

November 28, 2022

Economy

Rupee likely to rebound on expected inflows from AIIB

Economy | Neutral

The rupee closed the outgoing week weaker against the dollar, with an expectation to rebound next week as market participants in the foreign exchange market track the impact of key interest rate hike by the central bank and expected inflows of \$500 million from the Asian Infrastructure Investment Bank (AIIB) next week. (The News) | [Click for more info.](#)

ECO Bank announces financial assistance worth Rs35bn for Pakistan

Economy | Positive

In a major development, the Economic Cooperation Organization (ECO) Trade and Development Bank on Saturday announced to provide financial assistance worth Rs35 billion (€150 million) to Pakistan. (The News) | [Click for more info.](#)

Overnight reverse repo (ceiling) rate to be 17pc

Economy | Neutral

The State Bank of Pakistan (SBP) on Friday decided to increase 'Policy Rate' (Target Rate) from 15 percent to 16 percent. Now SBP Overnight Reverse Repo (Ceiling) rate will be 17 percent, i.e., 100 bps above the SBP Policy Rate. While, the SBP Overnight Repo (Floor) rate will be at 15 percent, i.e., 100 bps below the SBP Policy Rate. (BR) | [Click for more info.](#)

Govt to pay heavy price for borrowing after rate hike

Economy | Negative

The interest rate hike will cost heavily to the government as it will have to re-price the Rs5 trillion maturity of treasury bills and Pakistan Investment Bonds (PIBs) in the next three months. (Dawn) | [Click for more info.](#)

CAD unchanged despite flood losses

Economy | Neutral

Pakistan's central bank has reaffirmed its projection for the current account deficit (CAD) – the gap between the nation's higher foreign expenditures and low income – to narrow down to 3%, or around \$10 billion of gross domestic product (GDP) for the current fiscal year of 2023. (ET) | [Click for more info.](#)

Dar's directive for reviving Reko Diq before Dec 15

Economy | Neutral

Finance Minister Ishaq Dar on Saturday directed all relevant departments for early completion of the remaining steps to ensure the revival of the multi-billion-dollar Reko Diq project before the Dec 15 deadline. (Dawn) | [Click for more info.](#)

Development spending falls 45pc in July-October

Economy | Negative

Amid rising interest payments and disruptions caused by super floods, Pakistan's development expenditure has contracted almost 45 per cent to less than Rs99 billion in the first four months (July-October) of the current fiscal year as the government's overall expenditures increase. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,046.3	29,060.2	13.9	0.0%
KSE100	42,903.7	42,936.7	33.1	0.1%
KSE30	15,805.1	15,818.8	13.6	0.1%
KMI30	72,889.7	72,850.1	-39.6	-0.1%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	9,650.0	10,085.0	435.0	4.5%
SFL	1,150.0	1,199.0	49.0	4.3%
PSEL	645.0	693.4	48.4	7.5%
SAPT	1,100.0	1,125.0	25.0	2.3%
SCL	301.8	324.0	22.2	7.4%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HUMNL	5.7	6.1	0.4	19.31
DFML	10.9	11.9	1.0	12.26
WTL	1.5	1.4	0.0	10.55
HASCOL	8.0	8.0	0.0	10.30
CNERGY	4.9	4.9	0.0	8.42

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.36	-0.30	0.06
O/S Pakistanies	2.91	-2.51	0.40
Net	3.28	-2.82	0.46
LIPI			
Individuals	40.10	-40.02	0.09
Companies	3.10	-3.46	-0.35
Comm. Banks	1.59	-1.44	0.15
NBFC	0.00	-0.03	-0.02
Mutual Funds	2.28	-2.74	-0.47
Other	0.74	-0.22	0.53
Brokers Proprietary	11.07	-11.51	-0.45
Insurance	0.22	-0.16	0.07
Net	59.11	-59.57	-0.46

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	76.28	-2.1%
Brent oil	USD/bbl.	83.63	-1.7%
Gold	USD/t oz.	1754.93	0.0%
Silver	USD/t oz.	21.75	1.2%
Coal	USD/ton	232.50	-0.2%
Steel Scrap (LME)	USD/ton	347.00	0.4%
Steel Rebar (LME)	USD/ton	634.50	0.3%
USD/PKR	Interbank	6.27	0.1%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

Turkish cos to take up profit repatriation, taxation issues with PM Economy | Neutral

Turkish companies engaged in different projects have raised concerns over the delay in repatriation of profits, payments and taxation issues with Pakistani authorities, which will be taken up with Prime Minister Shehbaz Sharif during his two-day visit. (BR) | [Click for more info.](#)

Oil & Gas

Govt plans to deregulate POL products' market by 2027

Oil | Neutral

The government has planned to fully deregulate its petroleum products market by 2027 after the country's oil refineries make necessary technical upgradation in 2026, according to the draft of the upcoming Pakistan Oil Refining Policy. (BR) | [Click for more info.](#)

Sindh seeks new gas allocation policy for catering to needs

Gas | Neutral

The Sindh government has demanded that the federal government enact a new gas allocation policy to meet the actual needs of the province in the energy sector, it emerged on Saturday. (Dawn) | [Click for more info.](#)

Power

Alternative energy; PM urges Pak-Turkish collaboration

Power | Neutral

Prime Minister Shehbaz Sharif on Friday, citing huge potential in the field of alternative energy in both countries, called for Turkey and Pakistan to join hands for the production of solar, wind and hydel energy to cut the carbon emission and open up new avenues of investment cooperation. (BR) | [Click for more info.](#)

Agreements with IPPs; DFIs underscore need for amendments

IPPs | Neutral

Over half a dozen Development Finance Institutions (DFIs) have sought amendments in pacts with Independent Power Producers (IPPs) to replace USD LIBOR with Secured Overnight Financing Rate (SOFR), to be applicable from June 30, 2023, sources close to Chairman NEPRA told. (BR) | [Click for more info.](#)

Autos

FTO accuses tractor company of concealing sales transactions

MTL | Negative

The Federal Tax Ombudsman (FTO) has discovered that a leading tractor manufacturing company used computerised national identity card (CNIC) numbers of unrelated persons to issue sales tax invoices in the names of benami farmers or dummy growers to conceal commercial transactions and claim inadmissible refunds. (BR) | [Click for more info.](#)

Miscellaneous

Financing, urea sought from China

Fertilizer | Positive

Pakistan on Friday requested China to expedite the approval for refinancing a \$500 million commercial loan and deliver an already approved 125,000 metric tonnes of urea at the earliest – two issues that explain the predicament of the country's economy. (ET) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	34,347.0	152.97	0.45%
PHILP - PSEi	6,606.9	76.43	1.17%
PAK (KSE-100)	42,936.7	33.08	0.08%
INDIA - SENSEX	62,293.6	20.96	0.03%
CHINA - Shanghai	3,101.7	12.38	0.40%
US - S&P 500	4,026.1	-1.14	-0.03%
Taiwan - TWII	14,778.5	-5.49	-0.04%
INDONESIA - IDX	7,053.2	-27.37	-0.39%
HK - Hang Seng	17,573.6	-87.32	-0.49%
KSA - Tadawul	10,796.5	-142.29	-1.30%

Board Meetings

Scrip	Day	Agenda	Time
PRIC	Monday	HY A/c as at 30-Jun-22	11:00 AM
GLOT	Monday	1Q A/c as at 30-Sep-22	11:30 AM
ASC	Monday	1Q A/c as at 30-Sep-22	12:30 PM
HCL	Monday	1Q A/c as at 30-Sep-22	1:00 PM
QUICE	Monday	1Q A/c as at 30-Sep-22	3:00 PM
HINO	Tuesday	HY A/c as at 30-Sep-22	11:30 AM
FRCL	Tuesday	1Q A/c as at 30-Sep-22	2:30 PM
EXIDE	Tuesday	HY A/c as at 30-Sep-22	3:00 PM
FZCM	Tuesday	1Q A/c as at 30-Sep-22	3:00 PM
DNCC	Tuesday	1Q A/c as at 30-Sep-22	3:30 PM
PGLC	Tuesday	1Q A/c as at 30-Sep-22	3:30 PM
JOPP	Wednesday	1Q A/c as at 30-Sep-22	11:00 AM

Source: PSX

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MORNING BRIEFING

Energy conservation: stern measures on the cards**Economy | Neutral**

The Government is likely to impose excise duties on inefficient fans and bulbs, fix timings for shops, marriage halls, encourage E-bikes, adding conical baffles in gas geysers and encourage carpooling as measures to conserve energy. (BR) | [Click for more info.](#)

Clearance of oilseed sought**Vanaspati | Neutral**

The government has been asked to ensure early clearance of imported soybean oilseed from the port to meet the requirement of the solvent industry and poultry sector. (Dawn) | [Click for more info.](#)

Azerbaijan president hails tax exemption on rice import from Pakistan**MATCO | Positive**

Azerbaijan President Ilham Aliyev has said that the decision to grant tax exemption for five years on importing rice from Pakistan and undertaking its import was the outcome of his recent meetings with Prime Minister Muhammad Shehbaz Sharif on various occasions. (The News) | [Click for more info.](#)

Pakistan delays 500,000 tonnes of wheat tender to 30th**Food | Neutral**

A government agency in Pakistan has postponed the deadline for submission of price offers in an international tender to purchase and import 500,000 tonnes of wheat to Nov 30 from Nov 28 previously, European traders said on Friday. (BR) | [Click for more info.](#)

SBP rebuts reports it withheld payments to Google**Economy | Neutral**

State Bank of Pakistan (SBP) has dismissed as "baseless and misleading" reports that it had withheld payments to Google, the telecom industry and other stakeholders said all was not well and there were at least some "unannounced restrictions" as the government seeks to limit dollar outflow. (Dawn) | [Click for more info.](#)

Political News**Punjab PA to be dissolved 'moment Imran orders'**

Backing Imran Khan's stance, the Punjab and Khyber-Pakhtunkhwa governments on Saturday asserted that they would dissolve the provincial assemblies the moment the PTI Chairman ordered. (ET) | [Click for more info.](#)

International News**Stocks Slump Amid China Unrest, Dollar Advances: Markets Wrap**

Shares tumbled and the dollar climbed as markets opened Monday to news of growing unrest in China over Covid restrictions. (Bloomberg) | [Click for more info.](#)

Oil Retreats to the Lowest Since 2021 on China's Covid Unrest

Oil dropped to the lowest level since December as unrest in China hurt risk appetite and the outlook for demand, adding to stresses in an already-fragile global crude market. (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 FCFF based DCF methodology.

Analyst Certification ^{AC}

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