

March 28, 2023

Morning Briefing

Economy

Pakistan in a bind over US summit

Economy | Neutral

The democracy summit, which would be hosted by US President Joe Biden in Washington this week, has forced Pakistan to walk a tightrope. Pakistan is among over 100 countries invited by the Biden administration on a three-day summit to be kicked off on Tuesday. However, Islamabad is in a bind – to take a call on the US invitation or not. Official sources said intensive consultations were going on late Monday night. “The final decision will be taken on Tuesday,” according to the sources. (ET) | [Click for more info.](#)

Profit outflows plunge 88pc in July-February

Economy | Negative

The repatriation of dollars by foreign companies plunged 88 per cent during the first 8 months of the current fiscal year reflecting low profits and stringent restrictions on outflows from the country. Data released by the State Bank of Pakistan (SBP) on Monday did show that the government policy of curbing dollar outflows severely impacted the foreign direct investment (FDI) which dipped by 40pc during the July-February period of FY23. The FDI plunged to \$788m during 8MFY23 against \$1,315m in the same period last year. (Dawn) | [Click for more info.](#)

Fund okayed for Reko Diq dispute settlement

Economy | Neutral

The Economic Coordination Committee (ECC) of the Cabinet on Monday approved about Rs72 billion financing facility for payment of the Balochistan government’s obligations in the Reko Diq Project dispute settlement. (Dawn) | [Click for more info.](#)

Pakistan Offers Immense Investment Opportunities in Multiple Sectors: PM

Economy | Neutral

Prime Minister Shehbaz Sharif Monday said immense opportunities existed for investment in mining, information technology, energy, communication, and infrastructure sectors in Pakistan and the government was taking measures to provide all possible facilities to investors. (Propakistani) | [Click for more info.](#)

Oil & Gas

Govt planning to provide targeted subsidy on petroleum products

Oil | Neutral

Minister of State for Finance Aisha Ghaus Pasha on Monday informed the National Assembly that the government was planning to provide targeted subsidy on petroleum products. (Pakobserver) | [Click for more info.](#)

London-listed CORO Energy seeks O&G JVs

Oil | Neutral

London-listed CORO Energy is seeking O&G joint venture opportunities in Pakistan. Coro Energy has entered negotiations with several Pakistani O&G majors, including the Oil and Gas Regulatory Authority (Ogra) regarding a stranded gas asset in Balochistan as well as a local partnership with Islamabad-based OKTA Petroleum. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

| | Open | Close | Chg. | % |
|---------|----------|----------|-------|------|
| KSE All | 26,424.9 | 26,425.0 | 0.1 | 0.0% |
| KSE100 | 39,942.1 | 40,000.4 | 58.3 | 0.1% |
| KSE30 | 14,738.5 | 14,786.9 | 48.4 | 0.3% |
| KMI30 | 68,777.8 | 68,920.0 | 142.3 | 0.2% |

Top Five Gainers

| | Open | Close | Chg. | % |
|--------|---------|---------|------|------|
| NESTLE | 5,100.1 | 5,155.1 | 54.9 | 1.1% |
| SAPT | 1,049.7 | 1,099.1 | 49.4 | 4.7% |
| SFL | 1,026.4 | 1,067.4 | 41.0 | 4.0% |
| PRET | 400.0 | 430.0 | 30.0 | 7.5% |
| TICL | 310.3 | 330.0 | 19.7 | 6.3% |

Top Five Volume Leaders

| | Open | Close | Chg. | Vol. |
|------|-------|-------|------|------|
| WTL | 1.2 | 1.2 | 0.0 | 5.04 |
| MEBL | 92.6 | 92.8 | 0.1 | 4.76 |
| TELE | 7.1 | 7.3 | 0.2 | 4.36 |
| FCCL | 11.6 | 11.7 | 0.1 | 4.32 |
| TRG | 107.6 | 107.8 | 0.2 | 2.73 |

Portfolio Investments – Net Position

| FIPI | Buy | Sell | Net |
|---------------------|--------------|---------------|--------------|
| F-Individuals | 3.69 | -3.63 | 0.06 |
| F-Corporates | 0.29 | -0.19 | 0.10 |
| O/S Pakistanies | 1.96 | -2.01 | -0.06 |
| Net | 5.94 | -5.83 | 0.10 |
| LIPI | | | |
| Individuals | 13.80 | -14.54 | -0.74 |
| Companies | 2.26 | -3.35 | -1.09 |
| Comm. Banks | 0.21 | -0.07 | 0.14 |
| NBFC | 0.00 | 0.00 | 0.00 |
| Mutual Funds | 0.27 | -0.31 | -0.03 |
| Other | 0.17 | -0.14 | 0.03 |
| Brokers Proprietary | 4.51 | -4.44 | 0.07 |
| Insurance | 2.45 | -0.93 | 1.52 |
| Net | 23.66 | -23.77 | -0.10 |

Commodity Outlook

| | Unit | Close | % chg. |
|-------------------|-----------|---------|--------|
| Crude oil | USD/bbl. | 72.81 | 5.1% |
| Brent oil | USD/bbl. | 77.78 | 3.7% |
| Gold | USD/t oz. | 1956.56 | -1.1% |
| Silver | USD/t oz. | 23.12 | -0.5% |
| Coal | USD/ton | 132.35 | 1.4% |
| Steel Scrap (LME) | USD/ton | 456.00 | 0.3% |
| Steel Rebar (LME) | USD/ton | 725.00 | 0.3% |
| USD/PKR | Interbank | 8.24 | 1.3% |

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

Furnace oil glut continues, stocks rise to 632,000 MT
Oil, Refinery | Negative

Furnace oil (FO) stocks have risen to 632,000 MT following refusal of power plants to stockpile the fuel and poor export feasibility due to its low price in the global market. (The News) | [Click for more info.](#)

Power
KPCL seeks Rs22.703bn from CPPA-G to settle liabilities
Power | Neutral

Karot Power Company (Pvt) Limited (KPCL) has sought an amount of Rs 22.703 billion from Central Power Purchasing Agency-Guarantee (CPPA-G) by April 10, 2023 to settle its liabilities including principal and interest. (BR) | [Click for more info.](#)

Old, new investors: KE dispute lands in PMO
KEL | Neutral

Internal conflict between M/s Al Jomaih, KE's existing investors, and M/s AsiaPak, the new investor, which procured stakes of KESP, has reportedly landed in Prime Minister's office as both sides have wrangled with each other during a meeting in Power Division in December 2022. (BR) | [Click for more info.](#)

Fertilizer
FFBL resumes DAP plant
FFBL | Positive

After intermittent operations since February 2023, the DAP plant of Fauji Fertilizer Bin Qasim Limited (PSX: FFBL) has now resumed regular production, the company's filing on PSX showed today. While the company's Urea plant is in regular production since February 8, 2023, after the availability of natural gas from SSGC. (Mettis) | [Click for more info.](#)

Pharmaceutical
ECC refuses to increase price of Remdesivir injection
Pharmaceutical | Negative

The Economic Coordination Committee (ECC) of the federal cabinet Monday decided not to increase the price of Remdesivir injection, used for the treatment of COVID-19, Radio Pakistan reported. The ECC, under the chair of Finance Minister Ishaq Dar, considered a summary of the health ministry for the maximum retail price of Remdesivir 100 mg injection — used for COVID-19 treatment — however, rejected the request deciding that the existing retail price of Rs1,892 per vial shall remain fixed. (The News) | [Click for more info.](#)

Miscellaneous
Unity Foods to invest nearly Rs5bn in Sunridge Foods subsidiary
UNITY | Positive

Unity Foods Limited will make an equity investment of almost Rs5 billion in its subsidiary Sunridge Foods (Private) Limited, which makes sugar and rice among other products. (BR) | [Click for more info.](#)

Morning Briefing

World Indices

| | Last | Chg. | Chg. % |
|------------------|----------|---------|--------|
| US - Dow 30 | 32,432.1 | 194.55 | 0.60% |
| INDIA - SENSEX | 57,653.9 | 126.76 | 0.22% |
| PAK (KSE-100) | 40,000.4 | 58.32 | 0.15% |
| US - S&P 500 | 3,977.5 | 6.54 | 0.16% |
| KSA - Tadawul | 10,463.6 | 4.25 | 0.04% |
| PHILP - PSEi | 6,595.0 | -7.14 | -0.11% |
| CHINA - Shanghai | 3,251.4 | -14.25 | -0.44% |
| INDONESIA - IDX | 6,708.9 | -53.32 | -0.79% |
| Taiwan - TWII | 15,830.3 | -84.39 | -0.53% |
| HK - Hang Seng | 19,567.7 | -347.99 | -1.75% |

Board Meetings

| Scrip | Day | Agenda | Time |
|-------|-----------|--------------------------|----------|
| PABC | Wednesday | Ann. A/c as of 31-Dec-22 | 11:00 AM |
| SPWL | Wednesday | Ann. A/c as of 31-Dec-22 | 11:30 AM |
| AGL | Thursday | Ann. A/c as of 31-Dec-22 | 10:00 AM |
| SGF | Thursday | Ann. A/c as of 31-Dec-22 | 10:00 AM |
| SHNI | Thursday | Ann. A/c as of 31-Dec-22 | 10:30 AM |
| RICL | Thursday | Ann. A/c as of 31-Dec-22 | 12:00 PM |
| SRVI | Thursday | Ann. A/c as of 31-Dec-22 | 12:00 PM |
| PINL | Friday | Ann. A/c as of 31-Dec-22 | 10:30 AM |
| PAKRI | Monday | Ann. A/c as of 31-Dec-22 | 1:00 PM |

Source: PSX

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Number of 3G, 4G users increases by 1.35 million**Technology | Positive**

The number of 3G and 4G users in Pakistan increased by 1.35 million from 122.81 million by end January 2023 to 124.16 million by end February, Pakistan Telecommunication Authority (PTA) data revealed. (BR) | [Click for more info.](#)

Finance Division refuses TSG to retire TCP loans**Economy | Neutral**

Finance Division on Monday expressed its inability to allocate funds as Technical Supplementary Grant (TSG) to retire bank loans of Trading Corporation of Pakistan (TCP), as Utility Stores Corporation (USC) and National Fertilizer Marketing Limited (NFML) are reluctant to clear their payables. (BR) | [Click for more info.](#)

Textile mill suspends production**KSTM | Negative**

Khalid Siraj Textile Mills Ltd (KSTML) said on Monday it's shutting down operations until May 31 owing to political unrest, import restrictions and an "unchecked" increase in the dollar rate. (Dawn) | [Click for more info.](#)

FBR implements 'blue channel facility'**Economy | Neutral**

The Federal Board of Revenue (FBR) has implemented the "Blue Channel facility" under the Risk Management System (RMS) for scanning of imported consignments through RMS-based selectivity criteria. (BR) | [Click for more info.](#)

Political News**Govt comes under fire for 'delaying' Punjab, KP polls**

The 12-party coalition government on Monday came under severe criticism from Pakistan Tehreek-e-Insaf (PTI) over its "deliberate" attempts to delay the elections in Punjab and Khyber-Pakhtunkhwa in connivance with the Election Commission of Pakistan (ECP) despite the Supreme Court of Pakistan's verdict for holding timely elections. (BR) | [Click for more info.](#)

International News**Oil rises over \$3 on Kurdistan export halt, banking optimism**

Oil prices rose more than \$3 on Monday as a halt to some exports from Iraq's Kurdistan region added to worries about oil supplies while a U.S. banking acquisition eased worries that financial turmoil could hurt the economy and curtail fuel demand. (Reuters) | [Click for more info.](#)

Asian Stocks Set to Gain as Bank-Sector Fears Ease: Markets Wrap

Asian equities look poised to open slightly higher Tuesday after US financial shares rose and Treasuries fell as fears of broader contagion from the banking turmoil eased. (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 FCF based DCF methodology.

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