

September 26, 2023

## Economy

**WB says envisaging \$2bn financing**
**Economy | Positive**

The World Bank is envisaging financing of about \$2 billion to prepare emergency operations to quickly start the reconstruction and rehabilitation to rebuild or repair infrastructure, housing and restore livelihoods, and to help strengthen Pakistan's resilience to climate-related risks. (BR) | [Click for more info.](#)

**\$10b debt rescheduling sought**
**Economy | Neutral**

Pakistan said on Friday that it was seeking the rescheduling of \$10 billion worth of debt owed to the Paris Club – a group of wealthy nations, in a move aimed at creating breathing space in the midst of efforts to rehabilitate more than 33 million people affected by devastating floods. (ET) | [Click for more info.](#)

**Pakistan secures \$439.3m in two months of FY23**
**Economy | Positive**

Pakistan's ability to secure loans and grants dropped significantly as Islamabad could fetch only \$439.3 million from international creditors in the first two months of the current fiscal against \$2.37 billion in the same period of the last financial year. (The News) | [Click for more info.](#)

**Dollar bond yields skyrocket after PM's debt relief appeal**
**Economy | Neutral**

The price of Pakistan's US dollar-denominated global bonds – Eurobond and Sukuk – slumped while their yields skyrocketed at world markets after Prime Minister Shehbaz Sharif appealed for debt relief from rich nations to cope with the flood-hit economy. The global bond investors interpreted the prime minister's appeal as an indicator that the country was going to default on foreign debt repayments. (ET) | [Click for more info.](#)

**Islamabad won't approach commercial banks for relief, says Miftah**
**Economy | Neutral**

Amid reports unprecedented flooding has hit Pakistan's already fledgling economy hard, Finance Minister Miftah Ismail on Friday said that Islamabad will not seek any relief from commercial banks or Eurobond creditors. (Dawn) | [Click for more info.](#)

**Investment in govt papers surges 30pc to Rs21tr**
**Economy | Neutral**

Banks and the corporate sector invested Rs4.877 trillion in government papers during the nine months through June, showing an increase of 30 per cent over the previous figure. The government has recently increased the treasury bill rates to 15.99pc for all tenors ranging from three to 12 months. Yields on Pakistan Investment Bonds (PIBs), as of Sept 14, were 13.92pc, 13.39pc and 12.95pc for three-, five- and 10-year papers. (Dawn) | [Click for more info.](#)

**\$2,000 and above; ECs must conduct sale transactions through banking channels: SBP**
**Economy | Neutral**

In order to further strengthen the regulatory regime for Exchange Companies and promote the banking channels, the State Bank of Pakistan (SBP) has restricted Exchange Companies for cash sale transactions of worth \$ 2000 and above. (BR) | [Click for more info.](#)

# Morning Briefing

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,966.5	27,831.2	-135.4	-0.5%
KSE100	40,928.0	40,620.2	-307.7	-0.8%
KSE30	15,355.5	15,212.9	-142.6	-0.9%
KMI30	66,904.0	66,324.3	-579.6	-0.9%

### Top Five Gainers

	Open	Close	Chg.	%
RMPL	9,055.0	9,734.0	679.0	7.5%
SFL	1,228.5	1,320.0	91.5	7.4%
SAPT	1,100.0	1,174.0	74.0	6.7%
NESTLE	5,650.0	5,705.0	55.0	1.0%
FZCM	212.0	227.9	15.9	7.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HASCOL	6.8	6.5	-0.3	29.83
TRG	119.7	118.1	-1.7	23.90
KEL	3.0	2.9	-0.1	11.86
CNERGY	4.9	4.8	-0.1	9.50
WTL	1.1	1.1	0.0	6.44

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.34	0.00	0.33
F-Corporates	0.31	-1.33	-1.03
O/S Pakistanians	1.83	-1.39	0.44
<b>Net</b>	<b>2.47</b>	<b>-2.73</b>	<b>-0.25</b>
LIPI			
Individuals	33.38	-31.60	1.77
Companies	2.30	-0.91	1.39
Comm. Banks	0.90	-0.91	-0.01
NBFC	0.01	-0.01	0.00
Mutual Funds	1.14	-2.59	-1.45
Other	0.09	-0.11	-0.02
Brokers Proprietary	7.67	-7.61	0.06
Insurance	0.06	-1.55	-1.49
<b>Net</b>	<b>45.54</b>	<b>-45.28</b>	<b>0.25</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	78.74	-5.9%
Brent oil	USD/bbl.	86.15	-4.6%
Gold	USD/t oz.	1643.94	-1.7%
Silver	USD/t oz.	18.87	-4.1%
Coal	USD/ton	293.00	2.4%
Steel Scrap (LME)	USD/ton	363.50	0.8%
Steel Rebar (LME)	USD/ton	672.00	0.1%
USD/PKR	Interbank	6.41	0.0%

News Source: Local / Int'l Newspapers and websites

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## Oil & Gas

**Petroleum levy to be jacked up to Rs 50: Ogra**

**Oil | Neutral**

Oil and Gas Regulatory Authority (Ogra) Chairman Masroor Khan on Friday said that the levy on petrol will have to be jacked up to Rs50. (Nation) | [Click for more info.](#)

**Oil consumption up 13 percent to 19.92 million tonnes in FY21**

**Oil | Neutral**

The consumption of petroleum products (for energy and non-energy needs) in FY2021 surged 12.95 percent to 19.92 million tonnes over FY2020's 17.63 million tonnes, led by power generation and followed by transportation, agriculture, and industry, a report said. (The News) | [Click for more info.](#)

**There's no plan to raise GST on POL products: official**

**Oil | Neutral**

The government has no plan to increase the general sales tax (GST) on petroleum products, however petroleum levy (PL) would be gradually increased from the present Rs37.42 per litre to Rs50 till April 2023. The committee also discussed 360 mmcfd gas shortfall in the Sui Southern Gas Company (SSGC) and gas load-shedding in the coming winter. (BR) | [Click for more info.](#)

**Ogra report; SNGPL, SSGC give connections to 467,054 new consumers in FY21**

**SSGC, SNGP | Neutral**

State-owned gas companies – Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Company (SSGC) have provided connections to 467,054 new consumers during the financial year 2020-21. (BR) | [Click for more info.](#)

**Centre may revise royalty of oil, gas deposits of Balochistan govt**

**SSGC | Neutral**

The federal government is considering to revise the royalty of oil and gas deposits of Balochistan government, which is badly hit by the recent monsoon flooding, sources said. (BR) | [Click for more info.](#)

**Gas pipeline blown up near Dera Bugti**

**Gas | Neutral**

The main pipeline supplying gas to many areas of Balochistan was blown up by unidentified attackers near Dera Bugti on Saturday, officials said. (Dawn) | [Click for more info.](#)

**Gas leakage; MPCL threatens to suspend supply to TPS Guddu**

**Gas | Neutral**

Mari Petroleum Company Limited (MPCL) has threatened to suspend gas supply to Thermal Power Station (TPS) Guddu (G-20), Genco-II if proper measures are not taken to stop gas leakage from pipeline, which is a threat both to the local population and company's assets. (BR) | [Click for more info.](#)

## Power

**T5HP: WB agrees to amend IBRD, AIIB loan agreements**

**Power | Positive**

The World Bank (WB) has agreed to amend both IBRD and AIIB loan agreements to facilitate payment of all expenditures incurred under Tarbela Fifth Hydropower Extension Project (T5HP) considering Pakistan is facing financial constraints especially in foreign currency payments. (BR) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
CHINA - Shanghai	3,088.4	-20.54	-0.66%
INDONESIA - IDX	7,178.6	-40.33	-0.56%
PHILP - PSEi	6,259.5	-42.17	-0.67%
US - S&P 500	3,693.2	-64.76	-1.72%
Taiwan - TWII	14,118.4	-166.25	-1.16%
HK - Hang Seng	17,933.3	-214.68	-1.18%
PAK (KSE-100)	40,620.2	-307.74	-0.75%
KSA - Tadawul	11,127.4	-333.66	-2.91%
US - Dow 30	29,590.4	-486.27	-1.62%
INDIA - SENSEX	58,098.9	-1020.80	-1.73%

### Board Meetings

Scrip	Day	Agenda	Time
ITTEFAQ	Monday	ANN A/c for 30Jun22	10:00 AM
BPL	Monday	ANN A/c for 30Jun22	11:00 AM
FUDLM	Monday	ANN A/c for 30Jun22	11:00 AM
PREMA	Monday	ANN A/c for 30Jun22	11:15 AM
ARCTM	Monday	ANN A/c for 30Jun22	11:30 AM
SHEZ	Monday	ANN A/c for 30Jun22	11:30 AM
NRSL	Monday	ANN A/c for 30Jun22	11:45 AM
TPLT	Monday	ANN A/c for 30Jun22	12:00 PM
SAPT	Monday	ANN A/c for 30Jun22	12:30 PM
NETSOL	Monday	ANN A/c for 30Jun22	3:00 PM
SFL	Monday	ANN A/c for 30Jun22	3:00 PM
SURC	Monday	ANN A/c for 30Jun22	3:00 PM
ASHT	Tuesday	ANN A/c for 30Jun22	9:00 AM
SCL	Tuesday	ANN A/c for 30Jun22	11:00 AM
HATM	Tuesday	ANN A/c for 30Jun22	11:30 AM
SHDT	Tuesday	ANN A/c for 30Jun22	11:30 AM
REWM	Tuesday	ANN A/c for 30Jun22	12:30 PM
FTMM	Tuesday	ANN A/c for 30Jun22	1:00 PM
NICL	Tuesday	ANN A/c for 30Jun22	2:30 PM
FCIBL	Tuesday	ANN A/c for 30Jun22	3:00 PM
ASL	Tuesday	ANN A/c for 30Jun22	3:30 PM
DFML	Tuesday	ANN A/c for 30Jun22	3:30 PM
FNEL	Tuesday	ANN A/c for 30Jun22	4:00 PM
DSFL	Tuesday	ANN A/c for 30Jun22	5:30 PM
DCL	Tuesday	ANN A/c for 30Jun22	6:30 PM

Source: PSX

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MORNING BRIEFING

## Fertilizer

**Govt moves courts to recover GIDC****Fertilizer | Neutral**

The federal government has decided to expedite court proceedings to recover Rs453 billion on account of Gas Infrastructure Development Cess (GIDC) from defaulters, mainly from the fertilizer sector. The granting of stay orders by the lower courts – against the decisions of the Supreme Court – has enabled business tycoons, mainly from the fertilizer industry, to stop GIDC payments worth Rs453 billion to the federal government. (ET) | [Click for more info.](#)

## Transportation

**PIA inducts another A320 to its fleet****PIAA | Neutral**

As part of its drive to add more aircraft to its fleet, Pakistan International Airlines (PIA) has acquired a narrow-body Airbus A320 and it has arrived in Islamabad, a spokesperson for the national carrier said on Saturday. With this addition, the PIA now has 32 aircraft in its fleet, including 13 Airbus planes. (Dawn) | [Click for more info.](#)

## Miscellaneous

**Rs21b broadband, optic fibre projects approved****Technology | Neutral**

The Universal Service Fund (USF) board has approved the award of 10 contracts worth Rs21 billion for the provision of information technology and mobile broadband services to the un-served and underserved communities in all provinces of the country. (ET) | [Click for more info.](#)

**GCIL gets approval for setting up of Pakistan's largest Air Separation Unit plant****GCIL | Positive**

Ghani Chemical Industries Limited (GCIL), one of the subsidiary Companies and the largest manufacturer of medical and industrial gases in Pakistan) has received the approval from both the Environment Department, and the Hattar Special Economic Zone of KPK, for the setting up of Pakistan's largest Air Separation Unit (Oxygen manufacturing) plant. (Mettis) | [Click for more info.](#)

**Corporate profits rise 22pc to Rs1tr in 2021-22****PSX | Positive**

One-third of Pakistan may be underwater, but the blue-chip companies continue to make hay while the sun shines as brightly as ever on the country's corporate sector. Net profits of the top listed companies went up 22 per cent for 2021-22 to over Rs1 trillion on an annual basis. (Dawn) | [Click for more info.](#)

**NOC from existing credit rating agency made mandatory****PSX | Neutral**

The Securities and Exchange Commission of Pakistan (SECP) has made it mandatory for companies to obtain the No-Objection Certificate (NOC) from the existing credit rating agency (CRA) before hiring another credit rating agency. (BR) | [Click for more info.](#)

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MORNING BRIEFING

## Political News

### Dar set to be finance minister as Miftah bows out

Miftah Ismail Sunday resigned as the finance minister in line with the party's decision, while Ishaq Dar is set to step into his shoes. (The News) | [Click for more info.](#)

### 'Audiotapes' leave PDM govt twisting in the wind

In what is being dubbed as a potentially problematic scenario for the federal government, several audiotapes allegedly featuring members of the ruling coalition - Sharif family and other Pakistan Muslim League Nawaz (PML-N) leaders in particular - have surfaced that have drawn the attention of public and political circles for all the wrong reasons. (BR) | [Click for more info.](#)

### Maryam Nawaz advises PM Shehbaz to jack up fuel prices in alleged leaked audio

Pakistan Muslim League-Nawaz (PML-N) vice president Maryam Nawaz's another alleged audio conversation has leaked in which she can be heard advising PM Shehbaz to jack up fuel prices. (Nation) | [Click for more info.](#)

## International News

### Dollar Rallies, Stocks Drop in Rocky Start to Week: Markets Wrap

The dollar rallied, bond yields climbed and Asian shares slid amid unrelenting pressure on risk-sensitive assets as fears of faster inflation and global recession continued to rise. (Bloomberg) | [Click for more info.](#)

### Oil claws back some losses but strong dollar caps gains

Oil prices rose modestly in early trade on Monday after sliding to eight-month lows last week weighed down by a surging U.S. dollar and fears sharp interest rate hikes globally would spark a recession and hit fuel demand. (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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