

February 22, 2023

Economy

Pakistan Nears IMF Bailout Pact After Lawmakers Approve Tax Plan

Economy | Positive

Pakistan is inching closer to reviving a \$6.5 billion bailout from the International Monetary Fund after the parliament approved on Monday the plan to roll out higher taxes. (Bloomberg) | [Click for more info.](#)

WB downgrades \$200m locust emergency project

Economy | Negative

The World Bank has downgraded the \$200 million locust emergency and food security project for Pakistan to "highly unsatisfactory", as project activities have not yet commenced. (BR) | [Click for more info.](#)

Oil & Gas

Hascol's troubles mount with CEO's arrest

HASCOL | Negative

Problems of Hascol Petroleum Ltd, which has been in trouble since 2018 partly for making inaccurate entries in its financial accounts, seem to be mounting as its CEO landed behind bars on Tuesday. (Dawn) | [Click for more info.](#)

Planning Commission opposes tariff protection to old refineries Refinery | Neutral

Planning Commission has opposed the tariff protection to existing refineries under the Pakistan Oil Refining Policy 2023, whereas the Prime Minister Office (PMO) directed to examine whether the proposed exemption of taxes and levies were allowed under IMF conditions. (The News) | [Click for more info.](#)

Power

IMF seeks Rs3/unit power surcharge

Power | Negative

With an agreement on re-financing a loan of \$700 million from China Development Bank (CDB), the IMF has asked Pakistan for slapping a power surcharge of approximately Rs3 per unit on consumers for recovery of piled mark-up on the Power Holding Company. (The News) | [Click for more info.](#)

Govt decides not to shift Gwadar power plant to Thar

Power | Neutral

While bowing before pressure from Beijing, Islamabad has reportedly decided not to change the location of 300-MW coal-fired power plant from Gwadar to Thar, in addition to allowing a three-year extension in its financial close. (BR) | [Click for more info.](#)

PM directs operationalization of Haveli power plant

Power | Positive

Prime Minister Shehbaz Sharif has directed that steps should be taken immediately to make the Haveli Bahadur Shah Power Plant fully operational and wanted the Power Division, Petroleum Division and other related institutions to improve coordination and communication regarding power generation and load management. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,009.1	27,079.9	70.8	0.3%
KSE100	40,673.6	40,949.8	276.2	0.7%
KSE30	15,325.0	15,432.6	107.7	0.7%
KMI30	70,184.3	70,750.7	566.3	0.8%

Top Five Gainers

	Open	Close	Chg.	%
PSEL	1,658.2	1,774.0	115.8	7.0%
SFL	923.0	992.2	69.2	7.5%
PRET	546.5	587.4	41.0	7.5%
JSGCL	321.5	336.0	14.5	4.5%
SITC	233.8	247.8	14.0	6.0%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	112.6	116.1	3.6	12.96
WTL	1.2	1.2	0.0	12.18
HASCOL	5.6	5.6	0.0	3.40
OGDC	89.7	91.2	1.5	3.21
ILP	49.0	50.0	1.0	3.04

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.61	-0.22	0.39
O/S Pakistanians	1.96	-1.88	0.07
Net	2.58	-2.10	0.47
LIPI			
Individuals	33.06	-34.61	-1.55
Companies	1.61	-1.29	0.32
Comm. Banks	0.40	-0.32	0.08
NBFC	0.01	-0.01	0.00
Mutual Funds	0.62	-0.67	-0.05
Other	0.35	-0.17	0.17
Brokers Proprietary	11.38	-10.78	0.60
Insurance	0.35	-0.40	-0.05
Net	47.78	-48.26	-0.47

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	76.22	-1.4%
Brent oil	USD/bbl.	82.77	-1.2%
Gold	USD/t oz.	1835.61	-0.3%
Silver	USD/t oz.	21.86	0.3%
Coal	USD/ton	141.00	0.0%
Steel Scrap (LME)	USD/ton	424.50	-1.8%
Steel Rebar (LME)	USD/ton	700.00	-1.3%
USD/PKR	Interbank	7.58	-0.1%

News Source: Local / Int'l Newspapers and websites

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Autos

Automakers pass on GST hike to buyers

Autos | Negative

While continuously increasing the prices on the pretext of rupee devaluation and rising raw material prices, assemblers on Tuesday passed on the impact of one per cent hike in general sales tax to the consumers. (Dawn) | [Click for more info.](#)

Cement

Bestway Cement commences production at brownfield Hattar plant

BWCL | Positive

Bestway Cement Limited, Pakistan's 2nd largest cement manufacturer achieved another milestone. The company commenced production and despatches of cement at its brownfield Hattar Plant on 17th February. (BR) | [Click for more info.](#)

Miscellaneous

Bailable arrest warrants issued for TRG International management team

TRG | Neutral

A District & Sessions Judge in Karachi has ordered issuance of bailable arrest warrants for various individuals associated with The Resource Group International Limited. (The News) | [Click for more info.](#)

Hiked FED on cigarettes reduces sales

PAKT | Negative

The sudden impact of the increase in the Federal Excise Duty (FED) and price of cigarettes under the Finance Supplementary Bill 2023 is evident from lesser sales of cigarette packs across the country. (BR) | [Click for more info.](#)

Food import bills rise 6.3pc to \$5.98bn in July-January

Food | Negative

Pakistan has spent nearly six billion dollars on the import of food items in the first seven months, where four kitchen items occupied over two-thirds of the total import bill. (The News) | [Click for more info.](#)

Thousands of trucks stuck at Torkham border

Economy | Negative

Taliban authorities on Sunday closed Torkham, the main point of transit for travellers and goods between Pakistan and landlocked Afghanistan. "The closure of the border crossing between Pakistan and Afghanistan has been causing losses to traders of the two countries. The reason for the closure was not entirely clear, though officials on both sides have said they were in discussions to resolve the issue. (BR) | [Click for more info.](#)

Over 600 luxury items; Time period extension: SROs unveiled

Economy | Negative

The Federal Board of Revenue (FBR) Tuesday extended the time period up to March 31, 2023, for imposing/raising regulatory duties and additional customs duties on the import of over 600 luxury and non-essential items. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	40,949.8	276.20	0.68%
PHILP - PSEi	6,801.0	56.84	0.84%
CHINA - Shanghai	3,306.5	16.18	0.49%
Taiwan - TWII	15,563.0	11.77	0.08%
INDIA - SENSEX	60,672.7	-18.82	-0.03%
INDONESIA - IDX	6,873.4	-21.31	-0.31%
US - S&P 500	3,997.3	-81.75	-2.00%
KSA - Tadawul	10,269.7	-101.24	-0.98%
HK - Hang Seng	20,529.5	-357.47	-1.71%
US - Dow 30	33,129.6	-697.10	-2.06%

Board Meetings

Scrip	Day	Agenda	Time
JSGCL	Wednesday	Ann. A/c as of 31-Dec-22	9:30 AM
BERG	Wednesday	HY. A/c as of 31-Dec-22	10:00 AM
SNBL	Wednesday	Ann. A/c as of 31-Dec-22	10:00 AM
UBL	Wednesday	Ann. A/c as of 31-Dec-22	10:00 AM
KSTM	Wednesday	HY. A/c as of 31-Dec-22	10:30 AM
KAPCO	Wednesday	HY. A/c as of 31-Dec-22	10:30 AM
OTSO	Wednesday	HY. A/c as of 31-Dec-22	10:30 AM
ABOT	Wednesday	Ann. A/c as of 31-Dec-22	11:00 AM
FHAM	Wednesday	HY. A/c as of 31-Dec-22	11:00 AM
JKSM	Wednesday	HY. A/c as of 31-Dec-22	11:00 AM
ORM	Wednesday	HY. A/c as of 31-Dec-22	11:00 AM
DGKC	Wednesday	HY. A/c as of 31-Dec-22	11:30 AM
GLPL	Wednesday	HY. A/c as of 31-Dec-22	11:30 AM
OGDC	Wednesday	HY. A/c as of 31-Dec-22	11:30 AM
SHDT	Wednesday	HY. A/c as of 31-Dec-22	11:30 AM
TRSM	Wednesday	HY. A/c as of 31-Dec-22	11:30 AM
BFMOD	Wednesday	HY. A/c as of 31-Dec-22	12:00 PM
JUBS	Wednesday	HY. A/c as of 31-Dec-22	12:00 PM
SCL	Wednesday	HY. A/c as of 31-Dec-22	12:00 PM
BIFO	Wednesday	HY. A/c as of 31-Dec-22	12:30 PM
FFLM	Wednesday	HY. A/c as of 31-Dec-22	12:30 PM
HMM	Wednesday	HY. A/c as of 31-Dec-22	12:30 PM
KML	Wednesday	HY. A/c as of 31-Dec-22	12:30 PM
RUBY	Wednesday	HY. A/c as of 31-Dec-22	1:00 PM
TSBL	Wednesday	HY. A/c as of 31-Dec-22	2:30 PM
BWCL	Wednesday	HY. A/c as of 31-Dec-22	3:00 PM
KTML	Wednesday	HY. A/c as of 31-Dec-22	3:30 PM
UNITY	Wednesday	HY. A/c as of 31-Dec-22	4:00 PM
HINOON	Thursday	Ann. A/c as of 31-Dec-22	8:30 AM
FSWL	Thursday	HY. A/c as of 31-Dec-22	9:00 AM
FIL	Thursday	HY. A/c as of 31-Dec-22	9:30 AM
MFL	Thursday	HY. A/c as of 31-Dec-22	9:30 AM
META	Thursday	HY. A/c as of 31-Dec-22	9:30 AM
BILF	Thursday	HY. A/c as of 31-Dec-22	10:00 AM
FABL	Thursday	Ann. A/c as of 31-Dec-22	10:00 AM
JLICL	Thursday	Ann. A/c as of 31-Dec-22	10:00 AM
MUBT	Thursday	HY. A/c as of 31-Dec-22	10:00 AM

Source: PSX

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Political News

ECP says 'bound to issue election schedule' after announcement of date

The electoral entity said on Tuesday that it was "bound to issue elections schedule after the announcement of elections date by the authority concerned"—and that it was "always ready" to hold elections in 90 days (after the dissolution of the assemblies)—conspicuously a day after President Arif Alvi announced April 9 as general elections date for Punjab and Khyber-Pakhtunkhwa legislatures. (BR) | [Click for more info.](#)

PDM not to take part in upcoming NA by-polls

Minister for Information and Broadcasting Marriyum Aurangzeb said Tuesday the Pakistan Democratic Movement (PDM) had unanimously decided not to contest the upcoming National Assembly by-elections. (The News) | [Click for more info.](#)

PTI all set to launch 'jail bhara' drive today

To push for early elections, the Pakistan Tehreek-e-Insaf is all set to launch its 'jail bhara' (volunteer arrest) movement from today from the provincial capital; 200 party workers and around five PTI legislators and leaders would voluntarily give their arrest to the authorities outside the Punjab Assembly. (BR) | [Click for more info.](#)

International News

Oil Extends Worst Run of Losses This Year Ahead of Fed Minutes

Oil extended its longest run of losses this year ahead of the release of minutes from the Federal Reserve that may provide further clues on the path forward for monetary tightening in the US. (Bloomberg) | [Click for more info.](#)

Asia Stocks Track Wall Street Lower on Fed Outlook: Markets Wrap

Asian equities fell Wednesday after the S&P 500 tumbled by the most in two months and Treasury yields rose sharply as investors priced in higher interest rates. (Bloomberg) | [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 FCF based DCF methodology.

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