

April 13, 2023

# Morning Briefing

## Economy

**Dar, others participate in IMF/WB meetings thru Zoom platform**

**Economy | Neutral**

Finance Minister Ishaq Dar attended IMF/ World Bank Spring meetings through Zoom from Islamabad with a high-level IMF team headed by Jihad Azour Director Middle East and Central Asia Department (MCD) on Wednesday and assured them that Pakistan is committed to fulfilling its obligations as agreed with the Fund. The Finance Ministry in a statement said that Director IMF expressed his confidence that Staff Level Agreement (SLA) will be signed soon followed by the IMF Board's approval. (BR) | [Click for more info.](#)

**Fiscal Monitor; IMF projects fall in govt gross debt to 73.6pc of GDP**

**Economy | Negative**

The International Monetary Fund (IMF) has projected a decrease in the government gross debt for Pakistan, ie, from 75.8 percent of Gross Domestic Product (GDP) in 2022 to 73.6 percent in 2023 and projected further decline to 68.9 percent in 2024. (BR) | [Click for more info.](#)

**WB recognises grim spectre of food price rise**

**Economy | Negative**

Food prices in Pakistan have been increasing for 11 consecutive months, eroding the purchasing power of households by as much as 38 percent, says the World Bank. The bank in its latest, "Food Security Update", stated that the consumer price inflation for food items in Pakistan was 47.2 per cent in March 2023 on a year-on-year basis – the highest in South Asia after Sri Lanka with 47.6 per cent. (BR) | [Click for more info.](#)

**Higher inflation; Hike in NSS profit rates unlikely to attract investors**

**Economy | Negative**

The recent increase in profit rates of savings accounts is unlikely to attract investors to products on sale in National Savings Schemes due to high inflation in the country. (BR) | [Click for more info.](#)

**Govt raises Rs144 billion via PIBs auction**

**Economy | Negative**

The government raised Rs144 billion through an auction of fixed-rate Pakistan Investment Bonds (PIBs) on Wednesday, while the yield on short-duration paper rose. The raised amount was above the pre-auction target of Rs100 billion. The cut-off yield on a three-year PIB increased by 34 basis points to 18.3899 percent. The government rejected the bids for 5 and 10 years, while no bids were received for 15, 20, and 30 years papers, according to the SBP's auction result. (The News) | [Click for more info.](#)

**Rupee recovers ground against US dollar, settles at 286.62**

**Economy | Neutral**

According to the State Bank of Pakistan (SBP), the local currency settled at 286.62, an increase of Rs1.81. In the open market, the PKR gained 1 rupee for both buying and selling against USD, closing at 291 and 294, respectively. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	26,287.6	26,438.9	151.4	0.6%
KSE100	39,804.7	40,126.1	321.3	0.8%
KSE30	14,807.2	14,960.8	153.7	1.0%
KMI30	69,345.4	70,024.7	679.3	1.0%

### Top Five Gainers

	Open	Close	Chg.	%
SFL	900.1	967.6	67.5	7.5%
KHYT	610.0	650.0	40.0	6.6%
SIEM	570.0	600.0	30.0	5.3%
AABS	365.1	391.4	26.3	7.2%
TOWL	292.8	314.8	22.0	7.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	2.0	2.0	0.0	8.38
WTL	1.2	1.2	0.0	4.11
PPL	64.9	67.0	2.1	3.77
CNERGY	3.4	3.4	0.0	3.69
SILK	1.0	1.1	0.1	2.77

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.24	-0.17	0.07
O/S Pakistanies	5.36	-3.91	1.45
<b>Net</b>	<b>5.60</b>	<b>-4.08</b>	<b>1.53</b>
<b>LIPI</b>			
Individuals	8.47	-8.35	0.12
Companies	0.92	-2.06	-1.13
Comm. Banks	0.85	-0.25	0.60
NBFC	0.01	-0.01	0.00
Mutual Funds	0.86	-1.18	-0.31
Other	0.12	-0.15	-0.03
Brokers Proprietary	1.70	-2.10	-0.40
Insurance	0.22	-0.59	-0.37
<b>Net</b>	<b>13.15</b>	<b>-14.68</b>	<b>-1.53</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	83.10	2.0%
Brent oil	USD/bbl.	87.22	2.0%
Gold	USD/t oz.	2017.31	0.6%
Silver	USD/t oz.	25.54	1.9%
Coal	USD/ton	131.00	0.1%
Steel Scrap (LME)	USD/ton	430.00	-1.1%
Steel Rebar (LME)	USD/ton	681.00	0.1%
USD/PKR	Interbank	8.37	-1.1%

News Source: Local / Int'l Newspapers and websites

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Aba Ali Habib Securities (Pvt) Limited  
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## Oil & Gas

**OCAC seeks 0.25pc cut in minimum tax on OMCs, refineries**

**OMCs | Neutral**

Pakistan's oil sector has sought reduction in minimum tax to 0.25 percent on refineries and oil marketing companies (OMCs) from 0.50 percent as expected rise in prices of petroleum products would diminish margins. (The News) | [Click for more info.](#)

## Power

**KE keen to purchase power from LEPL**

**KEL | Neutral**

K-Electric (KE) has shown an interest in purchase of power directly from 600-MW coal-fired power plant of Lucky Electric Power Company Limited (LEPL) as part of its strategy to improve base load, well informed sources told. (BR) | [Click for more info.](#)

**Discos allowed to extract additional Rs15bn from power consumers**

**Discos | Neutral**

With almost two-thirds of power plants operating at less than 20 per cent utilisation factor, the National Electric Power Regulatory Authority (Nepra) on Wednesday notified ex-Wapda Distribution Companies (Discos) to charge 47 paise per unit to their consumers to mop up Rs15.5 billion in additional funds under the quarterly tariff adjustment (QTA) mechanism. (Dawn) | [Click for more info.](#)

## Autos

**Duties/taxes-free vehicles import**

**Autos | Negative**

The Federal Board of Revenue (FBR) has made it mandatory for Customs officials to communicate particulars of the tourists, who have temporarily imported duties/taxes-free vehicles into Pakistan, to the Federal Investigation Agency (FIA). (BR) | [Click for more info.](#)

**Move to incentivise e-bikes; ECC set to consider three options today**

**Autos | Neutral**

The Economic Coordination Committee of the Cabinet, which is scheduled to meet on Thursday (Apr 13), is all set to consider three options to incentivize e-bikes in the country, well-informed sources told. (BR) | [Click for more info.](#)

**Panther Tyres profit up**

**PTL | Positive**

Panther Tyres Ltd reported on Wednesday its earnings for the January-March quarter clocked in at Rs236.6 million, up 23.3 times from a year ago. Net income for the first three quarters of 2022-23, however, declined 62.4pc to Rs101.2m on a year-on-year basis. (Dawn) | [Click for more info.](#)

## Miscellaneous

**Core banking systems; SBP asks banks to submit FERs data**

**Banks | Neutral**

The State Bank of Pakistan (SBP) has asked banks to submit data of Foreign Exchange Returns (FERs) prepared through their core banking systems. (BR) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	40,126.1	321.34	0.81%
INDIA - SENSEX	60,392.8	235.05	0.39%
KSA - Tadawul	10,935.4	86.34	0.80%
Taiwan - TWII	15,933.0	19.09	0.12%
CHINA - Shanghai	3,327.2	13.61	0.41%
PHILP - PSEi	6,469.4	-10.21	-0.16%
INDONESIA - IDX	6,799.0	-12.35	-0.18%
US - S&P 500	4,092.0	-16.99	-0.41%
US - Dow 30	33,646.5	-38.29	-0.11%
HK - Hang Seng	20,309.9	-175.38	-0.86%

### Board Meetings

Scrip	Day	Agenda	Time
SSGC	Thursday	1Q A/c as of 31-Mar-23	11:30 AM
LOTCHEM	Thursday	1Q A/c as of 31-Mar-23	1:30 PM
EPCL	Friday	1Q A/c as of 31-Mar-23	10:00 AM
PIM	Friday	3Q A/c as of 31-Mar-23	10:00 AM
GAMON	Monday	3Q A/c as of 31-Mar-23	11:00 AM
PSX	Monday	3Q A/c as of 31-Mar-23	12:00 PM
GIL	Tuesday	3Q A/c as of 31-Mar-23	11:00 AM
MEBL	Tuesday	1Q A/c as of 31-Mar-23	2:30 PM
BERG	Wednesday	3Q A/c as of 31-Mar-23	10:00 AM
ISL	Wednesday	3Q A/c as of 31-Mar-23	10:00 AM
ENGRO	Wednesday	1Q A/c as of 31-Mar-23	10:30 AM
FCCL	Wednesday	3Q A/c as of 31-Mar-23	10:30 AM
UPFL	Tuesday	3Q A/c as of 31-Mar-23	2:30 PM
OML	Thursday	3Q A/c as of 31-Mar-23	11:00 AM
HAFL	Thursday	3Q A/c as of 31-Mar-23	11:30 AM

Source: PSX

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**Rise in FED gives informal cigarette industry a huge boost****PAKT, KHTC | Negative**

The illicit cigarette industry captured the overall market of documented cigarette manufacturers in April 2023 after a major increase in federal excise duty (FED) from February 14, 2023. (BR) | [Click for more info.](#)

**Political News****SC issues notices to top officers for failing to provide funds for elections**

The Supreme Court on Wednesday issued notices to the Attorney General, State Bank of Pakistan (SBP) Governor, Secretary of Finance department, and Secretary of the Election Commission of Pakistan (ECP) over failing to provide funds for upcoming Punjab elections. (Nation) | [Click for more info.](#)

**SC larger bench to hear bill curtailing CJP's powers on April 13**

An eight-member larger bench, led by Chief Justice of Pakistan Justice Umar Ata Bandial, will hear petitions against the Supreme Court (Practice and Procedure) Bill on April 13. (ET) | [Click for more info.](#)

**International News****Asia Stocks Set to Follow US Lower on Rate Outlook: Markets Wrap**

Asian stocks are poised to decline after US shares fell in a choppy session amid concern moderating inflation won't prevent the Federal Reserve from raising interest rates again. (Bloomberg) | [Click for more info.](#)

**Oil rises 2% on lower-than-expected US inflation data**

Oil prices rose 2% on Wednesday to their highest in more than a month as cooling U.S. inflation data spurred hopes that the Federal Reserve is getting closer to ending its cycle of interest-rate hikes and cushioned the impact of a small build in U.S. crude oil stocks. (Reuters) | [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.

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