

March 22, 2023

MORNING BRIEFING

Morning Briefing

Economy

Economic assistance; Confirmation from friendly states likely in a few days: minister

Economy | Neutral

Minister for Planning and Development Ahsan Iqbal on Tuesday said Pakistan is likely to get confirmation from the friendly countries of economic assistance in a few days being the last condition of the International Monetary Fund (IMF) which will be followed by the staff-level deal with the Fund. (BR) | [Click for more info.](#)

US contributes \$242m for flood relief

Economy | Positive

Pakistan has received \$242 million from the United States to support flood relief, recovery efforts, disaster resilience and food security and the US-Pakistani diaspora contributed about \$42m to the total. (Dawn) | [Click for more info.](#)

IMF gives more tasks to unlock loan

Economy | Negative

The International Monetary Fund (IMF) Tuesday said Pakistan had a few more tasks to do before it unlocks a \$6.5 billion loan programme to avoid default, putting pressure on the government to secure assurances from countries that have promised financing support, foreign media reported. (The News) | [Click for more info.](#)

Govt bonds fail to attract dollars despite record returns

Economy | Negative

A record increase in returns on treasury bills and Pakistan Investment Bonds (PIBs) has failed to attract a single dollar. The State Bank of Pakistan (SBP) increased the interest rate by 300 basis points to 20 per cent and the discount rate to 21pc on March 2 to counter high inflation. (Dawn) | [Click for more info.](#)

REER Index falls to 86.45 in Feb

Economy | Neutral

Pakistan's Real Effective Exchange Rate (REER) Index depreciated to 86.45 in February 2023 as compared to 93.96 in January 2023. (BR) | [Click for more info.](#)

Oil & Gas

PSO gets \$100m grant to avert default

PSO | Positive

An emergent meeting of the Economic Coordination Committee (ECC) of the Cabinet on Tuesday approved a special grant of Rs27 billion (about \$100 million) for payments to Kuwait Petroleum Corporation to avoid a formal default of the national fuel supplier — Pakistan State Oil (PSO). (Dawn) | [Click for more info.](#)

Exchange losses; ECC approves Rs27bn TSG for Kuwait Petroleum Oil | Positive

The Economic Coordination Committee (ECC) of the Cabinet, Tuesday, approved an immediate technical supplementary grant of Rs27 billion for Kuwait Petroleum Company. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	26,975.2	26,953.6	-21.6	-0.1%
KSE100	40,918.5	40,878.0	-40.5	-0.1%
KSE30	15,043.2	15,088.0	44.9	0.3%
KMI30	70,374.9	70,589.0	214.1	0.3%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	7,800.0	8,000.0	200.0	2.6%
NESTLE	5,115.0	5,181.0	66.0	1.3%
JSGCL	310.0	324.0	14.0	4.5%
MARI	1,485.4	1,499.3	13.9	0.9%
HINO	193.2	204.4	11.2	5.8%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.2	1.2	0.0	6.05
CENERGY	3.6	3.7	0.1	4.85
UNITY	14.2	14.1	0.0	4.69
PAEL	11.3	11.5	0.2	4.52
HASCOL	6.2	6.1	0.0	4.47

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	5.22	-5.22	0.00
F-Corporates	0.05	-0.23	-0.18
O/S Pakistanies	1.20	-1.16	0.05
Net	6.48	-6.61	-0.13
LIPI			
Individuals	12.76	-12.14	0.62
Companies	0.30	-0.29	0.01
Comm. Banks	0.95	-0.78	0.17
NBFC	0.01	-0.01	0.00
Mutual Funds	1.04	-0.94	0.10
Other	0.23	-0.08	0.15
Brokers Proprietary	3.02	-3.05	-0.03
Insurance	0.39	-1.27	-0.89
Net	18.69	-18.56	0.13

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	69.47	2.7%
Brent oil	USD/bbl.	75.11	1.8%
Gold	USD/t oz.	1943.24	-1.7%
Silver	USD/t oz.	22.43	-0.3%
Coal	USD/ton	134.95	3.4%
Steel Scrap (LME)	USD/ton	452.00	-0.7%
Steel Rebar (LME)	USD/ton	725.00	0.1%
USD/PKR	Interbank	8.28	-0.7%

News Source: Local / Int'l Newspapers and websites

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Govt slashes RLNG prices up to 3.16pc for March 2023

Gas | Positive

The government has cut the average sale price of Re-gasified liquefied natural gas (RLNG) by up to 3.16 percent for March 2023 in a move designed to give relief to consumers as international gas rates fall. (The News) | [Click for more info.](#)

'Govt should revise tight gas policy'

Gas | Neutral

The government should revise its tight gas policy to nudge energy companies towards exploring natural gas that's obtained from reservoir rocks with low permeability using advanced technology. (Dawn) | [Click for more info.](#)

Power

Pakistani transport magnate buys significant stake of K-Electric

KEL | Neutral

A British Virgin Islands (BVI) registered special purpose company, Sage Venture Group Limited (Sage), has completed the acquisition of significant stakes in the Infrastructure Growth and Capital Fund LP (IGCF or the Fund), which holds an indirect material stake in K-Electric Limited (K-Electric). These transactions were authorized in proceedings at a court in the Cayman Islands, according to court documents. (The News) | [Click for more info.](#)

Results of GDMP/ GDMO; EPQL advised to submit detailed assumptions

EPQL | Neutral

M/s Engro Power Gen Qadirpur Ltd (EPQL) has reportedly not submitted feasible assumptions for compensation on financial results of Gas Depletion Mitigation Plan/ Option (GDMP/ GDMO), sources close to Managing Director PPIB told. (BR) | [Click for more info.](#)

IPPs: Power Div asked to resolve payment issues on priority basis

IPPs | Neutral

Prime Minister's Office (PMO) has asked Power Division to convene a meeting of Steering Committee on payments to IPPs at the earliest to resolve their issues on priority basis, official sources told. (BR) | [Click for more info.](#)

Autos

Hinopak latest to cut production days amid import hurdles

HINO | Negative

Hinopak Motors Limited (Hino) announced non-production days at its plant on Tuesday, adding Hino's name among a number of companies facing inventory shortages on import curbs in the country. (The News) | [Click for more info.](#)

Miscellaneous

Medicine importers face huge losses due to rupee devaluation

Pharma | Negative

Pharmaceutical sector is expecting a severe shortage of lifesaving medicines in the country as the importers of finished pharmaceutical products suffer losses to the tune of billions due to uncertain rupee-dollar parity, pharmaceutical importers told. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	58,074.7	445.73	0.77%
US - Dow 30	32,560.6	316.02	0.98%
HK - Hang Seng	19,258.8	258.05	1.36%
KSA - Tadawul	10,359.7	141.62	1.39%
Taiwan - TWII	15,513.5	93.48	0.61%
PHILP - PSEi	6,530.8	79.73	1.24%
INDONESIA - IDX	6,691.6	79.12	1.20%
US - S&P 500	4,002.9	51.30	1.30%
CHINA - Shanghai	3,255.7	20.74	0.64%
PAK (KSE-100)	40,878.0	-40.47	-0.10%

Board Meetings

Scrp	Day	Agenda	Time
PMPK	Wednesday	Ann. A/c as of 31-Dec-22	12:00 PM
JGICL	Wednesday	Ann. A/c as of 31-Dec-22	2:30 PM
EFGH	Wednesday	Ann. A/c as of 31-Dec-22	3:00 PM
PKGS	Thursday	Ann. A/c as of 31-Dec-22	10:00 AM
CSIL	Friday	Ann. A/c as of 31-Dec-22	10:00 AM
EWIC	Saturday	Ann. A/c as of 31-Dec-22	12:30 PM
UNITY	Monday	HY A/c as of 31-Dec-22	9:00 AM
ATIL	Monday	Ann. A/c as of 31-Dec-22	11:00 AM

Source: PSX

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Avanceon wins multimillion-dollar contract to provide oil, gas solution in Caspian region

AVN | Positive

Avanceon (PSX: AVN) has been awarded a multimillion-dollar contract from a major EPC contractor in the Caspian region, the company's filing on PSX said today. This contract marks a significant milestone for the company as it seeks to expand its operations and reach new customers in the region with its newly formed process business solutions division. (Mettis) | [Click for more info.](#)

Auto financing falls for eighth straight month in February

Banks | Negative

Bank lending to consumers buying cars fell for the eighth consecutive month in February, indicating a slowdown in overall demand, higher interest rates, rising vehicle costs, and plants' shutdown. (The News) | [Click for more info.](#)

15 mega initiatives included; Rs150bn 'PM's Youth Package' announced

Banks | Neutral

The federal government has announced 15 mega initiatives under the Prime Minister's Youth Development Package at the cost of Rs150 billion for youth, two-thirds of the country's population, to provide them opportunities of education, skill development and employment for a brighter future. (BR) | [Click for more info.](#)

Political News

Joint parliament sitting today: Strongly worded resolution against PTI likely to be adopted

The joint sitting of the two-houses of parliament is being held today (Wednesday) in the afternoon as speculations continue that the ruling coalition is working on banning the PTI after its involvement in attacking the state institutions, including the armed forces, judiciary and law-enforcement agencies. (The News) | [Click for more info.](#)

International News

Oil rises 2% in retreat from 15-mth low as banking fears subside

Oil prices rose more than 2% on Tuesday, extending a retreat from a 15-month low hit the previous day, as the rescue of Credit Suisse allayed concerns of a banking crisis that would hurt economic growth and cut fuel demand. (Reuters) | [Click for more info.](#)

Asian Stocks Climb in Risk-On Trade Ahead of Fed: Markets Wrap

Asian shares followed US equities higher as concerns over financial stability eased and as investors prepared for the Federal Reserve's interest-rate decision later Wednesday. (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 FCF based DCF methodology.

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