

November 29, 2022

## Economy

**Lingering Pak-IMF talks may delay \$1bn tranche**

**Economy | Neutral**

Pakistan and the International Monetary Fund (IMF) talks linger on as the two sides so far could not strike a broader agreement on a revised macroeconomic framework for the current financial year. It might delay in conclusion of the ninth review and release of \$1 billion tranche till next calendar year 2023. Top official sources confirmed that talks with the IMF high-ups were virtually held in ongoing month but both the sides could not strike any agreement. (The News) | [Click for more info.](#)

**Presidential Reference on Reko Diq project; SC to announce short order next week**

**Economy | Neutral**

The Supreme Court will announce short order on the Presidential Reference on Reko Diq reconstituted project next week; therefore, it asked the lawyers of all the parties to complete their arguments by Thursday. (BR) | [Click for more info.](#)

## Oil & Gas

**PD prepares \$496m gas pipeline augmentation plan**

**Gas | Neutral**

Petroleum Division has prepared augmentation plan of existing gas pipeline for transportation of gas from South to North with an investment outlay of over \$496 million, to be met out of the collections of Gas Development Infrastructure Cess (GDIC), in addition to allowing expansion in existing terminals sans government guarantee, sources close to Chairman Oil and Gas Regulatory Authority (Ogra) told. (BR) | [Click for more info.](#)

## Sugar

**Price hike on the cards as Pakistan likely to export surplus sugar**

**Sugar | Neutral**

A stalemate between sugar barons, the finance ministry, and the Sugar Advisory Board has ended in favour of the sugar millers with the government allowing the export of around 500,000 tons of sugar. (PT) | [Click for more info.](#)

## Fertilizer

**EFERT resumes operations of Base Plant-1**

**EFERT | Positive**

Engro Fertilizers Limited resumed (EFERT) commercial operations of the Base Plant (Plant-1) on 27th Nov after the successful completion of the maintenance activity undertaken for the long-term reliability and sustainable operations of the plant. (Mettis) | [Click for more info.](#)

## Banks

**Banking sector shows robust performance in 1HCY22: SBP**

**Banks | Positive**

The sustained economic activity during 1HCY22 supported the expansion of the banking sector balance sheet by 16%, the Mid-Year Performance Review (MYPR) on the banking sector issued by the State Bank of Pakistan (SBP) revealed. (Mettis) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,060.2	28,542.6	-517.6	-1.8%
KSE100	42,936.7	42,071.3	-865.4	-2.0%
KSE30	15,818.8	15,504.5	-314.3	-2.0%
KMI30	72,850.1	70,989.0	-1861.1	-2.6%

### Top Five Gainers

	Open	Close	Chg.	%
NESTLE	5,766.0	5,850.0	84.0	1.5%
MEHT	806.0	860.0	54.0	6.7%
MUREB	363.4	372.7	9.2	2.5%
TICL	271.0	280.0	9.0	3.3%
PSEL	693.4	702.0	8.6	1.2%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	2.8	2.6	-0.2	29.02
WTL	1.4	1.4	-0.1	22.52
DFML	11.9	11.9	-0.1	13.79
HASCOL	8.0	7.7	-0.2	12.13
CNERGY	4.9	4.7	-0.2	9.39

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.94	-0.27	0.66
O/S Pakistanies	2.34	-1.95	0.39
<b>Net</b>	<b>3.28</b>	<b>-2.22</b>	<b>1.06</b>
<b>LIPI</b>			
Individuals	27.19	-25.33	1.86
Companies	1.51	-1.30	0.21
Comm. Banks	2.31	-0.73	1.58
NBFC	0.01	-0.10	-0.08
Mutual Funds	2.22	-5.84	-3.62
Other	0.02	-1.01	-0.98
Brokers Proprietary	6.16	-6.34	-0.18
Insurance	0.31	-0.15	0.16
<b>Net</b>	<b>39.72</b>	<b>-40.78</b>	<b>-1.06</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	76.55	0.4%
Brent oil	USD/bbl.	83.30	-0.4%
Gold	USD/t oz.	1741.39	-0.8%
Silver	USD/t oz.	20.92	-3.8%
Coal	USD/ton	234.90	1.0%
Steel Scrap (LME)	USD/ton	348.50	0.4%
Steel Rebar (LME)	USD/ton	638.00	0.6%
USD/PKR	Interbank	6.28	0.3%

**News Source:** Local / Int'l Newspapers and websites

**Research Team**

[research@abaalihabib.com](mailto:research@abaalihabib.com)

Aba Ali Habib Securities (Pvt) Limited  
 (021) 32429665, Ext. 106

November 29, 2022

MORNING BRIEFING

## KIBOR hits all-time high of 16.81 percent

**Banks | Positive, Economy | Negative**

The Karachi interbank offered rate (KIBOR), a gauge of what banks charge each other to borrow rupee, hits a record high on Monday, as the money market was surprised by the State Bank's decisions to raise interest rates by 100 basis points. (The News) | [Click for more info.](#)

## Miscellaneous

**Al Shaheer to increase paid-up share capital by around 75mn shares**
**ASC | Positive**

The board of directors of Al Shaheer Corporation Limited (PSX: ASC) has decided to increase the paid-up capital of the company issuing 74.98 million shares at the rate of Rs10 each as right shares. The quantum of the right issue is 25% of the existing paid-up capital of the Company i.e. 25 right shares for every 100 ordinary shares held by the shareholders of the company. (Mettis) | [Click for more info.](#)

**Universal Network receives offer from a fintech to acquire 20% shares**
**GEMUNSL | Positive**

Universal Network Systems Limited (PSX: GEMUNSL) has received an offer from a Fintech company for the acquisition of its 20% stake holding, the company informed through a notification to exchange on Monday. The offeror will commence due diligence and the company will keep the shareholders informed of the development, subject to the successful completion of the due diligence process, it added. (Mettis) | [Click for more info.](#)

**Tax-exempted areas; FBR sets up checkpoints to monitor supplies**
**Economy | Neutral**

The Federal Board of Revenue (FBR) has established 16 Inland Revenue check posts with mobile teams on the routes originating from tax-exempt areas of Azad Jammu and Kashmir, Gilgit-Baltistan and erstwhile tribal areas to check documents of goods coming from these areas. (BR) | [Click for more info.](#)

## Political News

**ECP bound to hold by-polls in case of PTI resignations, says official**

Any decision by Pakistan Tehreek-i-Insaf (PTI) lawmakers to resign en masse from all four provincial assemblies will bind the Election Commission of Pakistan (ECP) to hold by-polls on all vacant seats within two months, legal experts believe. (Dawn) | [Click for more info.](#)

## International News

**Asia Stocks Picture Mixed on Fed View, China Woes: Markets Wrap**

Stocks opened on a cautious note in Asia on Tuesday after Federal Reserve officials stressed that more interest rate hikes were coming and as Covid protests eased in China amid a heavy police presence on city streets. (Bloomberg) | [Click for more info.](#)

**U.S. crude turns positive, Brent pares losses on OPEC+ cut rumors**

Global oil benchmarks pulled back from their lowest levels in nearly a year on Monday, with U.S. crude ending positive, bolstered by talk of an OPEC+ production cut that offset concerns about strict COVID-19 curbs in China, the world's biggest crude importer. (Reuters) | [Click for more info.](#)

World Indices			
	Last	Chg.	Chg. %
INDIA - SENSEX	62,504.8	211.16	0.34%
PHILP - PSEi	6,681.5	74.53	1.13%
CHINA - Shanghai	3,078.6	-23.14	-0.75%
INDONESIA - IDX	7,017.4	-35.79	-0.51%
KSA - Tadawul	10,746.6	-49.82	-0.46%
US - S&P 500	3,963.9	-62.18	-1.54%
Taiwan - TWII	14,556.9	-221.64	-1.50%
HK - Hang Seng	17,297.9	-275.64	-1.57%
US - Dow 30	33,849.5	-497.57	-1.45%
PAK (KSE-100)	42,071.3	-865.39	-2.02%

Board Meetings			
Scrp	Day	Agenda	Time
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

**Research Team**
[research@abaalihabib.com](mailto:research@abaalihabib.com)

 ABA ALI HABIB SECURITIES (PVT) LIMITED  
 (021) 32429665, Ext. 106

## Disclaimer

This report has been prepared by ABA Ali Habib Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, ABA Ali Habib Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and ABA Ali Habib Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents.

In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of ABA Ali Habib Securities' Research Department and do not necessarily reflect those of the company or its directors. ABA Ali Habib as a firm may have business relationships, including investment- banking relationships, with the companies referred to in this report. ABA Ali Habib Securities or any of its officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the subject company, may have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company, may serve or may have served in the past as a director or officer of the subject company, may have received compensation from the subject company for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from the subject company for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the subject company.

All rights reserved by ABA Ali Habib Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of ABA Ali Habib Securities. Action could be taken for unauthorized reproduction, distribution or publication.

## 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 <sup>AC</sup>

The research Analyst(s) hereby certify that the views about the company/companies and the security/securities discussed in this report accurately reflect his or her or their personal views and that s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

## THE TEAM

### CEO

Zahid Ali Habib  
[Zahid@abaalihabib.com](mailto:Zahid@abaalihabib.com)  
(021) 32425022

### RESEARCH TEAM

**Contact:** (021) 32429665, Ext. 106

Muhammad Ali - Research Analyst  
[Muhammadali@abaalihabib.com](mailto:Muhammadali@abaalihabib.com)

Kainat Rohra- Research Analyst  
[Kainatrohra@abaalihabib.com](mailto:Kainatrohra@abaalihabib.com)

Ayesha Abid – Research Analyst  
[ayesha.abid@abaalihabib.com](mailto:ayesha.abid@abaalihabib.com)

### SALES TEAM

Zaheer Ahmed - Head of Equity Sales & Business Dev.  
[Zaheer.ahmed@abaalihabib.com](mailto:Zaheer.ahmed@abaalihabib.com)  
(021) 32418693-94

Mr. Salman Naqvi - Head of Retail Sales  
(021) 32431925

Fahed Fazal- Manager Equity Sales  
[Fahedfazal@abaalihabib.com](mailto:Fahedfazal@abaalihabib.com)  
(021) 32431925

Syed Khalid Ahmed - Equity Trader  
[Syedkhalid@abaalihabib.com](mailto:Syedkhalid@abaalihabib.com)  
(021) 32429664

Shoaib- Equity Trader  
[shoibqadri@abaalihabib.com](mailto:shoibqadri@abaalihabib.com)  
(021) 32429664

Muhammad Faisal - Equity Trader  
[faisal@abaalihabib.com](mailto:faisal@abaalihabib.com)  
(021) 32464835

### Karachi Office

Suite# 505, 5<sup>th</sup> Floor, Business Plaza,  
Mumtaz Hussan Road, Off I.I. Chundrigar  
Road, Karachi  
Contact: 021-32429664-7  
Cell: [+92 3312766771](tel:+923312766771)