

September 23, 2022

Morning Briefing

Economy

PSX earnings down 42pc
PSX | Negative

Net profit of Pakistan Stock Exchange Ltd for 2021-22 amounted to Rs398.7 million, down 42.7 per cent from the preceding year. A regulatory filing on Thursday showed the company's annual revenue decreased 0.7pc to Rs1.4 billion. It didn't declare any dividend. (Dawn) | [Click for more info.](#)

World Bank plans to provide flood related support of up to \$1.7b
Economy | Positive

World Bank's Regional Vice president for South Asia, Martin Raiser has said that the bank has a huge portfolio in Pakistan as the bank plans to provide flood related support of up to \$ 1.7 billion through existing and new projects. (Nation) | [Click for more info.](#)

Growth rate likely to go down to 2pc as flood damage, reconstruction efforts may cost \$30b
Economy | Negative

The GDP growth rate is likely to go down to 2 percent during the current fiscal year as the government assumes that the flood damage and reconstruction efforts may cost \$ 30 billion. According to preliminary estimate, the GDP growth rate may remain 2 percent during FY2022-23, Secretary Ministry for Planning said. (Nation) | [Click for more info.](#)

Jul-Aug FDI down 26pc YoY
Economy | Negative

The Foreign Direct Investment (FDI) in Pakistan fell by 26 percent in the first two months of this fiscal year due to uncertainty on economic and political fronts. The State Bank of Pakistan (SBP) Thursday reported that Pakistan fetched FDI amounting to \$ 170 million in July-Aug of FY23 compared to \$ 230 million in the same period of last fiscal year (FY22), depicting a decline of \$60 million. (BR) | [Click for more info.](#)

July LSMI output slumps 16.5pc MoM, 1.4pc YoY
Economy | Negative

The Large-Scale Manufacturing Industries (LSMI) output has declined by 16.5 percent on a month-on month (MoM) basis in July 2022 compared to June 2022 and by 1.4 percent on a year-on-year (YoY) basis when compared to July 2021, says the Pakistan Bureau of Statistics (PBS). (BR) | [Click for more info.](#)

Forex reserves fall by \$247m
Economy | Negative

The country's total liquid foreign exchange reserves declined by \$247 million during the last week. According to the State Bank of Pakistan (SBP) the total liquid foreign exchange reserves held by the country stood at \$14.07 billion as of September 16, 2022 compared to \$14.317 billion on September 9, 2022. (BR) | [Click for more info.](#)

Current account gap shrinks 42pc
Economy | Negative

The current account deficit decreased by \$512 million on a monthly basis to \$703m in August, which shows a decline of 42 per cent. However, the deficit declined by 19pc in July-August to \$1.9 billion from \$2.3bn in the same period of last year. According to the latest data issued by the State Bank of Pakistan (SBP), the deficit declined by 54pc on a year-on-year basis in August. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,990.3	27,966.5	-23.8	-0.1%
KSE100	40,965.6	40,928.0	-37.6	-0.1%
KSE30	15,336.8	15,355.5	18.8	0.1%
KMI30	67,011.8	66,904.0	-107.8	-0.2%

Top Five Gainers

	Open	Close	Chg.	%
SAPL	1,150.0	1,229.0	79.0	6.9%
SFL	1,156.6	1,228.5	71.9	6.2%
IBFL	200.0	211.0	11.0	5.5%
AABS	295.0	304.0	9.0	3.0%
KHTC	205.7	214.1	8.3	4.1%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.1	1.1	0.0	19.95
CNERGY	4.9	4.9	-0.1	18.60
TRG	114.1	119.7	5.7	17.57
KEL	2.9	3.0	0.1	12.53
SILK	1.1	1.1	0.0	11.21

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	0.21	-0.37	-0.17
O/S Pakistanies	1.47	-1.44	0.03
Net	1.68	-1.82	-0.14
LIPI			
Individuals	27.89	-27.47	0.43
Companies	0.81	-1.15	-0.34
Comm. Banks	1.67	-0.91	0.76
NBFC	0.01	-0.10	-0.09
Mutual Funds	1.34	-1.34	0.00
Other	0.20	-0.10	0.11
Brokers Proprietary	7.70	-7.46	0.24
Insurance	0.30	-1.26	-0.96
Net	39.91	-39.77	0.14

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	83.64	0.9%
Brent oil	USD/bbl.	90.31	0.3%
Gold	USD/t oz.	1672.80	0.3%
Silver	USD/t oz.	19.68	0.4%
Coal	USD/ton	286.25	-2.6%
Steel Scrap (LME)	USD/ton	360.50	0.1%
Steel Rebar (LME)	USD/ton	671.00	0.3%
USD/PKR	Interbank	6.43	1.0%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

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Oil & Gas

Cash-strapped PSO's receivables hit Rs583.2bn mark

PSO | Negative

Faced with serious financial constraints, Pakistan State Oil (PSO) has repeatedly approached the federal government for getting Rs583 billion receivables cleared against Sui Northern Gas Pipelines Limited (SNGPL), GENCOs and Pakistan International Airlines (PIA). The receivables of PSO stood at Rs583.2 billion as on September 21, 2022. (BR) | [Click for more info.](#)

Delay in exchange rate differential payments perils oil supply:

OCAC

OMCs | Negative

The government's foot-dragging on passing on the exchange rate differential to the oil industry is threatening the supply of petroleum products across the country. In order to maintain lower prices, Oil & Gas Regulatory Authority (OGRA) has staggered the recovery of exchange losses incurred by the industry during this period of high fluctuation in exchange rates. "This delay has added to the financial woes of the industry and is compromising the Industry's capacity to manage supplies across the country," the OCAC stated. (The News) | [Click for more info.](#)

Power

Energy conservation plan readied

Power | Neutral

The federal government has reportedly prepared an energy conservation plan including hybrid working model that includes four-day work from office and one-day work from home, well informed sources told. The government, sources said, has estimated saving \$ 1.5 billion per annum through implementation of immediate proposed measures and \$ 2.730 billion in medium term measures. (BR) | [Click for more info.](#)

Miscellaneous

Pak-Qatar to launch mutual funds

Capital Market | Positive

After receiving a licence to operate as an asset management company and investment adviser late last year, Pak-Qatar Asset Management Company Ltd announced on Thursday that it's going to launch Shariah-compliant mutual funds. The asset manager has obtained approval to launch three Shariah-compliant funds along with six investment plans catering to the needs of the masses, a press release said. (Dawn) | [Click for more info.](#)

Javedan Corp to list Globe Residency REIT

JVDC | Positive

Javedan Corporation Ltd plans to list the Globe Residency REIT, a wholly owned subsidiary, on the Pakistan Stock Exchange (PSX) within the "next eight to 10 weeks". Real estate investment trusts (REITs) are investment schemes that collect money from investors and deploy it in real estate projects. Javedan Corporation Director Muhammad Ejaz said 10 per cent shares in the REIT will be offered to the general public. Real estate consultants and the shareholders of Javedan Corporation will be offered 5pc and 85pc units, respectively, at the same price. (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDONESIA - IDX	7,218.9	30.60	0.43%
CHINA - Shanghai	3,108.9	-8.27	-0.27%
US - S&P 500	3,758.0	-31.94	-0.84%
PAK (KSE-100)	40,928.0	-37.63	-0.09%
PHILP - PSEi	6,301.7	-39.98	-0.63%
KSA - Tadawul	11,461.1	-42.51	-0.37%
US - Dow 30	30,076.7	-107.10	-0.35%
Taiwan - TWII	14,284.6	-139.89	-0.97%
HK - Hang Seng	18,148.0	-296.67	-1.61%
INDIA - SENSEX	59,119.7	-337.06	-0.57%

Board Meetings

Scrip	Day	Agenda	Time
ECOP	Friday	ANN A/c for 30Jun22	9:30 AM
ORM	Friday	ANN A/c for 30Jun22	10:00 AM
BIFO	Friday	ANN A/c for 30Jun22	10:30 AM
CASH	Friday	ANN A/c for 30Jun22	11:00 AM
PIM	Friday	ANN A/c for 30Jun22	11:00 AM
MTL	Friday	ANN A/c for 30Jun22	11:30 AM
CPHL	Friday	ANN A/c for 30Jun22	3:00 PM
HASCOL	Friday	1st A/c for 31Mar22	3:00 PM
HTL	Friday	ANN A/c for 30Jun22	4:00 PM
DWTM	Friday	ANN A/c for 30Jun22	4:30 PM
DMTM	Friday	ANN A/c for 30Jun22	5:30 PM
DKTM	Friday	ANN A/c for 30Jun22	6:30 PM
DFSM	Friday	ANN A/c for 30Jun22	7:30 PM
KOHC	Saturday	ANN A/c for 30Jun22	11:00 AM
BUXL	Saturday	ANN A/c for 30Jun22	11:30 AM

Source: PSX

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Govt to give subsidised seeds, fertilisers to flood-hit farmers**Fertilizer | Neutral**

The federal government will provide subsidised seeds and fertilisers to farmers in flood-affected areas during the upcoming Rabi sowing season, Minister for National Food Security and Research Tariq Bashir Cheema announced on Thursday. (Dawn) | [Click for more info.](#)

Estimated value of smuggled tyres has topped Rs300bn, says GTR**GTJR | Neutral**

The local tyre industry is going through a difficult time as the total estimated value of smuggled tyres soars to over Rs 300 billion, providing over Rs 50 billion financial shocks to the national exchequer. (BR) | [Click for more info.](#)

International News**Asian Stocks Fall as Yields Surge With Rate Hikes: Markets Wrap**

Asian stocks headed for a sixth weekly decline following another day of losses for US shares and surging Treasury yields that underscore expectations for tighter monetary policy and a slowing global economy. (Bloomberg) | [Click for more info.](#)

Oil prices rise as Iran deal stalls, Russian supply amid conflict

Oil prices rose in early Asian trade on Friday on the prospect that a stalled Iran nuclear agreement and Moscow's new mobilization campaign in its invasion of Ukraine would further restrict global supplies. (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.

Analyst Certification ^{AC}

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