

January 25, 2023

# Morning Briefing

## Economy

All IMF terms acceptable, says Shehbaz

**Economy | Neutral**

Prime Minister Shehbaz Sharif Tuesday categorically stated that Pakistan wanted to complete the IMF Ninth Review, and was ready to accept all the conditions of the International Monetary Fund (IMF). (The News) | [Click for more info.](#)

High-level US delegation due today

**Economy | Neutral**

A high-level US delegation will be reaching Pakistan today (Wednesday) for talks on economic cooperation between Pakistan and the United States. The basic purpose of the visit of this high-level delegation is to hold consultations on the problems and challenges being faced by Pakistan and to find their solution. (The News) | [Click for more info.](#)

Profit repatriation falls 75.6pc in 1H FY2023

**Economy | Neutral**

Outflow of profits and dividends on foreign investments dropped 75.6 percent to \$217.3 million in first half of the current fiscal, central bank data showed on Tuesday, as government limited dollar repatriations amid dwindling reserves. (The News) | [Click for more info.](#)

SBP notifies increased rates of return on NPC

**Economy | Neutral**

Following the directives of the federal government, the State Bank of Pakistan (SBP) has notified increase in the profit for Conventional Naya Pakistan Certificates (Certificates) with effect from Jan 23, 2023. (BR) | [Click for more info.](#)

Open market set to remove cap on dollar rate from today

**Economy | Negative**

For the first time in the country's history, exchange companies have said there are removing a self-imposed cap on the selling and buying of dollars in the open market from Wednesday (today) — a system they said has created a black market offering better returns, stifled inflows from official channels and reduced remittances sent by Pakistanis working abroad. (Dawn) | [Click for more info.](#)

PKR maintains downward trend

**Economy | Negative**

Pakistani rupee maintained its downward trend against the US dollar for the 25th consecutive session, as it depreciated 0.11% in the inter-bank market on Tuesday. As per the State Bank of Pakistan (SBP), the rupee declined by Re0.25 to close at 230.40. (BR) | [Click for more info.](#)

## Oil & Gas

Additional Rs76bn revenue can be generated thru PL maximization to Rs50 per litre

**Oil | Negative**

The government has projected to collect Rs 76 billion additional revenue if it maximizes the petroleum levy to Rs 50 per litre on all petroleum products in the remaining five months (February-June) based on current fuel consumption and international oil prices. Petroleum levy on petrol is already maxed out at Rs 50 per litre since November 2022. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	25,999.4	26,294.6	295.1	1.1%
KSE100	38,443.6	39,055.7	612.1	1.6%
KSE30	14,266.4	14,488.5	222.1	1.6%
KMI30	65,837.3	66,989.3	1152.1	1.7%

### Top Five Gainers

	Open	Close	Chg.	%
PSEL	1,983.3	2,130.0	146.7	7.4%
RCML	650.0	698.8	48.8	7.5%
PMPK	530.0	569.8	39.8	7.5%
SIEM	609.0	640.0	31.0	5.1%
AABS	328.4	353.0	24.6	7.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PPL	74.6	78.2	3.6	13.16
MLCF	19.6	20.5	0.9	12.49
WTL	1.1	1.1	0.0	11.87
ASCR2	0.1	0.0	-0.1	10.55
OGDC	81.7	84.5	2.8	7.62

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	0.00	0.00
F-Corporates	0.50	-0.20	0.29
O/S Pakistanies	2.16	-2.08	0.08
<b>Net</b>	<b>2.66</b>	<b>-2.28</b>	<b>0.38</b>
LIPI			
Individuals	36.99	-34.59	2.40
Companies	2.65	-2.64	0.01
Comm. Banks	0.92	-0.80	0.12
NBFC	0.11	-0.12	-0.01
Mutual Funds	0.73	-2.83	-2.10
Other	0.39	-0.21	0.18
Brokers Proprietary	12.51	-10.94	1.57
Insurance	0.61	-3.16	-2.55
<b>Net</b>	<b>54.92</b>	<b>-55.30</b>	<b>-0.38</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	80.17	-1.8%
Brent oil	USD/bbl.	86.41	-2.0%
Gold	USD/t oz.	1937.45	0.3%
Silver	USD/t oz.	23.67	0.9%
Coal	USD/ton	166.80	-1.5%
Steel Scrap (LME)	USD/ton	414.00	1.3%
Steel Rebar (LME)	USD/ton	685.50	0.7%
USD/PKR	Interbank	7.04	0.4%

News Source: Local / Int'l Newspapers and websites

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## Govt to resolve LC issue of refineries, OMCs

### OMC, Refinery | Neutral

State Minister for Petroleum Musadik Masood Khan will meet the State Bank of Pakistan governor on Wednesday to discuss prioritised opening of credit letters to import petrol, an official of the Energy Ministry said. The official said that when the country was not faced with the letters of credit crisis, 4-5 petrol cargoes were being imported, which was now down to 1.5 cargoes. However, three petrol cargoes of PSO, GO and Shell would soon arrive in the country. (The News) | [Click for more info.](#)

## Gas recovery in Guddu; EWT: Govt likely to allow OGDCL extension

### OGDC | Neutral

The government is likely to allow one-year extension to Oil and Gas Development Company Limited (OGDCL) in Extended Well Testing (EWT) over Umair SE-1 discovery Guddu, official sources told. (BR) | [Click for more info.](#)

## PD seeks extension in D&PL for Hala Block

### PPL | Neutral

Petroleum Division has sought extension in Adam X-1 Development and Production lease (D&PL) for Hala Block for five years as Pakistan Petroleum Limited (PPL) will submit Supplemental Agreement, well informed sources told. (BR) | [Click for more info.](#)

## Import of LNG; ECC is all set to approve PLL-SOCAR pact

### PSO, PPL | Neutral

The Economic Coordination Committee (ECC) of the Cabinet is all set to approve the pact between Pakistan LNG Limited (PLL) and Azerbaijani company, M/s SOCAR/ SOCAR Trading, for import of one LNG cargo monthly, official sources told. Pakistan State Oil (PSO) and Pakistan LNG Limited (PLL) are importing Liquefied Natural Gas (LNG) under long-term LNG supply contracts to minimise gap in demand and supply of gas under three pacts. (BR) | [Click for more info.](#)

## Power

### Outages to continue until nuclear plants restored to full capacity

#### Power | Negative

Federal Minister for Energy Khurram Dastgir Khan has said the government has ordered an audit to identify weaknesses in transmission system across the country and would soon introduce new technologies and practices to ensure power breakdowns are geographically contained and have 'blackstart' facility for quick recovery of the entire national grid. (Dawn) | [Click for more info.](#)

## Autos

### Suzuki raises prices by up to Rs355,000

#### PSMC, HCAR | Positive

Pak Suzuki Motor Company Ltd (PSMCL) on Tuesday raised the prices of various models by Rs115,000-Rs355,000. Earlier, Honda Atlas Cars Ltd (HACL) and Indus Motor Company (IMC) have raised the prices by Rs300,000-Rs550,000 and Rs280,000 to Rs1.2m, respectively. (Dawn) | [Click for more info.](#)

## World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	39,055.7	612.06	1.59%
HK - Hang Seng	22,044.7	393.67	1.82%
US - Dow 30	33,734.0	104.40	0.31%
INDIA - SENSEX	60,978.8	37.08	0.06%
KSA - Tadawul	10,795.6	29.83	0.28%
CHINA - Shanghai	3,264.8	24.53	0.76%
Taiwan - TWII	14,932.9	5.92	0.04%
US - S&P 500	4,017.0	-2.86	-0.07%
INDONESIA - IDX	6,860.9	-14.08	-0.20%
PHILP - PSEI	7,041.5	-28.18	-0.40%

## Board Meetings

Scrip	Day	Agenda	Time
ATLH	Wednesday	3rd Qtr. A/c as of 31Dec22	11:00 AM
SASML	Wednesday	.st Qtr. A/c as of 31Dec22	11:00 AM
HABSM	Wednesday	.st Qtr. A/c as of 31Dec22	12:30 PM
PTL	Wednesday	H/Y A/c of 31Dec22	2:00 PM
LCI	Wednesday	H/Y A/c of 31Dec22	3:00 PM
PCAL	Thursday	H/Y A/c of 31Dec22	10:00 AM
HCAR	Thursday	3rd Qtr. A/c as of 31Dec22	11:00 AM
ARPL	Thursday	.st Qtr. A/c as of 31Dec22	12:15 PM
ISL	Friday	H/Y A/c of 31Dec22	9:00 AM
ALNRS	Friday	.st Qtr. A/c as of 31Dec22	10:30 AM
FFBL	Friday	Ann. A/c as of 31Dec22	11:00 AM
MIRKS	Friday	.st Qtr. A/c as of 31Dec22	11:00 AM
OML	Friday	Other Matters	11:00 AM
TCORP	Saturday	.st Qtr. A/c as of 31Dec22	2:30 PM
INIL	Tuesday	H/Y A/c of 31Dec22	9:00 AM

Source: PSX

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## Cement

**Kohat Cement jumps on share buyback plan****KOHC | Positive**

The share price of Kohat Cement Company Ltd (KCCL) increased on Tuesday by 7.5 per cent, maximum allowed in a day, after it made an announcement about its upcoming share buyback exercise. (Dawn) | [Click for more info.](#)

## Miscellaneous

**Downturn in exports of non-textile goods****Economy | Negative**

Amid a global economic slowdown, Pakistan's exports of non-textile products decreased 0.65 per cent year-on-year to \$5.54 billion in the first half of FY23. (Dawn) | [Click for more info.](#)

**Arif Habib to divest from asset management firm****MCBAH | Positive**

Arif Habib Corporation Ltd is selling its entire shareholding in MCB-Arif Habib Savings and Investments Ltd, a listed joint-venture with MCB Bank that operates pension and mutual funds. (Dawn) | [Click for more info.](#)

**Pakistan to kick-start digital census from March 1****Economy | Neutral**

For the first time in Pakistan's history, a digital population and housing census will begin across the country from March 1. The 7th census will continue for a month and conclude on April 1. (The News) | [Click for more info.](#)

## Political News

**NA speaker accepts resignations of 43 more PTI lawmakers: sources**

In a major development in country's political setup, the resignations of 43 MNAs of Pakistan Tehreek-e-Insaf (PTI) have been accepted, sources said Tuesday, a day after the party announced the decision to withdraw the resignations. So far, the resignations of 124 PTI MNAs have been accepted and 81 members have been denotified. (The News) | [Click for more info.](#)

## International News

**Asian Stocks Stumble, Tech Damps US Equity Futures: Markets Wrap**

Asian stocks struggled to find traction on Wednesday while US and European equity futures slumped as a downbeat revenue forecast from Microsoft Corp. added to risk aversion in global markets. (Bloomberg) | [Click for more info.](#)

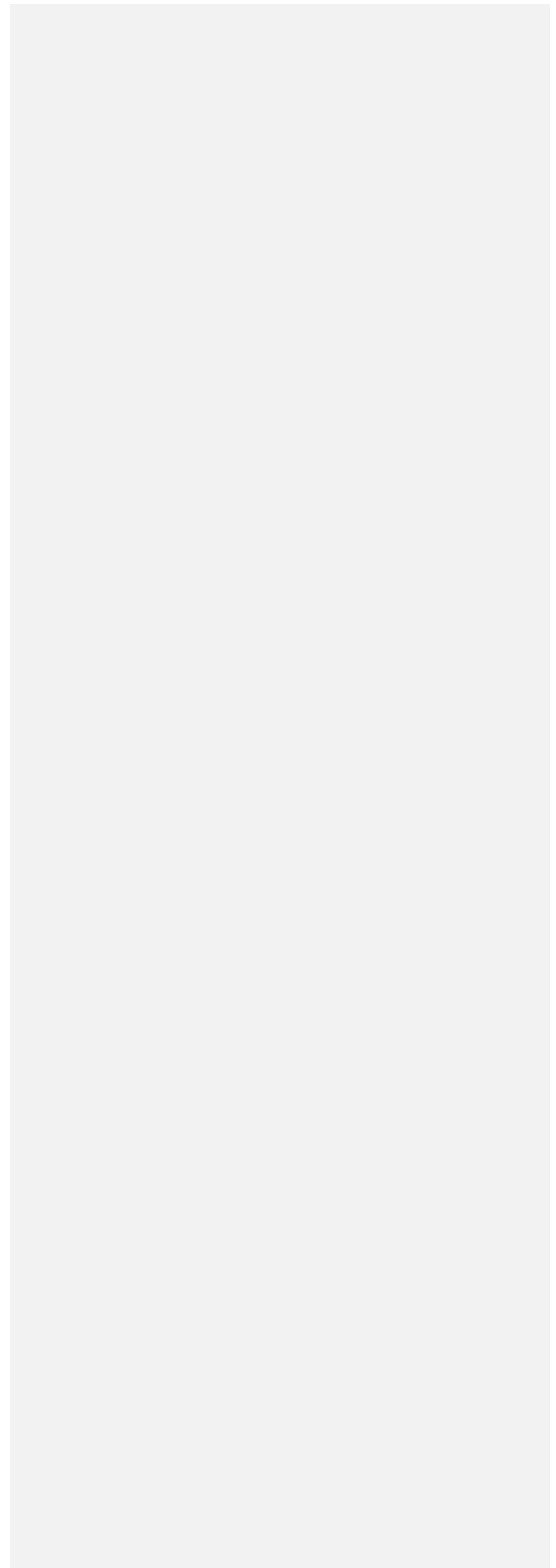
**Oil falls \$2/barrel on economic jitters, U.S. crude stock build**

Crude oil prices slipped on Tuesday on concerns about a global economic slowdown and as preliminary data indicated a bigger than expected build in U.S. oil inventories. (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 FCFF based DCF methodology.

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