

December 22, 2022

Economy

SBP lowers FY23 growth forecast
Economy | Negative

Taking into account the destruction caused by floods and the policy focus on stabilization, the State Bank of Pakistan has projected real GDP growth below the previously announced range of 3-4 percent for FY23. (BR) | [Click for more info.](#)

SBP warns of higher risks to food security
Economy | Negative

The State Bank of Pakistan (SBP) has warned that the country may face higher risks to food security in the wake of growing population and global warming. (BR) | [Click for more info.](#)

REER index depreciates to 98.8 in November
Economy | Neutral

Pakistan's real effective exchange rate (REER), the value of the rupee against a basket of trading partner currencies, fell to 98.8 in November from 100.2 in the previous month, the central bank data showed on Wednesday. (The News) | [Click for more info.](#)

Govt rejects all bids for PIBs
Economy | Neutral

The State Bank of Pakistan (SBP) on Wednesday raised no amount through the auction of Pakistan Investment bonds (PIBs) as the government rejected all bids against a target of Rs175 billion. (The News) | [Click for more info.](#)

Dar directs FBR to achieve set targets
Economy | Neutral

Finance Minister Ishaq Dar, Wednesday, directed the Federal Board of Revenue (FBR) to focus on the monthly target of Rs965 billion for December 2022, enabling the tax machinery to achieve the annual revenue collection target of Rs7,470 billion during the remaining period of 2022-23. (BR) | [Click for more info.](#)

Oil & Gas

Production at Zarghun gas field resumes
Mari | Positive

Mari Petroleum Company Limited has announced that the gas production from Zarghun South Gas Field, Balochistan has been resumed. The field is currently producing around 5mmscf of gas which will be gradually ramped up to its optimum production rate. (BR) | [Click for more info.](#)

Margala Block; Transfer of 30pc working interest of MOL to MPCL approved by ECC
Mari | Positive

The Economic Coordination Committee (ECC) of the Cabinet has approved transfer of 30 per cent working interest of MOL Pakistan to Mari Petroleum Company Limited (MPCL) in Margala Block. The ECC was informed that the performance guarantee will be required from the company once this assignment is approved and once the acquiring company becomes the right holder in Margala exploration license. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	26,924.9	26,674.9	-250.0	-0.9%
KSE100	39,832.5	39,342.9	-489.6	-1.2%
KSE30	14,690.8	14,460.0	-230.9	-1.6%
KMI30	66,501.9	65,875.8	-626.1	-0.9%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	5,250.0	5,350.0	100.0	1.9%
PRET	624.3	669.8	45.5	7.3%
BATA	1,600.3	1,642.0	41.7	2.6%
KHTC	340.6	358.0	17.3	5.1%
ISIL	483.8	495.0	11.2	2.3%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.2	1.2	0.0	17.47
HUMNL	5.6	5.6	0.0	11.88
DFML	12.5	11.5	-1.0	8.57
KEL	2.3	2.3	0.0	7.70
HASCOL	5.3	5.4	0.1	6.75

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.11	-0.29	-0.18
O/S Pakistanies	2.37	-1.20	1.18
Net	2.49	-1.49	1.00
LIPI			
Individuals	16.47	-17.36	-0.89
Companies	1.57	-0.80	0.77
Comm. Banks	1.31	-1.23	0.08
NBFC	0.00	-0.01	0.00
Mutual Funds	2.09	-1.58	0.51
Other	0.54	-0.91	-0.37
Brokers Proprietary	4.48	-5.22	-0.74
Insurance	0.14	-0.51	-0.37
Net	26.61	-27.62	-1.00

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	78.49	3.0%
Brent oil	USD/bbl.	82.27	3.2%
Gold	USD/t oz.	1815.01	-0.2%
Silver	USD/t oz.	23.96	-0.8%
Coal	USD/ton	208.85	-0.5%
Steel Scrap (LME)	USD/ton	385.00	1.0%
Steel Rebar (LME)	USD/ton	660.50	-0.2%
USD/PKR	Interbank	6.48	0.5%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

ECC defers PSO's request for Rs17bn

PSO | Negative

The Economic Coordination Committee (ECC) of the Cabinet was informed on Wednesday that receivables of the national fuel supplier – Pakistan State Oil (PSO) had crossed Rs612 billion and it was struggling to manage remittances to its foreign suppliers. The meeting of the ECC presided over by Finance Minister Ishaq Dar, however, did not immediately approve Rs17bn urgently demanded by the PSO to honour its liabilities to international firms, particularly its long-term fuel supplier Kuwait Petroleum Company (KPC). (Dawn) | [Click for more info.](#)

Govt delays PARCO's foreign dividend payments

Refinery | Negative

Government is delaying payment of dividends to foreign partners of Pak-Arab Refinery Limited (PARCO) due to scarcity of foreign exchange in the country, sources said. The profit of the foreign partners is repatriated in dollars, however the foreign partners were being denied the repatriation of their dividend for the last one and a half month, sources privy to the development disclosed. According to sources, the dividend amount comes to \$60 million, which was not being repatriated. Sources cited the dollar shortage in the country as the main reason for this delay in repatriation of the dividend. (The News) | [Click for more info.](#)

Tola-led body formed to settle gas sector debt

Gas | Neutral

With petroleum sector circular debt going beyond Rs1.5 trillion and power sector debt on top of Rs2.5tr, Finance Minister Ishaq Dar on Wednesday constituted a committee led by the president of the Institute of Chartered Accountants of Pakistan Ashfaq Tola to suggest a way forward on settlement of gas sector debt. (Dawn) | [Click for more info.](#)

Power

No increase in electricity tariff under consideration: energy ministry

Power | Neutral

The Ministry of Energy, Power Division on Wednesday dismissed reports regarding a potential hike in electricity tariff, saying no such increase is under consideration. (BR) | [Click for more info.](#)

Red tape hampering small hydro projects

Power | Negative

The sponsors of small hydropower projects under 50 megawatts generation capacity have complained to the prime minister over the bureaucratic red tape hampering the development of renewable domestic resources. (Dawn) | [Click for more info.](#)

Banks

Trading in Rs8bn Bank of Punjab TFC begins on 23rd

BOP | Neutral

Trading in the privately placed Rs8 billion bond of the Bank of Punjab Ltd (BoP) will commence on the Pakistan Stock Exchange (PSX) on Friday, Dec 23. (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	33,376.5	526.74	1.60%
HK - Hang Seng	19,160.5	65.69	0.34%
Taiwan - TWII	14,234.4	64.37	0.45%
PHILP - PSEi	6,520.8	62.68	0.97%
US - S&P 500	3,878.4	56.82	1.49%
INDONESIA - IDX	6,820.7	52.34	0.77%
KSA - Tadawul	10,276.9	-3.21	-0.03%
CHINA - Shanghai	3,068.4	-5.36	-0.17%
PAK (KSE-100)	39,342.9	-489.56	-1.23%
INDIA - SENSEX	61,067.2	-635.05	-1.03%

Board Meetings

Scrip	Day	Agenda	Time
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
SHSML	Monday	Ann A/c for 30-Sep-22	11:00 AM
HABSM	Monday	Ann A/c for 30-Sep-22	11:00 AM
ALNRS	Tuesday	Ann A/c for 30-Sep-22	11:00 AM
BAFS	Tuesday	Ann A/c for 30-Sep-22	11:00 AM
TICL	Tuesday	Ann A/c for 30-Sep-22	12:00 PM
AABS	Tuesday	Ann A/c for 30-Sep-22	4:00 PM

Source: PSX

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Miscellaneous

Only 3 IPOs in 2022; Rs1.3bn raised by PSX lowest amount in 9 years

PSX | Neutral

Pakistan capital market saw just three (3) Initial Public Offerings (IPOs) in 2022 thus far with a total amount raised stands at Rs 1.3 billion. This is the lowest amount in 9 years. IPOs raised Rs 0.8 billion in 2013. The numbers of IPOs are also lowest after 2019 when PSX saw just one IPO. (BR) | [Click for more info.](#)

Tobacco demand grows to record 86m kilos

PAKT | Positive

The demand for tobacco has been set at a record 85.8 million kilograms for the next year, significantly higher than the current year's 53.575m kg, leaf managers and growers told Dawn on Wednesday. (Dawn) | [Click for more info.](#)

Pakistan's Descon Oxychem says will expand operations in UAE

DOL | Positive

Descon Oxychem Limited, one of Pakistan's major chemical producers, on Wednesday announced that its board of directors has decided that the company will expand its operations in United Arab Emirates (UAE). (BR) | [Click for more info.](#)

Political News

PMLN discusses Governor's rule option: Punjab PA standoff intensifies

After the Punjab chief minister did not get vote of confidence as was asked by the governor, political situation in the province has turned tense amid talks of governor's rule in Punjab. The Punjab governor has ruled that Chief Minister Chaudhry Pervaiz Elahi has lost the confidence of the majority of the members. (The News) | [Click for more info.](#)

International News

Asian Stocks to Follow US Gains on Earnings Boost: Markets Wrap

A gauge of Asian equities looked poised to snap five days of declines on Thursday after US shares rallied on improved consumer confidence and better-than-expected earnings. (Bloomberg) | [Click for more info.](#)

Oil prices rise over \$2 on drawdown in U.S. crude stocks

Oil prices rose by more than \$2 a barrel on Wednesday after data showed a larger-than-expected draw in U.S. crude stockpiles, but gains were capped by a snowstorm that is expected to hit U.S.

travel. (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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