

October 31, 2022

Economy

IMF asks Pakistan to set up anti-corruption task force

Economy | Neutral

The International Monetary Fund (IMF) while asking Pakistan to raise taxes, electricity tariff, and cut expenditures has also reiterated that Islamabad should set up an anti-corruption task force. The global money lender has handed over a new list of demands and asked Pakistan to impose roughly Rs600 billion in additional taxes. (ET) | [Click for more info.](#)

Climate Aid Included in \$5 Billion of ADB Loans for Central Asia

Economy | Neutral

Climate aid is included in up to \$5 billion in new loans the Asian Development Bank expects to provide to countries in Central and West Asia as part of its growing push to help countries withstand the impact of floods, droughts and extreme weather. "The whole world is facing a kind of climate emergency," Yevgeniy Zhukov, the bank's director general for Central and West Asia that includes Pakistan, said in an interview in Karachi Oct. 26. "We are trying to refocus our investments, not just in Pakistan, but in the region, on focusing more on climate change." | [Click for more info.](#)

Flood damages and economic losses in Pakistan reach over \$30bln, reconstruction needs over \$16bln: New assessment

Economy | Neutral

A damage, loss, and needs assessment following the unprecedented floods in Pakistan calls for 'building back better', based on the principles of the poor first, transparency, inclusion, and climate resilience. (Zawya) | [Click for more info.](#)

Ministry warns of rising inflation, tough economic conditions ahead

Economy | Negative

Presenting a broad-based dismal macroeconomic performance so far this year, the Ministry of Finance has forewarned over 21 per cent rate of inflation, tough economic conditions and increasing fiscal challenges because of expenditure overruns during the current fiscal year (FY23). (Dawn) | [Click for more info.](#)

PM likely to seek debt relief from China

Economy | Neutral

Prime Minister Shehbaz Sharif is likely to seek debt relief from China during his upcoming visit to Beijing from November 1-2 amid deteriorating economic situation and dwindling forex reserves. (BR) | [Click for more info.](#)

Pakistan's sovereign bonds rise dispelling default concerns

Economy | Neutral

Pakistan's sovereign bonds's prices rose on Friday as expectations that the country would meet its foreign debt commitments on time have grown, allaying concerns about a default. (The News) | [Click for more info.](#)

Growth in quarterly corporate profits slows down

Economy | Neutral

The pace of increase in the quarterly earnings recorded by big companies listed on the Pakistan Stock Exchange (PSX) has slowed down by three-quarters of the five-year average. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,378.1	28,130.6	-247.5	-0.9%
KSE100	41,602.9	41,140.3	-462.5	-1.1%
KSE30	15,290.0	15,041.1	-248.9	-1.6%
KMI30	70,136.9	69,066.3	-1070.6	-1.5%

Top Five Gainers

	Open	Close	Chg.	%
SFL	1,177.5	1,259.0	81.5	6.9%
PRET	652.0	698.0	46.0	7.1%
SAPT	1,129.4	1,170.0	40.6	3.6%
SCL	298.0	320.0	22.0	7.4%
TICL	290.0	300.0	10.0	3.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.4	1.3	-0.1	25.72
KEL	2.8	2.7	-0.1	13.20
CNERGY	4.8	4.7	-0.1	10.38
FFL	6.0	5.6	-0.4	7.41
PRL	17.0	16.3	-0.7	7.04

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	-0.01	-0.01
F-Corporates	0.46	-0.30	0.16
O/S Pakistanies	2.59	-1.89	0.70
Net	3.05	-2.20	0.85
LIPI			
Individuals	33.28	-33.71	-0.43
Companies	2.73	-2.56	0.17
Comm. Banks	1.29	-1.66	-0.37
NBFC	0.00	-0.03	-0.03
Mutual Funds	1.03	-1.63	-0.60
Other	0.37	-0.34	0.03
Brokers Proprietary	10.38	-10.07	0.31
Insurance	0.32	-0.27	0.05
Net	49.41	-50.27	-0.85

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	87.90	-0.8%
Brent oil	USD/bbl.	95.77	1.1%
Gold	USD/t oz.	1644.86	-1.0%
Silver	USD/t oz.	19.26	-1.5%
Coal	USD/ton	236.00	1.0%
Steel Scrap (LME)	USD/ton	366.00	0.4%
Steel Rebar (LME)	USD/ton	675.00	0.1%
USD/PKR	Interbank	5.88	-0.5%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

Dar takes major steps to tackle rupee volatility

Economy | Neutral

Federal Minister for Finance and Revenue, Senator Mohammad Ishaq Dar has initiated efforts to control volatility in the exchange market and keep the exchange rate at its real value. During the meeting, the Minister of Finance warned of strict action against those institutions, who will be found involved in unlawful practices. He strictly asked banks and ECs to avoid manipulation of the dollar. (BR) | [Click for more info.](#)

The return of Hawala networks

Economy | Negative

Foreign remittance service providers attribute the re-emergence of grey channels to the exchange rate fluctuations that has widened the gap between the interbank and open market rates. (ET) | [Click for more info.](#)

US dollars disappear from market

Economy | Negative

The foreign exchange market is facing a severe shortage of US dollars despite the rupee remaining largely stable in the interbank market, leaving traders questioning the credibility of the mechanism in place being used to ensure availability of the greenback. (ET) | [Click for more info.](#)

Oil & Gas

Oil rate cut may not benefit consumers if PL adjusted

Oil | Neutral

The general public may not be passed on an estimated Rs 2.80 per litre price reduction in petrol price in case of the adjustment of the petroleum levy (PL) rates to meet International Monetary Fund (IMF) conditions. (BR) | [Click for more info.](#)

3-month gas holiday for commercial consumers

SNGP | Negative

Sui Northern Gas Pipelines Limited (SNGPL) has announced that the government has issued instructions to suspend supply of natural gas to commercial consumers for three months in winter due to its shortage. (ET) | [Click for more info.](#)

KSA willing to set up \$10bn oil refinery: PM

Refinery | Positive

Prime Minister Shehbaz Sharif said on Friday that Saudi Arabia is ready to establish US\$9-10 billion oil refinery in the country. (BR) | [Click for more info.](#)

Pakistan, KSA agree to increase cooperation in energy, other sectors

Oil & Gas | Neutral

Pakistan and Saudi Arabia are said to have agreed to activate the agreement on financing and providing crude oil and petroleum products and exploring possibilities of supply of LNG to Pakistan, well informed sources in Board of Investment (BoI) told. (BR) | [Click for more info.](#)

Five oil exploration bids for Balochistan

E&P | Neutral

On Friday, the government received five bids for onshore oil and gas exploration blocks in different high-risk areas of Balochistan. (ET) | [Click for more info.](#)

World Indices	Last	Chg.	Chg. %
US - Dow 30	32,861.8	828.52	2.59%
INDIA - SENSEX	59,959.9	203.01	0.34%
US - S&P 500	3,901.1	93.76	2.46%
INDONESIA - IDX	7,056.0	-35.72	-0.50%
CHINA - Shanghai	2,915.9	-66.97	-2.25%
PHILP - PSEi	6,153.4	-77.15	-1.24%
KSA - Tadawul	11,632.3	-77.17	-0.66%
Taiwan - TWII	12,788.4	-137.95	-1.07%
PAK (KSE-100)	41,140.3	-462.52	-1.11%
HK - Hang Seng	14,863.1	-564.88	-3.66%

Board Meetings

Scrip	Day	Agenda	Time
GLOT	Monday	Ann A/c as at 30-Sep-22	9:00 AM
META	Monday	1QA/c as at 30-Sep-22	9:00 AM
DSML	Monday	1QA/c as at 30-Sep-22	11:00 AM
MODAM	Monday	1QA/c as at 30-Sep-22	11:00 AM
PIAA	Monday	3QA/c as at 30-Sep-22	12:00 PM
PIBTL	Monday	1QA/c as at 30-Sep-22	12:00 PM
SLYT	Monday	1QA/c as at 30-Sep-22	12:30 PM
BRR	Monday	1QA/c as at 30-Sep-22	2:00 PM
KHTC	Monday	1QA/c as at 30-Sep-22	3:00 PM
AMBL	Monday	HY A/c as at 30-Jun-22	4:00 PM
ASC	Friday	Ann A/c as at 30-Jun-22	11:00 AM
DNCC	Friday	Ann A/c as at 30-Jun-22	2:30 PM
HIRAT	Saturday	Ann A/c as at 30-Jun-22	2:30 PM

Source: PSX

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MORNING BRIEFING

Power

SECL seeks permanent exemption from IFRS-9**SAPT | Neutral**

M/s Sapphire Electric Power Company Limited (SECL) has sought permanent exemption from the application of International Financial Reporting Standard-9 (IFRS-9) for all Independent Power Producers (IPPs) on the justification that there is no firm commitment from the GoP to settle receivables. (BR) | [Click for more info.](#)

CASA-1000; Alternate options being explored to resume work**Power | Neutral**

The contract of remaining work on CASA-1000 in Afghanistan is likely to be awarded on the basis of International Competitive Bidding (ICB) or Joint Venture (JC) or subcontracting by Indian contractors, well informed sources told. CASA-1000 project is being implemented simultaneously in four countries (i.e., Kyrgyzstan, Tajikistan, Pakistan and Afghanistan) with the total cost of \$1.126.50 billion. (Revised estimated cost of Pakistan side is \$ 232 million). (BR) | [Click for more info.](#)

Fertilizer

ECC allows TCP to import wheat, urea**Fertilizer | Neutral**

The Economic Coordination Committee (ECC) of the Cabinet has allowed Trading Corporation (TCP) import of 300,000 metric tons urea and 0.80 million metric tons (MMT) of wheat. (BR) | [Click for more info.](#)

Miscellaneous

SBP approves BankIslami sponsor shareholders**BIPL | Neutral**

The State Bank of Pakistan (SBP) has granted its approval to Ahmed Goolam Mohamed Randeree and Shabir Ahmed Randeree, sponsor shareholders of the BankIslami Pakistan Limited to purchase 28,941,595 each BankIslami Pakistan Limited shares from Emirates NBD Bank PJSC, UAE. (BR) | [Click for more info.](#)

SBP fines 6 banks Rs290mn over regulatory, operational violations**MCB, BAH, NBP, FABL, JSBL | Negative**

The State Bank of Pakistan (SBP) has imposed penalties of Rs290.363 million on six major banks for violating various regulatory laws during the quarter ended September 30, 2022. (BR) | [Click for more info.](#)

Exports to China up 2pc in Jan-Sept**Economy | Neutral**

Pakistan's export to China crossed \$2.57 billion in first nine months of 2022, up 2 percent year on year, showed an official data from the General Administration of Customs of the People's Republic of China (GACC). (The News) | [Click for more info.](#)

Medicinal products import drops by 67.56pc in Q1**Pharmaceutical | Neutral**

The import of medicinal products into the country witnessed a decline of 67.56 per cent during the first quarter of the current fiscal year (2022-23) as compared to the corresponding period of last year. (Nation) | [Click for more info.](#)

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MORNING BRIEFING

Exports may decline by \$5bn**Textile | Negative**

President of the Hyderabad Chamber of Commerce and Industry (HCCI) Adeel Siddiqui has said that the textile sector is facing serious difficulties after a portion of the cotton crop was washed away by floods and, therefore, the government faces a huge challenge in adequately managing the sector. (BR) | [Click for more info.](#)

Agri sector requires \$3.97b to recover from flood damages: report Economy | Neutral

Pakistan's agriculture, food, livestock and fisheries sector required at least \$3.976 billion to recover from the damage caused by the recent floods and torrential rains, a recent report issued by the Planning Ministry said on Saturday. (Nation) | [Click for more info.](#)

Political News**Imran's arrest on cards as FIA summons him in prohibited funding case**

The Federal Investigation Agency (FIA) on Sunday changed the prohibited funding case against former prime minister Imran Khan into a money laundering case, naming the Pakistan Tehreek-e-Insaf (PTI) chief as the main accused. (ET) | [Click for more info.](#)

International News**Oil Set for Monthly Gain Before OPEC+ Begins Cutting Output**

Oil headed for its first monthly gain since May in anticipation of sizable production cuts by OPEC+ that are set to tighten the market. (Bloomberg) | [Click for more info.](#)

Asian Stocks Rise on Earnings Optimism, Yen Drops: Markets Wrap

Asian stocks rose, tracking Friday's gains in the US, with optimism over corporate earnings helping to drive an advance in Japan. The dollar climbed as traders start to position for a policy decision by the Federal Reserve. (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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