

December 21, 2022

Economy

WB okays \$1.7bn for flood-hit Sindh
Economy | Positive

World Bank's Board of Executive Directors has approved \$1.692 billion in financing to Pakistan for five projects to support people living in flood-affected areas of Sindh. (Dawn) | [Click for more info.](#)

Investors call for consistent economic policies
Economy | Neutral

The Pakistani diaspora in the United States asked Islamabad on Tuesday to work out a long-term strategy to ensure predictability in policymaking along with ensuring ease of doing business to attract investment in the manufacturing sector. Leading US-Pakistani businessmen identified a lack of consistency in policies, adequate energy, and improving ease of doing business to attract investments in Pakistan. It was also highlighted that there is no succession plan for a smooth transition of government as well as continuity of policies in Pakistan. (Dawn) | [Click for more info.](#)

July-Nov services sector deficit falls over 50pc to \$865m YoY
Economy | Neutral

Services sector is presenting an improved picture with some 50 percent decline in the trade deficit during the first five months of current fiscal year (FY23) supported by exports growth and lower import bill. (BR) | [Click for more info.](#)

PKR: marginal improvement
Economy | Neutral

After witnessing marginal improvement in the opening hours of trading, Pakistan's rupee ended the session with a loss of 0.08% against the US dollar in the inter-bank market on Tuesday. As per the State Bank of Pakistan (SBP), the rupee closed at 225.12 after a fall of Re0.18. (BR) | [Click for more info.](#)

Oil & Gas

Oil refinery project; Chinese team visits Gwadar
Refinery | Neutral

In order to materialize the \$4.5 billion oil refinery project in Gwadar, five-member delegation of Chinese Company "East Sea Group Limited (ESGL)" is visiting Gwadar, Gwadar Pro reported on Tuesday. (BR) | [Click for more info.](#)

Power

IMF asks for passing on Rs65bn burden to power consumers
Power | Negative

The International Monetary Fund (IMF) has asked Pakistan to pass on Rs65 billion to consumers of electricity which has been deferred in the shape of Fuel Price Adjustments (FPA) during the peak of last summer season. Out of the total outstanding amount of Rs65 billion on account of deferment of FPA in the electricity bills in the current fiscal year, the government has agreed with the IMF that Rs 55 billion would be passed on to consumers and that would be recovered through bills. The remaining Rs10 billion would be absorbed through allocation of subsidy amount. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,565.9	26,924.9	-641.0	-2.3%
KSE100	40,970.8	39,832.5	-1138.4	-2.8%
KSE30	15,076.1	14,690.8	-385.3	-2.6%
KMI30	68,568.8	66,501.9	-2066.9	-3.0%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	8,165.0	8,355.0	190.0	2.3%
BATA	1,551.0	1,600.3	49.3	3.2%
COLG	1,943.3	1,960.0	16.7	0.9%
AGTL	326.2	342.8	16.6	5.1%
GATI	379.9	390.0	10.1	2.7%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.2	1.2	-0.1	33.59
KEL	2.5	2.3	-0.2	19.98
HASCOL	6.1	5.3	-0.8	12.53
CNERGY	4.1	3.9	-0.2	10.02
TELE	7.2	6.4	-0.8	7.32

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	0.00	0.01
F-Corporates	0.21	-0.88	-0.67
O/S Pakistanies	1.73	-1.67	0.06
Net	1.95	-2.56	-0.61
LIPI			
Individuals	22.68	-24.47	-1.79
Companies	1.64	-0.61	1.04
Comm. Banks	4.85	-1.34	3.51
NBFC	0.01	-0.08	-0.07
Mutual Funds	2.50	-1.74	0.76
Other	0.16	-0.53	-0.37
Brokers Proprietary	7.24	-8.15	-0.91
Insurance	0.41	-1.96	-1.55
Net	39.49	-38.88	0.61

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	76.22	0.4%
Brent oil	USD/bbl.	79.75	-0.5%
Gold	USD/t oz.	1818.05	1.7%
Silver	USD/t oz.	24.15	5.3%
Coal	USD/ton	210.00	-1.7%
Steel Scrap (LME)	USD/ton	381.00	-1.2%
Steel Rebar (LME)	USD/ton	661.50	-0.5%
USD/PKR	Interbank	6.47	2.9%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

Senate panel seeks record of KE privatization as CEO skips meetings

KEL | Neutral

Displeased at the continued absence of the power minister and K-Electric's chief executive from its meetings, a Senate panel on Tuesday sought a complete record of the original privatization and subsequent changes to the shareholding structure of Karachi's power utility and vowed to hold its management answerable to the city's people. (Dawn) | [Click for more info.](#)

Foreign loans of IPPs, PPIB seeks guidance to replace Libor with SOFR

IPPs | Neutral

The Private Power Infrastructure Board (PPIB) has proposed the Finance Ministry to provide guidance regarding the acceptability of Secured Overnight Financing Rate (SOFR) as an alternative benchmark to LIBOR for existing foreign loans of IPPs, as well as, SOFR applicability for future foreign loans, or a Working Group may be formed having representatives from the Ministry of Finance, the SBP, the Nepra, CPPA-G, and the PPIB being the focal point to resolve the matter. (BR) | [Click for more info.](#)

Autos

FTO issues second order against MTL

MTL | Negative

Federal Tax Ombudsman (FTO) has unearthed that Millat Tractors Limited (MTL) has not passed on the relief granted through Finance Act, 2022 to the end consumers by over-charging sales tax, and recommended to refund the excessive amount collected on delivery of tractors after July 1, 2022. (BR) | [Click for more info.](#)

Sugar

Supply of sugar; LHC restrains FBR from setting minimum value

Sugar | Neutral

The Lahore High Court (LHC) has restrained the Federal Board of Revenue (FBR) from the fixation of the minimum value on supply of sugar. According to the court's order, till the next date of hearing the proceedings before the FBR regarding determination of value of supply of sugar shall remain suspended. Thus, the FBR will not fix the said price of the commodity till final decision of the court. (BR) | [Click for more info.](#)

Miscellaneous

TPL's offer for acquisition of 10,500 telecom towers accepted

TPL | Positive

The parent company of one of the largest telecom tower operators in Pakistan has accepted an offer of TPL for the acquisition of 10,500 towers in the country, a statement said. (The News) | [Click for more info.](#)

Ados Pakistan to go private next month

ADOS | Positive

Engineering firm Ados Pakistan Ltd is going to delist from the Pakistan Stock Exchange (PSX) on Jan 9 after the bourse accepted its request on Thursday for going private. (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
KSA - Tadawul	10,280.2	93.97	0.92%
US - Dow 30	32,849.7	92.20	0.28%
PHILP - PSEi	6,458.1	43.85	0.68%
US - S&P 500	3,821.6	3.96	0.10%
INDONESIA - IDX	6,768.3	-11.38	-0.17%
CHINA - Shanghai	3,073.8	-33.35	-1.07%
INDIA - SENSEX	61,702.3	-103.90	-0.17%
HK - Hang Seng	19,094.8	-258.01	-1.33%
Taiwan - TWII	14,170.0	-263.29	-1.82%
PAK (KSE-100)	39,832.5	-1138.37	-2.78%

Board Meetings

Scrp	Day	Agenda	Time
KSTM	Wednesday	1Qtr A/c for 30-Sep-22	11:00 AM
SLL	Thursday	Multiple Period	12:00 PM
SASML	Friday	Ann A/c for 30-Sep-22	11:00 AM
KPUS	Friday	Ann A/c for 30-Sep-22	2:00 PM
SKRS	Friday	3Qtr A/c for 30-Jun-22	5:00 PM

Source: PSX

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MORNING BRIEFING

REIT raises Rs388 million**REIT | Neutral**

A real estate investment trust (REIT) Globe Residency has received a subscription of Rs387.945 million from the general public through a two-day offer for the sale process, a statement said on Tuesday. (The News) | [Click for more info.](#)

Pak authorities, Etisalat making fresh efforts to resolve dispute over \$800m**PTC | Neutral**

Pakistani authorities and Etisalat high-ups are making renewed efforts for finding out an amicable solution for the lingering outstanding dispute of \$800 million. (The News) | [Click for more info.](#)

Federal govt plans to close markets, shopping malls by 8pm**Economy | Negative**

The federal cabinet on Tuesday decided to close markets, shopping areas and restaurants by 8 pm under an energy conservation plan. The minister said the cabinet agreed to close all restaurants and markets by 8 pm. However, the closure of restaurants would be finalised after consultation with the provinces. Similarly, there would be strict implementation of the closure of wedding halls by 10 pm. (The News) | [Click for more info.](#)

Political News

Punjab Assembly session crisis deepens

parking a constitutional crisis, Punjab Assembly Speaker Sibtain Khan refused to hold the session on Wednesday (today) when Chief Minister Pervaiz Elahi is required seek a vote of confidence from the House under the Governor's order. Talking to media outside the PA on Tuesday, Speaker of Punjab Assembly Sibtain Khan said, "The assembly is already in session as we did not prorogue it, it was only adjourned. So I believe the session summoned by the governor is illegal." (The News) | [Click for more info.](#)

International News

Asia Stocks Mixed as BOJ Policy Shift Reverberates: Markets Wrap

Equities in Asia were mixed Wednesday as investors approach the end of one of the worst years for stocks and bonds in more than a decade. The yen held gains in the aftermath of the Bank of Japan's policy shift. (Bloomberg) | [Click for more info.](#)

Oil prices settle higher on weak dollar, worries U.S. winter storm could cut travel

Oil prices ended higher on Tuesday in a volatile session as a worsening outlook for a major U.S. winter storm sparked fears that millions of Americans might curb travel plans during the holiday season. (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 FCF based DCF methodology.

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