

October 28, 2022

Economy

SBP chief assures market of timely foreign debt repayments

Economy, Capital Market | Neutral

State Bank of Pakistan (SBP) Governor Jameel Ahmad said on Thursday the country will meet all foreign debt obligations on time. The risk of sovereign default hit its highest level since November 2009 early this week. (Dawn) | [Click for more info.](#)

B2B co-op, G2G pacts with China; CPEC projects will be expedited: govt

Economy | Neutral

Federal Minister for Planning, Development and Special Initiatives, Ahsan Iqbal Thursday said the government would expedite China-Pakistan Economic Corridor (CPEC) projects to promote business to business cooperation with China. (BR) | [Click for more info.](#)

Pakistan, China agree to execute \$10bn ML-1 project

Economy | Neutral

Just ahead of Prime Minister Shehbaz Sharif's upcoming visit to China, the Joint Coordination Committee (JCC) of Pakistan and China on Thursday agreed to execute the much-awaited Mainline-1 (ML-1) project at an estimated cost of \$10 billion as well as undertaking business-to-business deals under the China Pakistan Economic Corridor (CPEC). Pakistan will also request for rollover of deposits and rescheduling of its 27 billion dollar debt. (The News) | [Click for more info.](#)

US announces additional \$30m aid for flood victims in Pakistan

Economy | Neutral

The United States has announced an additional \$30 million in aid for flood victims in Pakistan, according to a press release issued by the US Embassy in Islamabad on Thursday. (Dawn) | [Click for more info.](#)

Foreign investors; Q1 repatriation of profit, dividend plunges 88pc YoY

Economy | Neutral

The repatriation of profit and dividend by foreign investors declined sharply by 88 percent during the first quarter of this fiscal year (FY23), mainly due to economic slowdown. (BR) | [Click for more info.](#)

SBP-held forex reserves fall \$157mn to stand at \$7.44bn, ADB's loan to be reflected next week

Economy | Neutral

Foreign exchange reserves held by the State Bank of Pakistan (SBP) decreased \$157 million on a weekly basis, clocking in \$7.44 billion as of October 21, 2022, according to data released on Thursday. Net foreign reserves held by commercial banks amounted to \$5.72 billion, taking the country's total reserves' position to \$13.16 billion. (BR) | [Click for more info.](#)

Oil & Gas

OGDCL discovers oil reserves in Punjab

OGDC | Positive

Oil and Gas Development Company Limited (OGDCL), the largest oil and gas exploration company in Pakistan, on Thursday announced the discovery of oil reserves from its exploratory well in Punjab. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,376.0	28,378.1	2.0	0.0%
KSE100	41,540.0	41,602.9	62.8	0.2%
KSE30	15,273.6	15,290.0	16.4	0.1%
KMI30	70,188.1	70,136.9	-51.2	-0.1%

Top Five Gainers

	Open	Close	Chg.	%
SFL	1,108.9	1,177.5	68.7	6.2%
COLG	2,023.8	2,068.2	44.4	2.2%
SAPT	1,104.7	1,129.4	24.7	2.2%
SCL	277.9	298.0	20.1	7.2%
FZCM	226.0	239.0	13.0	5.7%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.4	1.4	0.0	22.93
DFML	9.2	9.4	0.2	16.81
TRG	109.8	114.9	5.1	12.55
KEL	2.8	2.8	0.0	10.24
HUMNL	6.7	6.6	0.0	6.86

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.44	-0.40	0.04
O/S Pakistanies	3.12	-2.91	0.20
Net	3.56	-3.31	0.24
LIPI			
Individuals	40.39	-39.84	0.54
Companies	1.64	-0.97	0.67
Comm. Banks	0.85	-0.93	-0.08
NBFC	0.02	-0.04	-0.03
Mutual Funds	1.12	-2.69	-1.57
Other	1.23	-1.12	0.10
Brokers Proprietary	10.73	-10.58	0.15
Insurance	0.25	-0.26	0.00
Net	56.22	-56.43	-0.21

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	88.58	0.5%
Brent oil	USD/bbl.	94.72	1.0%
Gold	USD/t oz.	1661.97	-0.2%
Silver	USD/t oz.	19.55	-0.4%
Coal	USD/ton	233.60	-1.8%
Steel Scrap (LME)	USD/ton	364.50	0.3%
Steel Rebar (LME)	USD/ton	674.00	0.6%
USD/PKR	Interbank	5.87	1.2%

News Source: Local / Int'l Newspapers and websites

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Saudi investment of \$12bn: Govt seeks fresh petroleum policy to facilitate investment

E&P | Neutral

The government has directed the relevant authorities to approve a fresh petroleum policy in a bid to materialise the upcoming potential investment of \$10 to \$12 billion from the Kingdom of Saudi Arabia for the construction of a petrochemical complex in Gwadar. (The News) | [Click for more info.](#)

Chinese firm mulls \$4.5bn investment in refinery project

Refinery | Positive

Chinese company East Sea Group Limited has planned to invest \$4.5 billion to build a refinery plant with an annual refining capacity of 8 million tonnes at Gwadar, its CEO Fang Yulong said in a think tank session of Pakistan China Joint Chamber of Commerce and Industry (PCJCCI) on Thursday. (The News) | [Click for more info.](#)

Power

MPCL threatens to suspend gas supply to power sector from Nov

SNGP, SSGC | Negative

Mari Petroleum Company Limited (MPCL) has threatened to suspend gas supply to power sector from November 1, 2022, if Central Power Generation Company Limited (CPGCL) (Genco-II) TPS Guddu fails to pay outstanding dues, well informed sources told. (BR) | [Click for more info.](#)

Fertilizer

DAP makers agree to slash price: Dar

Fertilizer | Neutral

The fertilizer manufacturers have agreed to consider significant reduction in price of DAP, said Finance Minister Ishaq Dar following a meeting with a delegation of Fauji Fertilizer Bin Qasim (FFBL) Thursday. (BR) | [Click for more info.](#)

Fertiliser sector sales drop 8pc YoY, 14 QoQ on flood impact

Fertilizer | Negative

Fertiliser sales have declined by 8 percent year-on-year and 14 percent quarter-on-quarter, with major players getting jittery as their margins would diminish following the federal government's demand to slash DAP prices. (The News) | [Click for more info.](#)

Miscellaneous

ECC okays concessionary RLNG tariff for five export-oriented sectors

Textile | Positive

In a summary approved by the ECC, an amendment was proposed by the Ministry of Petroleum by stating that in pursuance of decisions of the ECC and the cabinet, the Petroleum Division directed SNGPL and SSGCL that "RLNG would be provided at a cost of \$9 per MMBtu all-inclusive to five export-oriented sectors across Pakistan for all existing connections remaining with the allocation a total subsidy of Rs40 billion as already made by Finance Division in the budget. The rates will be effective from August 1, 2022." (The News) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	59,756.8	212.88	0.36%
Taiwan - TWII	12,926.4	197.32	1.55%
US - Dow 30	32,033.3	194.17	0.61%
HK - Hang Seng	15,427.9	110.27	0.72%
PHILP - PSEI	6,230.6	109.05	1.78%
PAK (KSE-100)	41,602.9	62.82	0.15%
INDONESIA - IDX	7,091.8	47.82	0.68%
CHINA - Shanghai	2,982.9	-16.60	-0.55%
US - S&P 500	3,807.3	-23.30	-0.61%
KSA - Tadawul	11,709.5	-89.27	-0.76%

Board Meetings

Scrip	Day	Agenda	Time
AGL	Friday	3Q A/c as at 30-Sep-22	10:00 AM
CSAP	Friday	1Q A/c as at 30-Sep-22	10:00 AM
NBP	Friday	3Q A/c as at 30-Sep-22	10:00 AM
OCTOPUS	Friday	1Q A/c as at 30-Sep-22	10:00 AM
CNERGY	Friday	1Q A/c as at 30-Sep-22	10:30 AM
FLYNG	Friday	1Q A/c as at 30-Sep-22	10:30 AM
KASBM	Friday	1Q A/c as at 30-Sep-22	10:30 AM
ATLH	Friday	HY A/c as at 30-Sep-22	11:00 AM
AVN	Friday	3Q A/c as at 30-Sep-22	11:00 AM
BUXL	Friday	1Q A/c as at 30-Sep-22	11:00 AM
EFUL	Friday	3Q A/c as at 30-Sep-22	11:00 AM
KEL	Friday	1Q A/c as at 30-Sep-22	11:00 AM
M_SCL	Friday	1Q A/c as at 30-Sep-22	11:00 AM
NCPL	Friday	1Q A/c as at 30-Sep-22	11:00 AM
SSOM	Friday	1Q A/c as at 30-Sep-22	11:00 AM
STCL	Friday	1Q A/c as at 30-Sep-22	11:00 AM
TOWL	Friday	1Q A/c as at 30-Sep-22	11:00 AM
TPL	Friday	1Q A/c as at 30-Sep-22	11:00 AM
WAHN	Friday	1Q A/c as at 30-Sep-22	11:00 AM
AGHA	Friday	1Q A/c as at 30-Sep-22	11:30 AM
AIRLINK	Friday	1Q A/c as at 30-Sep-22	11:30 AM
BOP	Friday	3Q A/c as at 30-Sep-22	11:30 AM
SFL	Friday	1Q A/c as at 30-Sep-22	12:00 PM
CLVL	Friday	1Q A/c as at 30-Sep-22	12:30 PM
PPVC	Friday	1Q A/c as at 30-Sep-22	12:30 PM
ADOS	Friday	1Q A/c as at 30-Sep-22	1:00 PM
GOC	Friday	1Q A/c as at 30-Sep-22	2:00 PM
HTL	Friday	1Q A/c as at 30-Sep-22	2:00 PM
ANL	Friday	1Q A/c as at 30-Sep-22	2:30 PM
CPHL	Friday	1Q A/c as at 30-Sep-22	2:30 PM
EFUG	Friday	3Q A/c as at 30-Sep-22	2:30 PM
IMAGE	Friday	1Q A/c as at 30-Sep-22	2:30 PM
PAKRI	Friday	3Q A/c as at 30-Sep-22	2:30 PM
SMCPL	Friday	1Q A/c as at 30-Sep-22	2:30 PM
THALL	Friday	1Q A/c as at 30-Sep-22	2:30 PM
ATBA	Friday	1Q A/c as at 30-Sep-22	3:00 PM
FTSM	Friday	1Q A/c as at 30-Sep-22	3:00 PM
SAPT	Friday	1Q A/c as at 30-Sep-22	3:00 PM
STPL	Friday	1Q A/c as at 30-Sep-22	3:00 PM

Source: PSX

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IMC registers huge decline in sales, profits in Q1 FY2023**INDU | Negative**

Indus Motor Company Limited (IMC), announced its financial results for the first quarter ended September 30, 2022, witnessing a massive decline in profit after tax by 76 percent to Rs 1.30 billion, as against Rs 5.42 billion achieved in the corresponding quarter last year. (BR) | [Click for more info.](#)

SBP governor launches 'Roshan Equity Investment'**Capital Market | Neutral**

State Bank of Pakistan (SBP) Governor Jameel Ahmad Thursday said that Roshan Digital Account (RDA) has provided an opportunity to Non-Resident Pakistanis to connect with domestic banking system and proved instrumental in attracting foreign exchange inflows of over \$5.2 billion due to its ease of operability, fund repatriation and returns offered on investment. (BR) | [Click for more info.](#)

Political News

IK gets a rare institutional response

The surprising appearance of the ISI DG to attend the ISPR DG's press conference on Thursday was unprecedented and a rare show of institutional response to Imran Khan-led PTI's never-ending months long smear campaign against the top command of the Pakistani Army and ISI. (The News) | [Click for more info.](#)

International News

Asian Stocks Decline After Volatile US Session: Markets Wrap

Asian shares dropped following sharp swings on Wall Street as investors contended with mixed US economic data and disappointing results from tech giants. (Bloomberg) | [Click for more info.](#)

Oil Heads for Weekly Advance as Dollar Eases, US Exports Boom

Oil headed for a weekly gain, supported by tightness in petroleum product markets, robust US exports, and a weakening US dollar. (Bloomberg) | [Click for more info.](#)

MORNING BRIEFING

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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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