

January 27, 2023

Economy

IMF announces long-awaited visit
Economy | Positive

A day after Pakistan removed the exchange rate cap giving way to over nine per cent depreciation of the rupee, the International Monetary Fund (IMF) on Thursday announced fielding its staff mission to Pakistan on Jan 31 for talks on the 9th quarterly review of a funding programme pending for almost four months. (Dawn) | [Click for more info.](#)

US vows to help Pakistan overcome economic crisis
Economy | Positive

The United States on Thursday vowed to continue supporting Pakistan in overcoming its unprecedented economic crisis and post-flood challenges. The assurance from the US was given by its ambassador to Pakistan, Donald Blome, during his meeting with Prime Minister Shehbaz Sharif. (Dawn) | [Click for more info.](#)

Pakistan economy is on the verge of collapse: Financial Times
Economy | Negative

Pakistan's economy is on the verge of collapse as thousands of containers are stuck up at the seaports due to the severe shortage of dollars, a report published in the Financial Times warned on Thursday. (ET) | [Click for more info.](#)

SBP reserves plunge to \$3.7bn
Economy | Negative

Foreign exchange reserves of the State Bank of Pakistan (SBP) hit a new nine-year low of \$3.678 billion during the week ended on Jan 20. The SBP on Thursday said that its forex holdings decreased by \$923m during the week due to external debt repayments. (Dawn) | [Click for more info.](#)

Rupee plunges to record low in inter-bank market after nearly 10% fall
Economy | Negative

Pakistan's rupee witnessed historic depreciation against the US dollar in the inter-bank market on Thursday, settling with a loss of 9.6% in a single session as the country finally moved to fulfil part of the International Monetary Fund (IMF) conditions that included a 'free-float exchange rate'. As per the State Bank of Pakistan (SBP), the rupee closed at 255.43 against the US dollar, a depreciation of 9.61% or Rs24.54. (BR) | [Click for more info.](#)

Rs300bn tax collection is estimated under new measurement
Economy | Neutral

The Federal Board of Revenue (FBR) has drafted a proposal for new tax measures to collect Rs 300 billion through Tax Amendment Ordinance, 2023. Initially the revenue impact was Rs 200 billion, but now has been increased to Rs 300 billion. The revenue impact of non-filing bankers is estimated at Rs 45 billion, which is expected to be collected. (PT) | [Click for more info.](#)

'Devaluation to trigger new wave of price hikes'
Economy | Negative

The unprecedented 10.6 per cent rupee devaluation in a single day on Thursday would not only trigger a new wave of price hikes but the expensive loans after the interest rate hike would hit industrial activities, warned trade and industry leaders on Thursday. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	26,690.9	27,186.4	495.5	1.9%
KSE100	39,784.9	40,846.5	1061.6	2.7%
KSE30	14,800.2	15,211.6	411.4	2.8%
KMI30	68,122.3	69,773.6	1651.3	2.4%

Top Five Gainers

	Open	Close	Chg.	%
PSEL	2,117.5	2,276.0	158.5	7.5%
BATA	1,596.0	1,711.8	115.8	7.3%
NESTLE	5,213.0	5,325.0	112.0	2.1%
SAPT	1,094.4	1,140.0	45.7	4.2%
ISIL	462.5	497.2	34.7	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
CENERGY	3.8	4.0	0.3	44.73
TPLP	16.0	16.4	0.4	20.05
WTL	1.2	1.2	0.0	14.29
DGKC	42.9	44.0	1.1	13.47
MLCF	21.0	22.5	1.6	13.34

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.22	-0.17	0.04
F-Corporates	2.49	-1.35	1.15
O/S Pakistanies	3.71	-3.61	0.10
Net	6.41	-5.13	1.28
LIPI			
Individuals	54.11	-52.77	1.34
Companies	4.17	-6.04	-1.88
Comm. Banks	5.21	-2.73	2.48
NBFC	0.04	-0.05	-0.01
Mutual Funds	4.21	-5.03	-0.81
Other	0.36	-0.13	0.24
Brokers Proprietary	17.74	-16.75	0.99
Insurance	0.58	-4.22	-3.64
Net	86.43	-87.72	-1.28

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	81.15	0.8%
Brent oil	USD/bbl.	87.54	1.6%
Gold	USD/t oz.	1928.99	-0.9%
Silver	USD/t oz.	23.89	0.0%
Coal	USD/ton	159.70	-2.0%
Steel Scrap (LME)	USD/ton	414.00	-0.1%
Steel Rebar (LME)	USD/ton	691.00	0.0%
USD/PKR	Interbank	7.82	11.4%

News Source: Local / Int'l Newspapers and websites

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Oil & Gas

MARI Petroleum Post 44% Jump in Profitability in First Half

MARI | Positive

Mari Petroleum Limited (MARI) profitability jump 44 percent in comparison to the period of the previous year to PKR 23.8 billion, according to company filing to the exchange. (Augaf) | [Click for more info.](#)

ENI unable to deliver Feb LNG cargo to Pakistan, declares force majeure

Gas | Negative

Eni (ENI.MI) said on Wednesday that the delivery of a liquefied natural gas (LNG) cargo to Pakistan LNG Limited that was scheduled for February has been disrupted due to an event of force majeure. (Reuters) | [Click for more info.](#)

Pakistan to Reveal Details of \$12 Billion Foreign Investment in Oil Refineries Next Month – Minister

Oil | Neutral

Petroleum Minister Malik expressed confidence that around \$ 12-15 billion foreign investment would be arriving in the country's oil refineries during the coming months, and its detail would be shared in due course of time. (Augaf) | [Click for more info.](#)

Proposal under study to make gas and power rates uniform

Gas | Neutral

The government firmed up key principles on Thursday for hiking gas prices to the extent of full cost recovery so as to compel consumers to shift to electricity for space and water heating during winter. (Dawn) | [Click for more info.](#)

Power

KE pays Rs160m as penalty to Nepra

KEL | Negative

The K-Electric paid Rs 160 million out of a total of Rs 200 million as penalty imposed by the National Electric Power Regulatory Authority (Nepra) on account of delay in commissioning of its flagship RFO-based Bin Qasim Power Station-III (BOPS-III), increased load shedding, violations of license etc in 2020. (BR) | [Click for more info.](#)

Premature termination of PPA of Hubco power plant recommended

HUBC | Negative

A panel comprising officials from Power Division and its attached Organisations has recommended premature termination of Power Purchase Agreement (PPA) of Hubco power plant but opposed such action with other 10 IPPs, sources close to Managing Director PPIB told. (BR) | [Click for more info.](#)

Govt may exempt solar equipment from all taxes

Power | Neutral

The government is likely to exempt solar equipment from all taxes aimed at achieving the target of 10,000 MWp from solar plants and promote local industry, well informed sources told. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	40,846.5	1061.63	2.67%
HK - Hang Seng	22,566.8	522.13	2.37%
US - Dow 30	33,949.4	205.57	0.61%
US - S&P 500	4,060.4	44.21	1.10%
INDONESIA - IDX	6,864.8	34.89	0.51%
CHINA - Shanghai	3,264.8	24.53	0.76%
KSA - Tadawul	10,821.7	12.50	0.12%
Taiwan - TWII	14,932.9	5.92	0.04%
PHILP - PSEI	7,042.7	-38.66	-0.55%
INDIA - SENSEX	60,205.1	-773.69	-1.27%

Board Meetings

Scrip	Day	Agenda	Time
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
SINDM	Friday	H/Y A/c of 31Dec22	11:00 AM
TICL	Friday	.st Qtr. A/c as of 31Dec22	1:00 PM
BAFS	Friday	.st Qtr. A/c as of 31Dec22	2:00 PM
LUCK	Friday	H/Y A/c of 31Dec22	3:30 PM
DWSM	Friday	.st Qtr. A/c as of 31Dec22	4:00 PM
GEMPAPL	Friday	H/Y A/c of 31Dec22	4:00 PM
SHJS	Friday	.st Qtr. A/c as of 31Dec22	4:00 PM
SANSM	Saturday	.st Qtr. A/c as of 31Dec22	12:00 PM
JDWS	Saturday	.st Qtr. A/c as of 31Dec22	2:30 PM
TCORP	Saturday	H/Y A/c of 31Dec22	2:30 PM
EXIDE	Saturday	1rd Qtr. A/c as of 31Dec22	3:00 PM
MRNS	Saturday	.st Qtr. A/c as of 31Dec22	3:00 PM

Source: PSX

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MORNING BRIEFING

Miscellaneous

Auto financing drops for sixth month

Banks | Negative

The amount of outstanding auto loans decreased for the sixth consecutive month at the end of December 2022, data released by the State Bank of Pakistan (SBP) showed on Thursday. (Dawn) | [Click for more info.](#)

Commissioners to allocate sugar export quota

Sugar | Neutral

The Economic Coordination Committee (ECC) of the Cabinet on Thursday empowered the cane commissioners in Punjab to allocate sugar export quota to mills on the pattern of Sindh and the export shipment should be completed within 45 days. (Dawn) | [Click for more info.](#)

Senate told; Country has faced major wheat production shortfall

Food | Negative

Pakistan faced an initial shortfall of three million metric tonnes in wheat production in the current fiscal year, ie, 2022-23, the federal government admitted before the upper house of the parliament on Thursday. (BR) | [Click for more info.](#)

Political News

8-member Punjab caretaker cabinet takes oath

An 8-member cabinet of the caretaker Punjab government took the oath of office at the Punjab Governor House on Thursday evening, Radio Pakistan reported. (BR) | [Click for more info.](#)

14-member KP caretaker cabinet takes oath

Khyber Pakhtunkhwa (KP) Governor Haji Ghulam Ali on Thursday administered oath to a 14-member caretaker cabinet, hours after notifying their appointments for the roles. (BR) | [Click for more info.](#)

International News

Asian Stocks Rise After Tech Rally Boosts S&P 500: Markets Wrap

Stocks in Asia gained Friday, following US equities higher after a rally in tech shares helped investors shake off mixed economic data that suggested a path to a soft landing, but the risk of recession persists. (Bloomberg) | [Click for more info.](#)

Oil settles up 2% on strong U.S. data, China reopening

Oil prices rose about 2% on Thursday on expectations that global demand will strengthen as top oil importer China reopens its economy and on positive U.S. economic data. (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.

Analyst Certification ^{AC}

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