

October 24, 2022

## Economy

### Pakistan removed from terror-financing list after four years

#### Economy, Capital Market | Positive

A global anti-money laundering watchdog removed Pakistan from its "gray" monitoring list after four years, providing relief for the South Asian nation that is facing a crisis. (Bloomberg) | [Click for more info.](#)

### PM likely to leave for KSA today

#### Economy | Neutral

Prime Minister Shehbaz Sharif is likely to leave for Saudi Arabia today (Monday) on an official visit where he would also hold talks with Saudi Crown Prince and Prime Minister Mohammad bin Salman on a range of issues of mutual interest, bilateral relations, trade and economy. (BR) | [Click for more info.](#)

### Fitch downgrades Pakistan's rating as liquidity risks mount

#### Economy | Negative

After Moody's downgrade, global rating agency Fitch on Friday also cut Pakistan's long-term foreign currency issuer default rating (IDR) to 'CCC+' from 'B-' due to worsening liquidity, political volatility and resultant policy risks. (Dawn) | [Click for more info.](#)

### ADB to disburse \$1.5bn to Pakistan next week

#### Economy | Positive

The Asian Development Bank (ADB) on Friday approved \$1.5 billion in financing to Pakistan to provide social protection, promote food security and support employment for its people amid devastating floods and global supply chain disruptions. (Dawn) | [Click for more info.](#)

### Pakistan seeks \$6.3b China debt rollover

#### Economy | Neutral

Pakistan on Saturday requested China to rollover its \$6.3 billion debt that is maturing in next eight months as part of its overall plan to arrange \$34 billion in the current fiscal year to meet its debt and external trade-related obligations. (ET) | [Click for more info.](#)

### Saudi Arabia to fund Rs30b AJK uplift schemes

#### Economy | Neutral

Prime Minister of Azad Jammu and Kashmir (AJK) Sardar Tanveer Ilyas on Saturday thanked the Kingdom of Saudi Arabia (KSA) for funding projects worth Rs30 billion for the people of AJK. The projects were given under the Saudi Fund for Development (SFD) for hydropower and road infrastructure. (ET) | [Click for more info.](#)

### Rupee seen higher on grey list exit, ADB support

#### Economy | Neutral

Rupee would likely gain against the dollar in the week ahead on expected inflows from the Asian Development Bank (ADB) and positive sentiments on account of Pakistan's removal from the Financial Action Task Force's "grey list". (The News) | [Click for more info.](#)

### External debt 'devouring' economy, says expert

#### Economy | Negative

The Financial and economic conditions of Pakistan are precarious, landing the country into a deep trouble, where an overwhelming part of tax revenue is consumed in "debt servicing", said Ateeq ur Rahman, economic & financial analyst. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,712.2	28,744.9	32.6	0.1%
KSE100	42,137.0	42,213.5	76.4	0.2%
KSE30	15,511.9	15,564.5	52.5	0.3%
KMI30	70,839.1	71,145.8	306.6	0.4%

### Top Five Gainers

	Open	Close	Chg.	%
RMPL	10,000.0	10,680.0	680.0	6.8%
GATI	389.0	416.0	27.0	6.9%
MARI	1,659.9	1,683.5	23.6	1.4%
PRET	627.5	650.0	22.5	3.6%
KHTC	263.2	282.7	19.5	7.4%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.6	1.5	0.0	30.62
PRL	17.4	17.8	0.4	21.05
NPL	19.6	20.6	0.9	14.79
CNERGY	5.0	5.1	0.1	12.28
DCL	5.6	6.2	0.6	12.23

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	0.00	0.01
F-Corporates	0.18	-0.84	-0.66
O/S Pakistanies	1.96	-2.15	-0.19
<b>Net</b>	<b>2.15</b>	<b>-2.99</b>	<b>-0.84</b>
LIPI			
Individuals	32.77	-31.56	1.22
Companies	0.77	-2.01	-1.24
Comm. Banks	2.52	-1.67	0.85
NBFC	0.00	-0.01	-0.01
Mutual Funds	2.62	-3.05	-0.43
Other	0.21	-0.10	0.11
Brokers Proprietary	8.06	-7.13	0.92
Insurance	1.20	-1.79	-0.59
<b>Net</b>	<b>48.16</b>	<b>-47.32</b>	<b>0.84</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	85.05	0.5%
Brent oil	USD/bbl.	93.50	0.9%
Gold	USD/t oz.	1657.69	1.9%
Silver	USD/t oz.	19.42	4.3%
Coal	USD/ton	241.50	-1.0%
Steel Scrap (LME)	USD/ton	364.50	-0.1%
Steel Rebar (LME)	USD/ton	675.00	-0.1%
USD/PKR	Interbank	5.77	-0.5%

News Source: Local / Int'l Newspapers and websites

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**Govt shouldn't seek relief on commercial debt, says Habib Bank CEO**

**Economy | Neutral**

Habib Bank Ltd CEO Muhammad Aurangzeb said on Saturday Pakistan shouldn't seek relief on commercial debt after the devastation caused by the nationwide floods. Mr Aurangzeb said failing to deliver on roughly \$9-10 billion of commercial debt will knock the country out of the international capital markets. (Dawn) | [Click for more info.](#)

**Axe falls on uplift spending as creditors stay aloof**

**Economy | Negative**

The government has capped the development spending for the first half of the fiscal year at mere 20% of the annual budget because of severe economic crisis, as multilateral creditors remained reluctant to provide any major solace to Pakistan in the aftermath of the recent floods. (ET) | [Click for more info.](#)

## Oil & Gas

**Govt convinces KSA to set up \$12bn refinery, petrochemical complex**

**Refinery | Positive**

The coalition government headed by Prime Minister Shehbaz Sharif has ultimately succeeded in persuading Saudi Arabia to install a state-of-the-art deep conversion refinery along with a petrochemical complex in Pakistan, the project that was shelved by the KSA during the PTI government. (The News) | [Click for more info.](#)

**Country imports \$100m oil in September**

**Oil | Neutral**

Pakistan imported petroleum products worth \$100 million on deferred payment basis under the Saudi oil facility for the seventh consecutive month in September 2022. (BR) | [Click for more info.](#)

**Oil imports from Russia remain pipe-dream**

**Oil | Neutral**

Former prime minister Imran Khan and current Finance Minister Ishaq Dar's rhetoric to import Russian oil contradict the situation on the ground. The Pakistani oil sector has already made several failed attempts to import oil from Russia. A third-party oil supplier had offered the Pakistani Refinery Limited (PRL) an opportunity to import oil at discounted rates. (ET) | [Click for more info.](#)

## Power

**Surplus power generation capacity to cost citizens dear by 2030**

**Power | Negative**

Consumers will have to pay for the surplus power generation capacity regardless of the use, an amount that is set to rise from Rs900 billion now to Rs1.6 trillion by 2030, said a report released on Friday. (Dawn) | [Click for more info.](#)

**Payments to Chinese IPPs; CPPA-G seeks Rs100bn**

**IPPs | Positive**

Central Power Purchasing Agency-Guaranteed (CPPA-G) has reportedly sought Rs 100 billion for Revolving Account for coverage of payment to Chinese IPPs for 5-6 months as per Revolving Account Agreement (RAA), well informed sources in CPPA-G told. (BR) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
US - Dow 30	31,082.6	748.97	2.47%
KSA - Tadawul	11,963.7	168.58	1.43%
INDIA - SENSEX	59,307.2	104.25	0.18%
US - S&P 500	3,752.8	86.97	2.37%
PAK (KSE-100)	42,213.5	76.44	0.18%
INDONESIA - IDX	7,017.8	37.12	0.53%
CHINA - Shanghai	3,038.9	-1.87	-0.06%
HK - Hang Seng	16,211.1	-69.10	-0.42%
PHILP - PSEI	5,983.6	-72.43	-1.20%
Taiwan - TWII	12,819.2	-126.90	-0.98%

### Board Meetings

Scrip	Day	Agenda	Time
FSWL	Monday	1Q A/c as at 30-Sep-22	9:00 AM
FIL	Monday	1Q A/c as at 30-Sep-22	9:30 AM
FFL	Monday	3Q A/c as at 30-Sep-22	9:30 AM
ISL	Monday	1Q A/c as at 30-Sep-22	10:00 AM
FCCL	Monday	1Q A/c as at 30-Sep-22	10:30 AM
FCEPL	Monday	3Q A/c as at 30-Sep-22	11:00 AM
ISIL	Monday	1Q A/c as at 30-Sep-22	11:00 AM
ALIFE	Monday	1Q A/c as at 30-Sep-22	12:00 PM
BAPL	Monday	Ann A/c as at 30-Sep-22	12:00 PM
BIFO	Monday	1Q A/c as at 30-Sep-22	12:00 PM
GADT	Monday	1Q A/c as at 30-Sep-22	12:00 PM
JUBS	Monday	1Q A/c as at 30-Sep-22	12:00 PM
SHCI	Monday	1Q A/c as at 30-Sep-22	12:00 PM
DIL	Monday	1Q A/c as at 30-Sep-22	2:00 PM
ARM	Monday	1Q A/c as at 30-Sep-22	2:30 PM
UPFL	Monday	3Q A/c as at 30-Sep-22	2:30 PM
ASIC	Monday	3Q A/c as at 30-Sep-22	3:00 PM
DAWH	Monday	3Q A/c as at 30-Sep-22	3:00 PM
DWTM	Monday	1Q A/c as at 30-Sep-22	3:30 PM
DKTM	Monday	1Q A/c as at 30-Sep-22	4:30 PM
CYAN	Monday	3Q A/c as at 30-Sep-22	5:00 PM
DMTM	Monday	1Q A/c as at 30-Sep-22	5:30 PM
SLCL	Tuesday	1Q A/c as at 30-Sep-22	11:00 AM
ALAC	Tuesday	3Q A/c as at 30-Sep-22	11:30 AM
APL	Tuesday	1Q A/c as at 30-Sep-22	11:30 AM
OGDC	Tuesday	1Q A/c as at 30-Sep-22	11:30 AM
PIAA	Tuesday	3Q A/c as at 30-Sep-22	11:30 AM
PINL	Tuesday	3Q A/c as at 30-Sep-22	11:30 AM
IBLHL	Tuesday	1Q A/c as at 30-Sep-22	12:00 PM
PACE	Tuesday	1Q A/c as at 30-Sep-22	12:00 PM
PNSC	Tuesday	1Q A/c as at 30-Sep-22	12:00 PM
ATRL	Tuesday	1Q A/c as at 30-Sep-22	12:30 PM

Source: PSX

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MORNING BRIEFING

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## Autos

**Govt plans to promote e-vehicles, says PM****Autos | Neutral**

Prime Minister Shehbaz Sharif Friday said the government was planning to promote the use of electric vehicles in the country and would establish a network of the related charging infrastructure. (BR) | [Click for more info.](#)

## Cement

**Construction sector fears collapse****Cement | Negative**

Former Chairman of the Association of Builders and Developers claims, work on ongoing projects has also stopped. "If the government takes steps to bring down the price of cement and steel, and provides facilities to the construction sector, then the wheels of the construction sector will start turning again". (ET) | [Click for more info.](#)

## Tech. & Communication

**Pak-China digital corridor to boost IT cooperation****Technology | Positive**

Pakistan and China have agreed to launch three new corridors, including the China-Pakistan Digital Corridor that will help enhance cooperation in different fields of information technology, said Pakistan's Ambassador to China Moinul Haque. (ET) | [Click for more info.](#)

**Dar refuses tax waiver on IT exports****Technology | Negative**

The government has dismissed an IT industry's demand for waiving a 'negligible' tax on its services to support the sector's faltering exports but agreed to provide maximum facilitation, including exemption from audit by the tax authorities. (Dawn) | [Click for more info.](#)

## Miscellaneous

**More Chinese firms likely to invest in SEZs****Economy | Positive**

A delegation of Pakistan-China Business Forum (PCBF), led by its Chairman Sheikh Nasir Ali, visited the Islamabad Chamber of Commerce and Industry (ICCI) and showed keen interest in exploring business and investment opportunities in Pakistan. (ET) | [Click for more info.](#)

**TPL Insurance (WTO) partners with Faysal Bank****TPL | Positive**

As part of their aim to provide innovative products and utilize the digital paradigm to redefine takaful, TPL Insurance Limited – Window Takaful Operations (WTO) announced its collaboration with Faysal Bank. This partnership will enable both companies to offer hassle-free Shariah-compliant financial solutions to customers. (BR) | [Click for more info.](#)

**Rice exporters get advantage****MATCO | Positive**

Climate disaster, in the South Asian agro-based economies of India and Pakistan, has started to disturb the international rice market dynamics that have remained stable for decades. (ET) | [Click for more info.](#)

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MORNING BRIEFING

**Invoking force majeure, drugmaker stops production of all Panadol products****GSKCH | Negative**

Medicine crisis is likely to worsen in Pakistan after GlaxoSmithKline (GSK) Consumer Healthcare Pakistan on Friday announced to stop production of Panadol Tablets, Panadol Extra Tablets and Children's Panadol Liquid Range by declaring 'force majeure', arguing they were incurring heavy financial losses on the production of Panadol range due to an increase in the price of paracetamol raw ingredients. (The News) | [Click for more info.](#)

**Procurement for flood-hit farmers: Govt to bear half the cost of wheat****Food | Neutral**

The federal government would pick up half of the cost for procurement of wheat for flood-affected farmers through the repurposing of the Locust Emergency and Food Security (LEAF) project. (BR) | [Click for more info.](#)

**Political News****General elections after 11 months: PM Shehbaz Sharif**

Prime Minister Shehbaz Sharif Saturday said that general elections were still 11 months away, and the coalition government had no intention of holding early polls. Addressing a press conference here, he said, "We will work hard for 11 months and elections will be held on time." (The News) | [Click for more info.](#)

**Disqualification in Toshakhana reference: IHC takes up Imran's petition today**

The Islamabad High Court (IHC) today (Monday) will take up Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan's petition challenging the order of the Election Commission of Pakistan (ECP) in the Toshakhana reference case. (The News) | [Click for more info.](#)

**COAS says will retire next month**

Chief of Army Staff (COAS) General Qamar Javed Bajwa has reportedly stated that he will retire on the due date - November 29 - putting an end to speculations that he may seek another extension. (BR) | [Click for more info.](#)

**International News****Fed Lines Up Another Big Hike While Mulling Eventual Downshift**

Federal Reserve officials are preparing to roll out another super-sized interest-rate increase in early November, when they will also likely debate tactics for completing the most aggressive tightening cycle in four decades. (Bloomberg) | [Click for more info.](#)

**Stock Rally Loses Its Shine as China Shares Tumble: Markets Wrap**

A slump in Chinese stocks took the shine off a rally in equities in other major Asia markets Monday while Treasury yields slipped from multiyear highs. (Bloomberg) | [Click for more info.](#)

**Oil Edges Higher as Tightening Market Vies With Slowdown Fears**

Oil edged higher as investors weighed signs of a tight market against lingering concerns over a global economic slowdown. (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 FCFF based DCF methodology.

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