

February 28, 2023

# Morning Briefing

## Economy

**SBP decides to convene emergent MPC meeting this week**

**Economy | Neutral**

The State Bank of Pakistan (SBP) has decided to convene an emergency meeting of the Monetary Policy Committee (MPC) during this week to deal with the emerging risks to the economy due to uncertain developments. Sources told that most probably the meeting of MPC will be held on March 2, 2023 instead of March 16, 2023 to review the key economic indicator and take a decision on interest rate. (BR) | [Click for more info.](#)

**Rupee stays bullish**

**Economy | Positive**

The rupee on Monday maintained its bullish trend and recovered seven paise against the US dollar in the interbank market despite no inflows. The State Bank of Pakistan (SBP) reported the greenback closing price at Rs259.92 compared to Rs259.99 in the previous session. (Dawn) | [Click for more info.](#)

## Oil & Gas

**Govt likely to keep diesel, petrol prices unchanged in next review despite soft global rates**

**Oil | Neutral**

The government might not pass on the major reduction in the international price of diesel and petrol to adjust the previous exchange losses as well as to raise taxation on the fuels. (The News) | [Click for more info.](#)

## Power

**Govt to recover up to Rs14.23 per unit in fuel cost from consumers**

**Power | Negative**

Energy Minister Khurram Dastgir Khan on Monday told the parliament that the government would recover Rs9.90 to Rs14.24 per unit outstanding fuel costs from consumers of less than 300 units in an 8-month staggered schedule. Mr Dastgir said an additional surcharge of Rs3.82 per unit would also be imposed on those using above 300 units to fund power sector loans under the insistence of the International Monetary Fund (IMF). | [Click for more info.](#)

**Financial year 2023-24; PD submits 102 uplift projects worth Rs298.5bn**

**Power | Neutral**

The Power Division has submitted 102 development projects for financial year 2023-24 worth Rs 298.5 billion of which 81 projects are ongoing whereas 21 are new schemes. Power Division informed a National Assembly panel that out of a total of 102 projects, one is related to Genco, 62 NTDC, 38 Distribution Companies (Discos) and one Private Power and Infrastructure Board (PIIB). (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	26,883.8	26,867.7	-16.1	-0.1%
KSE100	40,707.8	40,784.1	76.4	0.2%
KSE30	15,325.9	15,351.5	25.7	0.2%
KMI30	69,939.4	69,707.8	-231.6	-0.3%

### Top Five Gainers

	Open	Close	Chg.	%
UPFL	19,527.5	20,957.5	1,430.0	7.3%
PSEL	1,870.0	1,965.0	95.0	5.1%
SFL	1,107.5	1,189.9	82.4	7.4%
RCML	600.0	643.3	43.3	7.2%
PRET	575.0	617.0	42.0	7.3%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.3	1.3	0.0	39.57
HUBC	70.0	70.6	0.7	22.67
TPLP	14.7	15.3	0.7	11.95
HBL	69.6	70.1	0.6	6.19
MLCF	24.7	25.1	0.4	4.51

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	-0.03	-0.03
F-Corporates	0.52	-0.09	0.43
O/S Pakistanies	1.77	-0.93	0.84
<b>Net</b>	<b>2.29</b>	<b>-1.05</b>	<b>1.24</b>
LIPI			
Individuals	18.13	-19.87	-1.74
Companies	2.71	-1.62	1.09
Comm. Banks	0.45	-0.93	-0.48
NBFC	0.01	-0.01	0.00
Mutual Funds	1.16	-1.53	-0.37
Other	0.39	-0.32	0.07
Brokers Proprietary	5.22	-5.76	-0.54
Insurance	1.44	-0.73	0.71
<b>Net</b>	<b>29.52</b>	<b>-30.77</b>	<b>-1.24</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	75.74	-0.8%
Brent oil	USD/bbl.	82.07	-1.3%
Gold	USD/t oz.	1817.30	0.3%
Silver	USD/t oz.	20.63	-0.6%
Coal	USD/ton	145.70	-1.7%
Steel Scrap (LME)	USD/ton	430.50	0.6%
Steel Rebar (LME)	USD/ton	706.00	1.0%
USD/PKR	Interbank	7.40	-0.8%

News Source: Local / Int'l Newspapers and websites

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## Autos

**Suzuki to Resume Bookings for All Cars Soon**
**PSMC | Positive**

Due to import restrictions and local currency depreciation, 2023 has been tumultuous for the Pakistani automobile industry. Multiple automakers, including Pak Suzuki Motor Company (PSMC), had to suspend operations due to insufficient inventory. However, the company is attempting to bounce back by resuming all car reservations. (Propakistani) | [Click for more info.](#)

**Pakistan's auto sector fears massive lay-offs if LC issue persists**
**Autos | Negative**

Several auto companies have regularly announced shutdowns and some of them say it will be difficult to sustain the present level of workforce amid the Letter of Credit issues. A key official of a listed car company said on Monday that it was getting difficult to sustain the present level of the workforce even as car companies regularly increase prices. (BR) | [Click for more info.](#)

## Miscellaneous

**Investors rue pending tax refunds of Rs93bn**
**Economy | Neutral**

The pending tax refunds of multinational companies operating in Pakistan have grown to Rs93 billion, up 15 per cent from October 31, 2022, when the representative body of foreign investors last took up this matter with the revenue collection authority. (Dawn) | [Click for more info.](#)

**25pc GST on luxury items: FBR will move a summary**
**Economy | Neutral**

The Federal Board of Revenue (FBR) will move a summary to the federal cabinet for imposing a higher rate of 25 percent sales tax on the import of a wide range of luxury and non-essential items. (BR) | [Click for more info.](#)

## Political News

**President can fix election date, CJP observes in poll suo motu**

Chief Justice of Pakistan Umar Ata Bandial has said the president has the power to announce the date for polls as the parliament has clearly written in the Elections Act, 2017. (The News) | [Click for more info.](#)

## International News

**Oil steadies after fall on fear of rate hikes, rising inventories**

Oil prices steadied in early Asian trade on Tuesday after falling on strong U.S. manufacturing data that raised worries about further interest rate hikes dampening demand, while analysts predicted another build in American crude inventories. (Reuters) | [Click for more info.](#)

**Asia Stocks Track US Gains, Aussie Outperforms: Markets Wrap**

Stocks in Asia rose, tracking similar gains in the US as investors continued to weigh the potential for a soft landing given expectations for higher interest rates. (Bloomberg) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	40,784.1	76.37	0.19%
US - Dow 30	32,889.1	72.17	0.22%
US - S&P 500	3,982.2	12.20	0.31%
INDONESIA - IDX	6,854.8	-1.80	-0.03%
CHINA - Shanghai	3,258.0	-9.13	-0.28%
KSA - Tadawul	9,994.8	-56.99	-0.57%
HK - Hang Seng	19,943.5	-66.53	-0.33%
PHILP - PSEI	6,599.3	-86.56	-1.29%
Taiwan - TWII	15,503.8	-111.62	-0.71%
INDIA - SENSEX	59,288.4	-175.58	-0.30%

### Board Meetings

Scrp	Day	Agenda	Time
OBOY	Tuesday	HY. A/c as of 31-Dec-22	10:30 AM
SGPL	Tuesday	HY. A/c as of 31-Dec-22	10:30 AM
AHCL	Tuesday	HY. A/c as of 31-Dec-22	11:00 AM
BATA	Tuesday	Ann. A/c as of 31-Dec-22	11:00 AM
CLVL	Tuesday	HY. A/c as of 31-Dec-22	11:00 AM
FLYNG	Tuesday	HY. A/c as of 31-Dec-22	11:00 AM
GGGL	Tuesday	HY. A/c as of 31-Dec-22	11:00 AM
NBP	Tuesday	Ann. A/c as of 31-Dec-22	11:00 AM
NCL	Tuesday	HY. A/c as of 31-Dec-22	11:00 AM
SSOM	Tuesday	HY. A/c as of 31-Dec-22	11:00 AM
SLCL	Tuesday	HY. A/c as of 31-Dec-22	11:00 AM
GEMSPNL	Tuesday	HY. A/c as of 31-Dec-22	11:00 AM
DSL	Tuesday	HY. A/c as of 31-Dec-22	11:30 AM
FECTC	Tuesday	HY. A/c as of 31-Dec-22	12:00 PM
GCIL	Tuesday	HY. A/c as of 31-Dec-22	12:00 PM
LOADS	Tuesday	HY. A/c as of 31-Dec-22	12:00 PM
MFFL	Tuesday	HY. A/c as of 31-Dec-22	12:00 PM
NITGETF	Tuesday	HY. A/c as of 31-Dec-22	12:00 PM
SEARL	Tuesday	HY. A/c as of 31-Dec-22	12:00 PM
HUMNL	Tuesday	HY. A/c as of 31-Dec-22	1:00 PM
KOIL	Tuesday	HY. A/c as of 31-Dec-22	1:00 PM
WAHN	Tuesday	HY. A/c as of 31-Dec-22	1:00 PM
GGL	Tuesday	HY. A/c as of 31-Dec-22	2:00 PM
GWLC	Tuesday	HY. A/c as of 31-Dec-22	2:00 PM
SPL	Tuesday	HY. A/c as of 31-Dec-22	2:00 PM
TELE	Tuesday	HY. A/c as of 31-Dec-22	2:00 PM
BECO	Tuesday	HY. A/c as of 31-Dec-22	2:30 PM
KOHP	Tuesday	HY. A/c as of 31-Dec-22	2:30 PM
SERT	Tuesday	HY. A/c as of 31-Dec-22	2:30 PM
DNCC	Tuesday	HY. A/c as of 31-Dec-22	3:30 PM
SMCPL	Tuesday	HY. A/c as of 31-Dec-22	4:00 PM
THCCL	Tuesday	HY. A/c as of 31-Dec-22	4:00 PM
TRG	Tuesday	HY. A/c as of 31-Dec-22	7:00 PM
ARM	Wednesday	HY. A/c as of 31-Dec-22	9:30 AM
BIPL	Wednesday	Ann. A/c as of 31-Dec-22	10:30 AM
RMPL	Wednesday	Ann. A/c as of 31-Dec-22	11:00 AM

Source: PSX

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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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