in the manufacturing of vehicles. (BR) | [Click for more info.](#)

Miscellaneous

GCIL to issue shares to GTECH at Rs37.55 per share
GTECH | Positive

The board of directors of Ghani Chemical Industries Limited (GCIL) on Wednesday decided the opening price of issuing shares of GCIL to the shareholders of GTECH at Rs37.55 per share. Moreover, there would be no change in the status of trading of Class B shares announced by the GTECH, and on completion of Class B right shares subscription, GCIL will issue Class B shares to those shareholders who will subscribe to the class B shares. (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	42,226.1	386.79	0.92%
INDIA - SENSEX	59,107.2	146.59	0.25%
INDONESIA - IDX	6,860.4	25.93	0.38%
PHILP - PSEi	6,148.3	19.67	0.32%
KSA - Tadawul	11,795.1	-14.85	-0.13%
US - S&P 500	3,695.2	-24.82	-0.67%
CHINA - Shanghai	3,044.4	-36.58	-1.19%
US - Dow 30	30,423.8	-99.99	-0.33%
Taiwan - TWII	12,976.8	-147.92	-1.13%
HK - Hang Seng	16,511.3	-403.30	-2.38%

Board Meetings

Scrip	Day	Agenda	Time
ABL	Thursday	3Q A/c as at 30-Sep-22	11:00 AM
TPLI	Thursday	3Q A/c as at 30-Sep-22	11:00 AM
NRSL	Thursday	1Q A/c as at 30-Sep-22	11:45 AM
NATF	Thursday	1Q A/c as at 30-Sep-22	12:00 PM
PAKT	Thursday	3Q A/c as at 30-Sep-22	12:00 PM
AGP	Thursday	3Q A/c as at 30-Sep-22	1:30 PM
AWWAL	Thursday	Ann A/c as at 30-Jun-22	2:30 PM
DOL	Thursday	1Q A/c as at 30-Sep-22	2:30 PM
KASBM	Thursday	Ann A/c as at 30-Jun-22	3:00 PM
DADX	Thursday	Ann A/c as at 30-Jun-22	3:30 PM
PAKMI	Thursday	Ann A/c as at 30-Jun-22	3:30 PM
PMI	Thursday	Ann A/c as at 30-Jun-22	4:00 PM
PRL	Friday	1Q A/c as at 30-Sep-22	9:30 AM
JSIL	Friday	3Q A/c as at 30-Sep-22	10:00 AM
MARI	Friday	1Q A/c as at 30-Sep-22	10:00 AM
BWHL	Friday	1Q A/c as at 30-Sep-22	11:00 AM
DCR	Friday	1Q A/c as at 30-Sep-22	11:00 AM
NICL	Friday	1Q A/c as at 30-Sep-22	11:00 AM
NPL	Friday	1Q A/c as at 30-Sep-22	11:00 AM
PIM	Friday	1Q A/c as at 30-Sep-22	11:00 AM
GSKCH	Friday	3Q A/c as at 30-Sep-22	12:30 PM
JDMT	Friday	1Q A/c as at 30-Sep-22	12:30 PM
ALTN	Friday	1Q A/c as at 30-Sep-22	2:30 PM
HMB	Friday	3Q A/c as at 30-Sep-22	3:00 PM
MCBAH	Friday	1Q A/c as at 30-Sep-22	3:00 PM
UVIC	Friday	1Q A/c as at 30-Sep-22	3:15 PM
CSIL	Friday	3Q A/c as at 30-Sep-22	4:00 PM
IBFL	Friday	1Q A/c as at 30-Sep-22	4:00 PM
PIL	Friday	3Q A/c as at 30-Sep-22	4:00 PM
SITC	Friday	1Q A/c as at 30-Sep-22	4:00 PM
ESBL	Saturday	1Q A/c as at 30-Sep-22	11:30 AM
MACTER	Saturday	1Q A/c as at 30-Sep-22	11:30 AM
FEROZ	Saturday	1Q A/c as at 30-Sep-22	11:45 AM
KCL	Saturday	Ann A/c as at 30-Sep-22	2:00 PM
FFL	Monday	3Q A/c as at 30-Sep-22	9:30 AM

Source: PSX

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Auto financing drops for third straight month**Banks | Negative**

The amount of outstanding auto loans decreased for the third consecutive month at the end of September, data released by the State Bank of Pakistan (SBP) showed on Wednesday. The outstanding financing for vehicles stood at Rs397.4 billion at the end of last month, down roughly Rs2bn from August. Auto financing has shrunk by more than Rs17bn or 4pc since the beginning of 2022-23. (Dawn) | [Click for more info.](#)

TCP tenders for 0.5m tonnes of wheat**Food | Neutral**

The state-run Trading Corporation of Pakistan (TCP) has issued a new international tender to purchase and import 500,000 tonnes of wheat, European traders said on Wednesday. The deadline for submission of price offers in the tender is Oct 26. (Dawn) | [Click for more info.](#)

Political News**Supreme Court puzzled by forces' exclusion from NAB ambit**

Justice Syed Mansoor Ali Shah of the Supreme Court on Wednesday wondered why Pakistan Tehreek-i-Insaf (PTI) Chairman Imran Khan never objected to the exclusion of the armed forces from the ambit of the National Accountability Ordinance (NAO), when some of the country's largest business entities were run by them. (Dawn) | [Click for more info.](#)

International News**U.S. sells oil reserves as Biden tackles pump prices ahead of elections**

U.S. President Joe Biden announced a plan on Wednesday to sell off the rest of his release from the nation's emergency oil reserve by year's end and begin refilling the stockpile as he tries to dampen high gasoline prices ahead of midterm elections on Nov. 8. Biden is seeking to add enough supply to prevent near-term oil price spikes that could punish Americans, and assure U.S. drillers that the government will enter the market as a buyer if prices plunge too low. (Reuters) | [Click for more info.](#)

Oil Holds Gains as Market Shrugs Off US Measures to Tame Prices

Oil held gains as the market shrugged off measures from US President Joe Biden to tame rising energy prices that have fueled inflation. (Bloomberg) | [Click for more info.](#)

Asian Stocks Under Pressure, Bond Yields Spike: Markets Wrap

Asian stocks followed Wall Street lower amid Treasury yields at multiyear highs and strong inflation that's driving hawkish monetary policy. (Bloomberg) | [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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