

September 27, 2023

Morning Briefing

Economy

Rupee makes sharp gain against dollar

Economy | Positive

After six weeks the rupee appreciated significantly against the US dollar as it gained Rs2.63, or 1.1 per cent, in the interbank market on Monday. The State Bank of Pakistan (SBP) reported the closing price at Rs237.02 in the interbank while the currency dealers said the price for Tuesday (tomorrow) was set at Rs236. (Dawn) | [Click for more info.](#)

US to give \$10m for food security assistance, says Blinken

Economy | Neutral

US Secretary of State Antony Blinken said on Monday he was pleased to announce another \$10 million for food security assistance, adding he was sending a simple message that "we are here for Pakistan just like we have been in the past". (Dawn) | [Click for more info.](#)

Fresh estimates put flood losses at \$28bn and counting

Economy | Neutral

Pakistan has firmed up Post Disaster Needs Assessment (PDNA) in the wake of severe floods and estimated damage to the extent of \$28 billion and an upsurge in poverty by 5 percent, indicating that nine to 12 million people might fall below the poverty line. (The News) | [Click for more info.](#)

Oil & Gas

Hascol board approves restructuring, settlement arrangement scheme

HASCOL | Neutral

Hascol Petroleum board members on Monday approved the draft scheme of arrangement between the company, secured creditors and members for restructuring and settlement of its existing liabilities towards its creditors, a company filing on the PSX showed. The company has been in financial trouble since 2018 as its revenues have plummeted, losses rose and loans skyrocketed, sending its share price down from over Rs300 four years ago to less than Rs6.63 (as of September 23). (Metitis) | [Click for more info.](#)

Power

KE in talks with PLL about supply of gas: CEO

KEL | Neutral

K-Electric (KE) CEO Moonis Alvi said SSGC has not been supplying the required gas to its generation plants and K-Electric is also in negotiations with PLL for enhanced and affordable supply of gas so that the utility can ensure cost-competitive sources of power generation. (BR) | [Click for more info.](#)

\$55bn required to expand power generation capacity to 65,000MW by 2031

Power | Neutral

The government has estimated an addition of 32,000 to 36,000 megawatts to power generation capacity by 2031, which will require an investment of about \$55 billion to meet the country's electricity needs in the national grid including Karachi. As such, the total installed capacity will increase from the existing 41,000MW to above 65,000MW. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,831.2	28,129.4	298.3	1.1%
KSE100	40,620.2	41,151.5	531.3	1.3%
KSE30	15,212.9	15,419.9	206.9	1.4%
KMI30	66,324.3	67,329.3	1005.0	1.5%

Top Five Gainers

	Open	Close	Chg.	%
PRET	799.0	854.9	55.9	7.0%
PAKT	790.0	845.0	55.0	7.0%
COLG	2,122.0	2,135.0	13.0	0.6%
BHAT	1,112.3	1,125.0	12.7	1.1%
AABS	304.0	315.9	11.9	3.9%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	118.1	126.7	8.6	27.47
CNERGY	4.8	4.9	0.1	17.37
UNITY	21.8	23.1	1.3	15.40
KEL	2.9	3.0	0.1	15.21
WTL	1.1	1.2	0.0	11.37

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	0.00	0.00
F-Corporates	2.83	-1.12	1.72
O/S Pakistanies	3.72	-3.19	0.53
Net	6.56	-4.30	2.25
LIPI			
Individuals	47.42	-47.15	0.27
Companies	2.96	-2.76	0.20
Comm. Banks	0.92	-1.42	-0.50
NBFC	0.02	-0.04	-0.01
Mutual Funds	1.96	-4.11	-2.15
Other	0.60	-0.65	-0.05
Brokers Proprietary	14.05	-13.58	0.47
Insurance	0.52	-1.00	-0.48
Net	68.44	-70.69	-2.25

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	76.70	-2.6%
Brent oil	USD/bbl.	82.75	-3.9%
Gold	USD/t oz.	1627.73	-1.0%
Silver	USD/t oz.	18.43	-2.3%
Coal	USD/ton	294.50	0.5%
Steel Scrap (LME)	USD/ton	363.00	-0.1%
Steel Rebar (LME)	USD/ton	670.50	-0.2%
USD/PKR	Interbank	6.28	-2.1%

News Source: Local / Int'l Newspapers and websites

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Morning Briefing

MORNING BRIEFING

NOCs to CPPs selling power to national grid to be evoked

IPPs | Negative

The government is all set to revoke No Objection Certificates (NOCs) issued to Captive Power Plants (CPPs) selling electricity to national grid, besides rationalizing tariff of CPPs to encourage them to switchover to power grid, well informed sources told. This decision was conveyed to both SSGCL and SNGPL for implementation. (BR) | [Click for more info.](#)

Fertilizer

110 mmcf/d gas may be diverted from GTPS to fertilizer plants

FATIMA, AGL | Negative

The government is likely to de-allocate 110 MMCFD indigenous gas of Guddu Thermal Power Station (GTPS) Genco-II to supply it to two fertilizer plants, i.e., M/s Fatimafert Limited and Agritech, well informed sources told. (BR) | [Click for more info.](#)

Cement

KOHC to invest Rs600mn in UKPL

KOHC | Positive

Kohat Cement (KOHC) will invest Rs600million in Ultra Kraft Private Ltd (UKPL) to meet its working capital requirements, the company's stock filings on the stock exchange showed. (Mettis) | [Click for more info.](#)

Miscellaneous

Trading in BAHF bond begins from tomorrow

BAHL | Neutral

Trading in the privately placed Rs7 billion bond of Bank AL Habib Ltd will commence on the Pakistan Stock Exchange (PSX) on Wednesday. (Dawn) | [Click for more info.](#)

Textile council urges govt to import Indian cotton

Textile | Neutral

Pakistan should import cotton from neighbouring India to avoid another balance of payment crisis, said Pakistan Textile Council (PTC) on Monday. (Th News) | [Click for more info.](#)

New goods clearance rules

Economy | Neutral

The customs department has proposed new rules for the self-clearance of goods at ports without using customs agents. A customs notification SRO1764 was released on Monday to get feedback from all stakeholders. The notification seeks feedback within 15 days of the publication of the draft amendments. (Dawn) | [Click for more info.](#)

International News

Dollar Rally Pauses, Stocks Mixed in Relative Calm: Markets Wrap

Asian markets traded on a cautious note Tuesday following another selloff in US stocks, soaring bond yields and volatile currency markets as investors brace for a heightened risk of global recession. (Bloomberg) | [Click for more info.](#)

Oil prices slide \$2/bbl; settle at 9-month lows on dollar strength

Oil prices fell \$2 a barrel on Monday, settling at nine-month lows in choppy trade, pressured by a strengthening dollar as market participants awaited details on new sanctions on Russia. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	41,151.5	531.33	1.31%
CHINA - Shanghai	3,051.2	-37.14	-1.20%
US - S&P 500	3,655.0	-38.19	-1.03%
PHILIP - PSEi	6,259.5	-42.17	-0.67%
INDONESIA - IDX	7,127.5	-51.08	-0.71%
HK - Hang Seng	17,855.1	-78.13	-0.44%
KSA - Tadawul	10,909.2	-218.25	-1.96%
US - Dow 30	29,260.8	-329.60	-1.11%
Taiwan - TWII	13,778.2	-340.19	-2.41%
INDIA - SENSEX	57,145.2	-953.70	-1.64%

Board Meetings

Scrip	Day	Agenda	Time
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
DWAE	Tuesday	ANN A/c for 30Jun22	4:30 PM
DSFL	Tuesday	ANN A/c for 30Jun22	5:30 PM
DCL	Tuesday	ANN A/c for 30Jun22	6:30 PM
BHAT	Wednesday	ANN A/c for 30Jun22	10:00 AM
CRTM	Wednesday	ANN A/c for 30Jun22	10:30 AM
ANTM	Wednesday	ANN A/c for 30Jun22	11:00 AM
BERG	Wednesday	ANN A/c for 30Jun22	11:00 AM
BTL	Wednesday	ANN A/c for 30Jun22	11:00 AM
DCR	Wednesday	ANN A/c for 30Jun22	11:00 AM
IMAGE	Wednesday	ANN A/c for 30Jun22	11:30 AM
TRSM	Wednesday	ANN A/c for 30Jun22	11:30 AM
ELSM	Wednesday	ANN A/c for 30Jun22	12:00 PM
FASM	Wednesday	ANN A/c for 30Jun22	12:00 PM
SPLC	Wednesday	ANN A/c for 30Jun22	12:00 PM

Source: PSX

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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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