

December 28, 2022

Economy

No other option but to implement IMF programme: PM Shehbaz Economy | **Negative**

Prime Minister Shehbaz Sharif said on Tuesday that the government had “no other option” but to implement the International Monetary Fund (IMF) programme, calling it a “painful reality”. (Dawn) | [Click for more info.](#)

SBP withdraws restrictions: Banks no more require permission before import transactions Economy | **Positive**

The State Bank of Pakistan (SBP) on Tuesday announced that it would no longer require banks to obtain prior authorisation before initiating some import transactions. Additionally, the SBP has asked the banks to prioritise and facilitate imports of essential items, energy, agricultural inputs, imports from industries with a focus on exports, and imports with deferred payment. (The News) | [Click for more info.](#)

PKR ends losing streak Economy | **Negative**

Pakistan’s rupee ended with a loss for the sixth successive session against the US dollar, falling 0.15% in the inter-bank market on Tuesday. As per the State Bank of Pakistan (SBP), the rupee closed at 226.15 after a fall of Re0.33 against the greenback. The rupee has depreciated over 22% against the US dollar during the ongoing calendar year. (BR) | [Click for more info.](#)

Oil & Gas

PRL set to resume production on Dec 31 PRL | **Positive**

Pakistan Refinery Limited (PRL) is set to resume its production on December 31, 2022 after receiving the cargo of crude oil, The News learnt on Tuesday. “PRL has received 70,000 MT crude oil this week and now the refinery would be resuming its production on December 31, 2022,” sources in the oil sector revealed. (The News) | [Click for more info.](#)

PGPCL issues 90-day notice to Pakistan LNG on delaying access deal Gas | **Neutral**

Pakistan Gas Port Consortium Limited (PGPCL) on Tuesday issued a legal notice to Pakistan LNG Limited (PLL) for misconduct and default regarding third-party access agreement (TPPA) finalisation, causing hurdles in the private sector’s LNG imports. (The News) | [Click for more info.](#)

Pakistan lacks infrastructure to import Russian gas Gas | **Neutral**

The import of gas from Russia is still a distant dream for Pakistan despite the two countries’ willingness to play ball. Analysts say the renewed discussion around gas imports from Russia won’t amount to much — at least in the short term — for two reasons. One, lack of infrastructure to handle gas imports; and two, inadequate capacity in the existing pipeline system to transport gas from one point to another. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,151.6	27,013.2	-138.4	-0.5%
KSE100	40,155.2	39,802.9	-352.3	-0.9%
KSE30	14,778.3	14,676.1	-102.2	-0.7%
KMI30	67,763.8	67,221.4	-542.4	-0.8%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	7,464.7	8,024.5	559.8	7.5%
NESTLE	5,229.9	5,577.8	347.9	6.7%
BATA	1,825.0	1,889.7	64.7	3.5%
BTL	360.5	370.8	10.3	2.9%
ISIL	500.0	510.0	10.0	2.0%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BAFL	30.0	30.0	0.0	16.34
PPL	61.8	61.1	-0.7	12.47
BOP	4.9	4.6	-0.3	7.70
WTL	1.2	1.2	-0.1	7.23
TRG	113.1	113.2	0.1	5.17

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.04	-0.01	0.03
F-Corporates	0.25	-2.20	-1.95
O/S Pakistanies	1.20	-1.25	-0.05
Net	1.49	-3.46	-1.97
LIPI			
Individuals	30.15	-29.82	0.33
Companies	3.36	-3.28	0.09
Comm. Banks	4.91	-3.95	0.96
NBFC	0.01	-0.04	-0.03
Mutual Funds	2.82	-1.73	1.08
Other	0.71	-0.22	0.48
Brokers Proprietary	9.91	-10.02	-0.11
Insurance	0.45	-1.28	-0.83
Net	52.32	-50.35	1.97

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	79.77	-0.6%
Brent oil	USD/bbl.	84.68	-0.1%
Gold	USD/t oz.	1813.93	0.7%
Silver	USD/t oz.	24.04	0.8%
Coal	USD/ton	203.35	-2.6%
Steel Scrap (LME)	USD/ton	385.50	0.0%
Steel Rebar (LME)	USD/ton	667.00	0.0%
USD/PKR	Interbank	6.53	-0.1%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

Power

KE consumers get Rs7.43 per unit relief

KEL | Positive

The National Electric Power Regulatory Authority (Nepra) on Tuesday decided to reduce fuel cost adjustment (FCA) for the consumers of K-Electric by Rs7.43 per unit for one month, but increased its base tariff for three months by Rs3.30 per unit to reduce government subsidy. (Dawn) | [Click for more info.](#)

ADB approves \$0.2m technical aid to support Tranche-4 of MFF

Power | Positive

The Asian Development Bank (ADB) has approved technical assistance of \$0.2 million to support the implementation of Tranche 4 of the multi-tranche financing facility (MFF) for the Second Power Transmission Enhancement Investment Program in Pakistan. (BR) | [Click for more info.](#)

Power sector receivables cross Rs2.5trn mark

Power | Negative

Pakistan's energy sector is going through severe crisis as the power sector's receivables against various consumers including provincial governments, federal government, and private sector have crossed Rs2.5 trillion. (BR) | [Click for more info.](#)

Miscellaneous

Govt reluctant to raise sugar export cap on mills' demand

Sugar | Neutral

Amid mills' insistence, the government has shown reluctance in allowing greater quantity of sugar exports keeping in view revised lower sugarcane estimates, sources said on Tuesday. (The News) | [Click for more info.](#)

Uncertainty, USD smuggling widening the gap: experts

Economy | Neutral

Economists have attributed the widening gap between interbank and open market exchange rate to the prevailing political uncertainty as well as unchecked dollar smuggling to Afghanistan. (BR) | [Click for more info.](#)

Political News

IK summons party MNAs' meeting today

Former prime minister and Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan has summoned a meeting of his party MNAs Wednesday (Dec 28) to chalk out a strategy regarding resignations from the National Assembly. (BR) | [Click for more info.](#)

International News

Oil prices rise on hopes for China demand boost

Oil prices climbed on Wednesday as markets were optimistic about fuel demand recovery as China continues to ease its COVID-19 restrictions. (Reuters) | [Click for more info.](#)

Stocks Fall in Asia After US Shares Close Lower: Markets Wrap

Stocks in Asia fell Wednesday after US shares dropped and Treasury yields rose on concern that relaxing pandemic measures in China will add further inflation to the global economy. (Bloomberg) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	60,927.4	361.01	0.60%
KSA - Tadawul	10,359.3	130.62	1.28%
INDONESIA - IDX	6,923.0	87.22	1.28%
US - Dow 30	33,241.6	37.63	0.11%
PHILP - PSEi	6,564.9	34.00	0.52%
CHINA - Shanghai	3,095.6	17.82	0.58%
US - S&P 500	3,829.3	-15.57	-0.40%
Taiwan - TWII	14,328.4	-23.08	-0.16%
HK - Hang Seng	19,593.1	-86.16	-0.44%
PAK (KSE-100)	39,802.9	-352.25	-0.88%

Board Meetings

Script	Day	Agenda	Time
PRIC	Wednesday	3Q A/c for 30-Sep-22	11:00 AM
KPUS	Wednesday	Ann A/c for 30-Sep-22	2:00 PM
TCORP	Thursday	Ann A/c for 30-Sep-22	10:00 AM
MRNS	Thursday	Ann A/c for 30-Sep-22	11:30 AM
MFFL	Thursday	1QA/c for 30-Sep-22	11:30 AM
SLL	Thursday	Multiple Periods	12:00 PM
DWSM	Thursday	Ann A/c for 30-Sep-22	3:30 PM
NONS	Friday	Ann A/c for 30-Sep-22	11:00 AM
ADAMS	Friday	Ann A/c for 30-Sep-22	11:30 AM
SHJS	Friday	Ann A/c for 30-Sep-22	12:00 PM
NCML	Saturday	1QA/c for 30-Sep-22	10:00 AM
SANSM	Saturday	Ann A/c for 30-Sep-22	12:30 PM

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 FCFF based DCF methodology.

Analyst Certification ^{AC}

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