

November 23, 2022

## Economy

**Monetary Policy to be announced on Friday**

**Economy | Neutral**

The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) will meet on Friday, November 25, 2022, at SBP Karachi to decide about the Monetary Policy, a statement issued by SBP said today. Later on, SBP will issue the Monetary Policy Statement through a press release on the same day. To recall, MPC in its previous meeting on October 10, 2022, announced to keep the policy rate unchanged at 15%. (Mettis) | [Click for more info.](#)

**Pakistan faces currency crisis danger: Nomura**

**Economy | Negative**

Nomura has warned that seven countries - Egypt, Romania, Sri Lanka, Turkey, Czech Republic, Pakistan and Hungary - are now at a high risk of currency crises. The Japanese bank said that 22 of the 32 countries covered by its in-house "Damocles" warning system have seen their risk rise since its last update since May, with the largest increases in the Czech Republic and Brazil. (BR) | [Click for more info.](#)

**'Reko Diq reference'; Country to pay \$9bn if deal not inked by Dec 15, SC told**

**Economy | Negative**

The counsel for Barrick Gold informed the apex court that if by December 15, 2022, the agreement is not signed between Balochistan and Barrick Gold then Pakistan would have to pay over \$9billion. (BR) | [Click for more info.](#)

## Oil & Gas

**22pc reduction in POL products' consumption: IMF sees Rs350bn levy shortfall**

**Oil, Economy | Negative**

The International Monetary Fund (IMF) has assessed the government would have to face a shortfall of Rs300-350 billion on account of Petroleum Development Levy (PDL) in the wake of a 22 percent reduction in consumption of POL products and its inability to slap a maximum levy on all POL products. (BR) | [Click for more info.](#)

## Power

**KE says transmission, distribution losses reduced to 15pc in FY22**

**KEL | Positive**

K. Electric (KE) has reduced its transmission and distribution (T&D) losses from around 34 percent at the time of privatisation to 15 percent by the end of FY22. The utility company had improved its core business through sustained investments in the value chain. (The News) | [Click for more info.](#)

**SNGPL begins disconnecting gas-connections of captive power plants**

**Power | Negative**

Sui Northern Gas Pipelines Ltd (SNGPL) has begun disconnecting natural gas connections of captive power plants as per policy announced last year. "Without any prior notice or intimation, the gas utility has abruptly started to disconnect those captive power gas connection which don't have cogeneration facility," claimed a textile industry representative, wishing to remain anonymous. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,927.2	28,982.9	55.8	0.2%
KSE100	42,761.2	42,928.6	167.4	0.4%
KSE30	15,727.4	15,792.3	64.9	0.4%
KMI30	72,349.2	72,819.0	469.8	0.6%

### Top Five Gainers

	Open	Close	Chg.	%
MEHT	808.0	868.6	60.6	7.5%
PRET	690.0	741.0	51.0	7.4%
INDU	933.8	981.8	48.0	5.1%
SIEM	873.4	895.0	21.6	2.5%
SCL	290.0	311.0	21.0	7.2%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.4	1.4	0.0	18.59
TPLP	18.8	20.2	1.4	18.51
HASCOL	7.8	8.0	0.2	15.40
PAEL	15.7	16.5	0.7	15.30
UNITY	17.1	17.6	0.4	14.08

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	2.00	-2.01	-0.01
F-Corporates	0.34	-0.71	-0.37
O/S Pakistanies	2.91	-2.19	0.73
<b>Net</b>	<b>5.25</b>	<b>-4.91</b>	<b>0.34</b>
LIPI			
Individuals	40.17	-38.63	1.53
Companies	2.29	-2.95	-0.66
Comm. Banks	2.23	-2.02	0.21
NBFC	0.03	-0.17	-0.14
Mutual Funds	2.02	-2.18	-0.17
Other	0.81	-0.76	0.05
Brokers Proprietary	14.58	-15.03	-0.46
Insurance	0.24	-0.94	-0.70
<b>Net</b>	<b>62.35</b>	<b>-62.69</b>	<b>-0.34</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	81.31	1.2%
Brent oil	USD/bbl.	88.35	0.6%
Gold	USD/t oz.	1741.32	0.2%
Silver	USD/t oz.	21.09	1.1%
Coal	USD/ton	200.00	-5.9%
Steel Scrap (LME)	USD/ton	347.00	1.0%
Steel Rebar (LME)	USD/ton	634.50	-0.2%
USD/PKR	Interbank	6.18	-0.8%

News Source: Local / Int'l Newspapers and websites

Research Team

[research@abaalihabib.com](mailto:research@abaalihabib.com)

Aba Ali Habib Securities (Pvt) Limited  
 (021) 32429665, Ext. 106

November 23, 2022

MORNING BRIEFING

## Neelum-Jhelum project's tunnel could collapse, warns Nepra chief Power | **Negative**

The tunnel of Neelum-Jhelum hydroelectricity project might collapse at any time and the consequences could be disastrous, the National Electric Power Regulatory Authority (Nepra)'s chief warned on Tuesday. (Dawn) | [Click for more info.](#)

## Autos

### Tractor-making sector; FTO tells FBR to conduct probe into Benami deals

#### AGTL, MTL | **Negative**

The Federal Tax Ombudsman (FTO) has strongly recommended the Federal Board of Revenue (FBR) to probe into the aspect of massive Benami transactions in tractor manufacturing sector and monitor and enforce sales tax invoicing system to verify the input tax claims/refunds of a leading tractor manufacturing company. (BR) | [Click for more info.](#)

## Cement

### KOHC to add production capacity of 11 MMT during FY23

#### KOHC | **Positive**

Kohat Cement Company (PSX: KOHC) will likely add a cement capacity of 11 million metric tons (MMT) during FY23 while 16 MTs shall be added in the next three years. On the expansion front, the management further informed that the land is being procured in Khushab for a greenfield cement production line, with work on other infrastructure developments underway. Meanwhile, an additional 10MW solar power plant is in the progress as well. (Mettis) | [Click for more info.](#)

## Miscellaneous

### PIBTL to bring more efficiency in cargo handling operations

#### PIBTL | **Neutral**

Pakistan International Bulk Terminal Limited (PIBTL) is considering to bring more efficiencies in cargo handling operations and volume consolidation. (Mettis) | [Click for more info.](#)

### Country facing sugar shortage

#### Sugar | **Negative**

Pakistan is facing a sugar shortage of 260,000 tons for the ongoing year, official data revealed. (BR) | [Click for more info.](#)

### FBR fails to refund Rs200bn to exporters

#### Textile | **Negative**

As the stuck-up refunds and tax credit of export-oriented industries swelled to over Rs200 billion in the current fiscal year, the exporters on Tuesday warned of closing down their textile units as a severe liquidity crunch made it impossible to continue their operations. (Dawn) | [Click for more info.](#)

### Steel Producers Urges SBP for Compensation from Windfall Profits of Banks

#### Steel | **Neutral**

The Pakistan Association of Large Steel Producers (PALSP) has urged the State Bank of Pakistan (SBP) to compensate the local industry for the huge sums of windfall profits made by some of the banks by overcharging importers in the opening of their Letters of Credit (LCs) through manipulation. (Propakistani) | [Click for more info.](#)

## World Indices

	Last	Chg.	Chg. %
US - Dow 30	34,098.1	397.82	1.18%
INDIA - SENSEX	61,419.0	274.12	0.45%
PAK (KSE-100)	42,928.6	167.43	0.39%
Taiwan - TWII	14,542.2	92.81	0.64%
US - S&P 500	4,003.6	53.64	1.36%
KSA - Tadawul	10,965.4	34.90	0.32%
PHILP - PSEi	6,429.7	26.41	0.41%
CHINA - Shanghai	3,088.9	3.90	0.13%
INDONESIA - IDX	7,030.6	-32.66	-0.46%
HK - Hang Seng	17,424.4	-231.50	-1.31%

## Board Meetings

Script	Day	Agenda	Time
BAPL	Wednesday	1Q A/c as at 30-Sep-22	2:00 PM
KSTM	Thursday	Ann A/c as at 30-Jun-22	11:00 AM
SIEM	Thursday	Ann A/c as at 30-Sep-22	11:00 AM
TSML	Thursday	3Q A/c as at 30-Jun-22	2:00 PM
ARUJ	Friday	Ann A/c as at 30-Jun-22	11:00 AM
DADX	Friday	1Q A/c as at 30-Sep-22	11:30 AM
KCL	Saturday	1Q A/c as at 30-Sep-22	2:00 PM
GLOT	Monday	1Q A/c as at 30-Sep-22	11:30 AM
EXIDE	Tuesday	HY A/c as at 30-Sep-22	3:00 PM

Source: PSX

Research Team

[research@abaalihabib.com](mailto:research@abaalihabib.com)

 ABA Ali Habib Securities (Pvt) Limited  
 (021) 32429665, Ext. 106

November 23, 2022

MORNING BRIEFING

## Political News

### GHQ sends summary to MoD on top military appointments

GHQ has forwarded the summary for Selection of CJCS and COAS, containing names of 6 senior most Lt Gens, to MoD. According to ISPR, the GHQ has sent the summary to PM house. The process of the appointment of the army chief started on Monday. Those on the list are Lt-Gen Asim Munir at the top, Lt-Gen Sahir Shamshad Mirza, Lt-Gen Azhar Abbas, Lt-Gen Nauman Mehmood, Lt-Gen Faiz Hameed, and Lt-Gen Mohammad Amir, Corps Commander XXX in Gujranwala. General Qamar Javed Bajwa, the chief of Pakistan's army is set to retire on November 29. (BR) | [Click for more info.](#)

### 'COAS, not PM, decides how US-Pak ties shape up'

Former prime minister Imran Khan's return to power — or not — will not have much impact on the future of US-Pakistan relations as such decisions in Islamabad are taken by the army chief, not the prime minister. This view was expressed at a Monday evening seminar in the US capital. (Dawn) | [Click for more info.](#)

## International News

### Asia Stocks Follow Wall Street Rally; Dollar Eases: Markets Wrap

Stocks advanced in Asia Wednesday after Wall Street rallied on corporate earnings and indications that the Federal Reserve is open to slowing the pace of interest-rate hikes. (Bloomberg) | [Click for more info.](#)

### Oil rises 1% as OPEC+ focus on supply cuts outweighs recession concerns

Oil prices rose about 1% on Tuesday after top exporter Saudi Arabia said OPEC+ was sticking with output cuts and could take further steps to balance the market. (Reuters) | [Click for more info.](#)

**Research Team**[research@abaalihabib.com](mailto:research@abaalihabib.com)Aba Ali Habib Securities (Pvt) Limited  
(021) 32429665, Ext. 106

## Disclaimer

This report has been prepared by ABA Ali Habib Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, ABA Ali Habib Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and ABA Ali Habib Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents.

In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of ABA Ali Habib Securities' Research Department and do not necessarily reflect those of the company or its directors. ABA Ali Habib as a firm may have business relationships, including investment- banking relationships, with the companies referred to in this report. ABA Ali Habib Securities or any of its officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the subject company, may have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company, may serve or may have served in the past as a director or officer of the subject company, may have received compensation from the subject company for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from the subject company for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the subject company.

All rights reserved by ABA Ali Habib Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of ABA Ali Habib Securities. Action could be taken for unauthorized reproduction, distribution or publication.

## 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.

## Analyst Certification <sup>AC</sup>

The research Analyst(s) hereby certify that the views about the company/companies and the security/securities discussed in this report accurately reflect his or her or their personal views and that s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

## THE TEAM

### CEO

Zahid Ali Habib  
[Zahid@abaalihabib.com](mailto:Zahid@abaalihabib.com)  
(021) 32425022

### RESEARCH TEAM

**Contact:** (021) 32429665, Ext. 106

Muhammad Ali - Research Analyst  
[Muhammadali@abaalihabib.com](mailto:Muhammadali@abaalihabib.com)

Kainat Rohra- Research Analyst  
[Kainatrohra@abaalihabib.com](mailto:Kainatrohra@abaalihabib.com)

Ayesha Abid – Research Analyst  
[ayesha.abid@abaalihabib.com](mailto:ayesha.abid@abaalihabib.com)

### SALES TEAM

Zaheer Ahmed - Head of Equity Sales & Business Dev.  
[Zaheer.ahmed@abaalihabib.com](mailto:Zaheer.ahmed@abaalihabib.com)  
(021) 32418693-94

Mr. Salman Naqvi - Head of Retail Sales  
(021) 32431925

Fahed Fazal- Manager Equity Sales  
[Fahedfazal@abaalihabib.com](mailto:Fahedfazal@abaalihabib.com)  
(021) 32431925

Syed Khalid Ahmed - Equity Trader  
[Syedkhalid@abaalihabib.com](mailto:Syedkhalid@abaalihabib.com)  
(021) 32429664

Shoaib- Equity Trader  
[shoibqadri@abaalihabib.com](mailto:shoibqadri@abaalihabib.com)  
(021) 32429664

Muhammad Faisal - Equity Trader  
[faisal@abaalihabib.com](mailto:faisal@abaalihabib.com)  
(021) 32464835

### Karachi Office

Suite# 505, 5<sup>th</sup> Floor, Business Plaza,  
Mumtaz Hussan Road, Off I.I. Chundrigar  
Road, Karachi  
Contact: 021-32429664-7  
Cell: [+92 3312766771](tel:+923312766771)