

October 21, 2022

## Economy

**FATF likely to remove Pakistan from grey list today**

**Economy | Neutral**

The Financial Action Task Force (FATF) is expected to decide about the likely removal of Pakistan from its grey list today (Friday). Minister of State for Foreign Affairs Hina Rabbani Khar is in Paris to attend the crucial FATF first plenary under the two-year Singapore Presidency of T Raja Kumar from 20-21 October 2022. (BR) | [Click for more info.](#)

**China 'thwarts' Indian move ahead of FATF moot**

**Economy | Positive**

China has once again thwarted an Indian move in the United Nations to malign Pakistan just days before an important meeting of the Financial Action Task Force (FATF). (Dawn) | [Click for more info.](#)

**\$1.5bn ADB loan for Pakistan to be finalised today**

**Economy | Positive**

The ADB's Board is scheduled to hold a meeting on Friday (today) in Manila for considering the approval of \$1.5 billion program loan for Pakistan. With the approval of this loan, it is expected that it will be disbursed next week, helping Islamabad to boost its dwindling foreign currency reserves. It is also expected that the Asian Infrastructure Investment Bank (AIIB) will also approve co-financing of \$500 million, so the total disbursement will touch \$2 billion within the ongoing month. (The News) | [Click for more info.](#)

**Pakistan's trade deficit in services improves by 26% YoY in 1QFY23**

**Economy | Positive**

Pakistan's trade deficit in services narrowed by 26.22% YoY to \$647 million in the first quarter of the fiscal year 2022-23, from a deficit of \$877mn recorded in the same period last fiscal year. (Mettis) | [Click for more info.](#)

**Pakistan forex reserves inch up to \$13.250 billion**

**Economy | Positive**

Pakistan's foreign exchange reserves slightly rose by \$4 million to \$13.250 billion during the week ended October 14, the central bank reported on Thursday. However, the foreign reserves held by the State Bank of Pakistan remained flat standing at \$7.597 billion. That compared with \$7.596 billion in the previous week. (The News) | [Click for more info.](#)

## Oil & Gas

**Govt drafts oil refining policy to seek \$15bn from China, Saudi Arabia**

**Refinery | Neutral**

**Refinery | Neutral**

Government has devised draft oil refining policy 2022 to attract up to \$15 billion in investment from Saudi Arabia and China for setting up a new refinery mainly. (The News) | [Click for more info.](#)

## Power

**1.88mn new electricity consumers added to CPPA, KE systems in FY22**

**KEL | Positive**

As many as 1.88 million new electricity consumers have been added to the Central Power Purchasing Agency (CPPA) and K-Electric Systems during the last fiscal year 2021-22. (Mettis) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,718.2	28,712.2	-5.9	0.0%
KSE100	42,226.1	42,137.0	-89.0	-0.2%
KSE30	15,541.4	15,511.9	-29.5	-0.2%
KMI30	70,928.0	70,839.1	-88.9	-0.1%

### Top Five Gainers

	Open	Close	Chg.	%
SIEM	749.6	805.8	56.2	7.5%
PAKT	818.3	874.1	55.8	6.8%
SFL	1,075.0	1,100.0	25.0	2.3%
KHTC	244.9	263.2	18.4	7.5%
AABS	302.0	313.9	11.9	3.9%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HASCOL	6.4	6.7	0.3	31.43
KEL	2.9	3.0	0.1	22.89
GTECH	10.1	10.0	-0.1	21.11
GGL	17.4	17.3	-0.1	16.05
WTL	1.6	1.6	0.0	14.54

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.15	-0.71	-0.56
O/S Pakistanies	1.81	-1.33	0.48
<b>Net</b>	<b>1.97</b>	<b>-2.04</b>	<b>-0.08</b>
LIPI			
Individuals	27.48	-25.86	1.62
Companies	1.06	-0.97	0.10
Comm. Banks	0.65	-2.64	-1.99
NBFC	0.01	-0.01	0.00
Mutual Funds	1.50	-1.67	-0.16
Other	0.01	-0.05	-0.04
Brokers Proprietary	6.18	-6.17	0.01
Insurance	0.88	-0.34	0.54
<b>Net</b>	<b>37.78</b>	<b>-37.71</b>	<b>0.08</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	84.61	0.1%
Brent oil	USD/bbl.	92.66	0.3%
Gold	USD/t oz.	1626.99	-0.1%
Silver	USD/t oz.	18.61	0.9%
Coal	USD/ton	244.00	0.8%
Steel Scrap (LME)	USD/ton	365.00	-0.1%
Steel Rebar (LME)	USD/ton	676.00	-0.2%
USD/PKR	Interbank	5.77	-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

October 21, 2022

MORNING BRIEFING

### Offshore firm buys indirect stake in K-Electric

**KEL | Positive**

In an opaquely worded notification issued on the Pakistan Stock Exchange, K-Electric Ltd said on Thursday "changes have been consummated" involving IGCF General Partner Ltd (IGCF GP), a fund manager, and the Infrastructure and Growth Capital Fund L.P. (Fund), which owns the fund's assets. (Dawn) | [Click for more info.](#)

### CPHGC seeks govt's help for cut in API 4 index

**Power | Neutral**

China Power Hub Generation Company (Pvt) Ltd (CPHGC) has sought government's help for reduction in API 4 index for imported coal price in international market and diversion from imported coal to local spot market coal. (BR) | [Click for more info.](#)

## Autos

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## Cement

### Bestway Cement lights up its kiln at Mianwali plant

**BWCL | Positive**

Bestway Cement Limited, Pakistan's 2nd largest cement manufacturer with an annual production capacity of 10.8 million tonnes, achieved another milestone. On Thursday, the company lit up its Kiln with 7,200 tonnes per day clinker capacity at its Greenfield Mianwali plant. (BR) | [Click for more info.](#)

## Miscellaneous

### Fixed power tariff for exporters notified

**Textile | Positive**

The government has notified an all-inclusive fixed and subsidised electricity rate of Rs19.99 per unit for five export sectors for nine months beginning Oct 1 to facilitate exporters to compete with regional peers. (Dawn) | [Click for more info.](#)

### Hum Network subsidiary to manage \$50m tech fund

**HUMNL | Positive**

Hum Network Ltd said on Thursday its wholly owned subsidiary, Hum Network FZ LLC, has entered into an agreement with GS Group Inc as general partners (GPs) to launch and manage a fund named Pakistan Katalytic Fund (PKF) with the expected fund size of close to \$50 million. (Dawn) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
KSA - Tadawul	11,963.7	168.58	1.43%
INDONESIA - IDX	6,980.7	120.23	1.75%
INDIA - SENSEX	59,202.9	95.71	0.16%
CHINA - Shanghai	3,040.8	5.75	0.19%
US - S&P 500	3,665.8	-29.38	-0.80%
Taiwan - TWII	12,946.1	-30.66	-0.24%
PAK (KSE-100)	42,137.0	-89.01	-0.21%
US - Dow 30	30,333.6	-90.22	-0.30%
PHILP - PSEi	6,056.0	-92.32	-1.50%
HK - Hang Seng	16,280.2	-231.06	-1.40%

### Board Meetings

Scrip	Day	Agenda	Time
PRL	Friday	1QA/c as at 30-Sep-22	9:30 AM
JSIL	Friday	3QA/c as at 30-Sep-22	10:00 AM
MARI	Friday	1QA/c as at 30-Sep-22	10:00 AM
BWHL	Friday	1QA/c as at 30-Sep-22	11:00 AM
DCR	Friday	1QA/c as at 30-Sep-22	11:00 AM
NICL	Friday	1QA/c as at 30-Sep-22	11:00 AM
NPL	Friday	1QA/c as at 30-Sep-22	11:00 AM
PIM	Friday	1QA/c as at 30-Sep-22	11:00 AM
GSKCH	Friday	3QA/c as at 30-Sep-22	12:30 PM
JDMT	Friday	1QA/c as at 30-Sep-22	12:30 PM
ALTN	Friday	1QA/c as at 30-Sep-22	2:30 PM
HMB	Friday	3QA/c as at 30-Sep-22	3:00 PM
MCBAH	Friday	1QA/c as at 30-Sep-22	3:00 PM
UVIC	Friday	1QA/c as at 30-Sep-22	3:15 PM
CSIL	Friday	3QA/c as at 30-Sep-22	4:00 PM
IBFL	Friday	1QA/c as at 30-Sep-22	4:00 PM
PIL	Friday	3QA/c as at 30-Sep-22	4:00 PM
SITC	Friday	1QA/c as at 30-Sep-22	4:00 PM
ESBL	Saturday	1QA/c as at 30-Sep-22	11:30 AM
MACTER	Saturday	1QA/c as at 30-Sep-22	11:30 AM
FEROZ	Saturday	1QA/c as at 30-Sep-22	11:45 AM
KCL	Saturday	Ann A/c as at 30-Sep-22	2:00 PM

Source: PSX

Research Team

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

 Aba Ali Habib Securities (Pvt) Limited  
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MORNING BRIEFING

**Fiscal year 2022-23: IT, ITeS export remittances****Technology | Negative**

The IT and IT-enabled Services (ITeS) export remittances comprising computer services and call centre services declined by 0.3 percent during the first quarter of current fiscal year 2022-23 and remained \$633 million compared to \$635 million during the same period of last fiscal year. (BR) | [Click for more info.](#)

**Globe Residency REIT (GRR)****AHL | Neutral**

Arif Habib Dolmen REIT Management Limited (AHDRML) has applied for listing to Pakistan Stock Exchange (PSX) to list Globe Residency REIT (GRR), which once approved would become Pakistan's first listed Developmental REIT. (BR) | [Click for more info.](#)

**PSMA seeks export of surplus sugar to make room for new stock****Sugar | Neutral**

Pakistan Sugar Mills Association (PSMA) has reiterated their claim that ample stocks of sugar is lying in their godowns and if the coming crushing season starts without the export of surplus stock then the mills will be unable to hold the new stock of sugar. (BR) | [Click for more info.](#)

**Private sector not to import wheat: Shehbaz****Food | Neutral**

Prime Minister Muhammad Shehbaz Sharif Thursday feared a reduction in wheat production in the coming season owing to the post-flood situation and rejected permission for import of any commodity by the private sector. (The News) | [Click for more info.](#)

**Political News****SC dismisses govt's request to stop Imran Khan's planned long march**

PTI leader has already warned he will not delay the party's long march towards Islamabad beyond October The Supreme Court (SC) rejected on Thursday the government's request to bar former prime minister and Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan from creating a perceived law and order situation through a planned long march, Aaj News reported. (BR) | [Click for more info.](#)

**Ready to hold talks with PTI in 'larger national interest': PM**

Prime Minister Shehbaz Sharif has said he is willing to hold talks with arch-rival Pakistan Tehreek-e-Insaf (PTI) in the "larger national interest", adding that the ruling PML-N and its coalitions partners have already sacrificed their political capital in an attempt to save the country from default. (ET) | [Click for more info.](#)

**International News****Asian Equities Retreat as Bond Yields Climb: Markets Wrap**

Stocks in Asia dropped following after another down day for US equities, with Treasury yields at the highest level since the global financial crisis. (Bloomberg) | [Click for more info.](#)

**Oil Set to Eke Out Second Weekly Loss as Slowdown Fears Linger**

Oil headed for a second weekly loss after a volatile period of trading as concerns over a global economic slowdown hang over the market. (Bloomberg) | [Click for more info.](#)

**Research Team**[research@abaalihabib.com](mailto:research@abaalihabib.com)Aba Ali Habib Securities (Pvt) Limited  
(021) 32429665, Ext. 106

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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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## 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  
[ayasha.abid@abaalihabib.com](mailto:ayasha.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)