

October 4, 2022

Morning Briefing

Economy

Policy commitments made by govt to continue to apply: IMF

Economy | Neutral

The resident representative of the International Monetary Fund (IMF) said on Monday that policy commitments made by Pakistani authorities to resume the support programme continue to apply. (BR) | [Click for more info.](#)

UK investors withdraw \$31m from T-bills

Economy | Negative

The UK investors withdrew their biggest investment of about \$31 million in treasury bills as foreign inflows stood at just \$3.3m during the first quarter of the current fiscal year. The latest data of the State Bank of Pakistan (SBP) revealed that the foreign investors during July-September FY23 did not take any interest in the domestic bonds despite very high returns of up to 16 per cent. (Dawn) | [Click for more info.](#)

MoF seeks implementation status of EFF commitments

Economy | Neutral

Ministry of Finance (MoF) has sought update from all the Ministries on the status of the communicated structural benchmarks, other actions, quantitative performance criteria and indicative targets under IMF's Extended Fund Facility (EFF) for Pakistan by October 4, 2022 (today), official sources told. (BR) | [Click for more info.](#)

I know how to deal with IMF, Dar tells Miftah

Economy | Neutral

Finance Minister Ishaq Dar on Monday said that he knew how to deal with the International Monetary Fund (IMF) and no one had to worry about anything regarding it any more. "I have to handle the IMF matters, so from now on, neither Miftah nor anybody else has to worry about anything," he said during an interview with journalist Hamid Mir aired on Geo News. Dar also said that the "actual value of the Pakistani rupee is less than 200 against the dollar" and vowed to bring it down. (Dawn) | [Click for more info.](#)

PKR jumps by Rs1.16 in interbank

Economy | Positive

The Pakistani rupee continued its upward momentum on Monday, rising by Rs1.16 against the dollar in the interbank market. The PKR closed at Rs227.29 per dollar, an appreciation of 0.51 per cent from Friday's close of Rs228.45, according to the State Bank of Pakistan. (Dawn) | [Click for more info.](#)

Oil & Gas

Low consumption of MS, HSD; Jul-Aug PDL collection shortfall stands at Rs93bn

Oil | Negative

The shortfall in collection of petroleum levy against the budgeted target was Rs93 billion in July and August 2022 – with actual collection in July amounting to Rs 15 billion and in August Rs 17 billion against the target of Rs 62.5 billion every month. Motor Spirit and High-Speed Diesel., the sale of these two petroleum products was less in the first two months of the ongoing fiscal year because of steep increase in their prices. Sale of petrol for the first two months of the current fiscal year declined by 20 percent and HSD by 47 percent. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,225.5	28,202.3	-23.2	-0.1%
KSE100	41,128.7	41,211.7	83.0	0.2%
KSE30	15,336.9	15,410.0	73.1	0.5%
KMI30	67,463.1	67,956.0	492.9	0.7%

Top Five Gainers

	Open	Close	Chg.	%
SFL	1,149.0	1,233.0	84.0	7.3%
SAPT	1,100.0	1,149.0	49.0	4.5%
PRET	764.8	800.0	35.2	4.6%
RCML	345.0	370.4	25.4	7.4%
GATI	331.1	354.5	23.4	7.1%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HUBC	69.9	75.2	5.2	30.84
TRG	128.9	129.6	0.7	15.99
HBL	69.7	68.2	-1.5	13.17
UNITY	22.6	23.5	0.9	12.36
HASCOL	6.3	6.4	0.1	9.04

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	1.27	-0.54	0.74
F-Corporates	0.08	-0.52	-0.43
O/S Pakistanians	2.48	-2.09	0.39
Net	3.84	-3.14	0.70
LIPI			
Individuals	40.02	-36.71	3.31
Companies	1.93	-2.21	-0.29
Comm. Banks	0.96	-2.22	-1.26
NBFC	0.03	-0.08	-0.05
Mutual Funds	3.86	-2.98	0.88
Other	0.22	-1.11	-0.89
Brokers Proprietary	8.93	-8.12	0.81
Insurance	0.29	-3.50	-3.21
Net	56.25	-56.94	-0.70

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	83.38	4.9%
Brent oil	USD/bbl.	88.66	0.8%
Gold	USD/t oz.	1701.15	2.4%
Silver	USD/t oz.	20.78	9.2%
Coal	USD/ton	306.00	0.0%
Steel Scrap (LME)	USD/ton	364.50	0.1%
Steel Rebar (LME)	USD/ton	690.00	2.6%
USD/PKR	Interbank	5.97	-0.9%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited
 (021) 32429665, Ext. 106

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MORNING BRIEFING

LNG tenders fail to fetch bidders

Gas | Negative

Pakistan's Liquefied Natural Gas (LNG) shortages appear prolonging for years as it failed to attract any bidder for a long-term contract because of tight international market conditions. (Dawn) | [Click for more info.](#)

Power

A revolving account for Chinese IPPs on the cards
Power | Neutral

The government has reportedly decided to re-submit a summary to the ECC for opening of revolving account for the Chinese IPPs, well informed sources told. The stock of Chinese IPPs' receivables is over Rs 300 billion but neither the government is paying them nor opening revolving account in violation of its previous commitments. (BR) | [Click for more info.](#)

Autos

Honda Atlas Cars announces week-long plant shutdown
HCAR | Negative

Honda Atlas Cars (Pakistan) Limited, the assembler of Honda automobiles in the country, on Monday announced the shutdown of its plant from October 04 to October 11, 2022. (BR) | [Click for more info.](#)

Cement

FLYNG Cement to install 21MW captive power plant
FLYING | Positive

Flying Cement Company Limited (FLYNG) plans to install a 21MW captive power plant and to further enhance the capacity of Line-2, the company's filings on the Pakistan Stock Exchange (PSX) showed on Monday. (Mettis) | [Click for more info.](#)

Fertilizer

Import of urea; TCP exempted from PPRA rules
Fertilizer | Neutral

Public Procurement Regulatory Authority (PPRA) has exempted import of 0.3 million metric tons of urea from relevant PPRA Rules, besides recommending the Federal Government to allow Trading Corporation of Pakistan (TCP) to negotiate/ match prices of bidders with the most advantageous price offer in case the required quantity cannot be managed by the most advantageous bidder. (BR) | [Click for more info.](#)

Miscellaneous

Govt asked to keep major share in PRCL
PAKRI | Neutral

The board of Privatisation Commission at its meeting on Monday unanimously endorsed that the federal government must keep its majority in the Pak Reinsurance Company (PRCL), and decided to place the proposal to the next meeting of the Cabinet Committee on Privatisation (CCoP). (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	29,490.9	765.38	2.66%
KSA - Tadawul	11,608.0	120.00	1.04%
US - S&P 500	3,678.4	92.81	2.59%
PAK (KSE-100)	41,211.7	83.03	0.20%
PHILP - PSEi	5,783.2	42.08	0.73%
CHINA - Shanghai	3,024.4	-16.82	-0.55%
INDONESIA - IDX	7,009.7	-31.08	-0.44%
Taiwan - TWII	13,300.5	-124.10	-0.92%
HK - Hang Seng	17,079.5	-143.32	-0.83%
INDIA - SENSEX	56,788.8	-638.11	-1.11%

Board Meetings

Scrip	Day	Agenda	Time
GHNI	Tuesday	ANN A/c for 30Jun22	10:00 AM
ARPAK	Tuesday	ANN A/c for 30Jun22	11:00 AM
CJPL	Tuesday	ANN A/c for 30Jun22	11:00 AM
GHGL	Tuesday	ANN A/c for 30Jun22	11:00 AM
IML	Tuesday	ANN A/c for 30Jun22	11:00 AM
MSCL	Tuesday	ANN A/c for 30Jun22	11:00 AM
MODAM	Tuesday	ANN A/c for 30Jun22	11:00 AM
OML	Tuesday	ANN A/c for 30Jun22	11:00 AM
PRET	Tuesday	ANN A/c for 30Jun22	11:00 AM
REDCO	Tuesday	ANN A/c for 30Jun22	11:00 AM
SSOM	Tuesday	ANN A/c for 30Jun22	11:00 AM
ZAHID	Tuesday	ANN A/c for 30Jun22	11:00 AM
AWTX	Tuesday	ANN A/c for 30Jun22	11:30 AM
GTECH	Tuesday	ANN A/c for 30Jun22	11:30 AM
GHNL	Tuesday	ANN A/c for 30Jun22	11:30 AM
AIRLINK	Tuesday	ANN A/c for 30Jun22	12:00 PM
AKDHL	Tuesday	ANN A/c for 30Jun22	12:00 PM
GVGL	Tuesday	ANN A/c for 30Jun22	12:00 PM
JUBS	Tuesday	ANN A/c for 30Jun22	12:00 PM
SLYT	Tuesday	ANN A/c for 30Jun22	12:30 PM
SUTM	Tuesday	ANN A/c for 30Jun22	12:30 PM
WAHN	Tuesday	ANN A/c for 30Jun22	1:30 PM
GGL	Tuesday	ANN A/c for 30Jun22	2:00 PM
TSBL	Tuesday	ANN A/c for 30Jun22	2:15 PM
FTSM	Tuesday	ANN A/c for 30Jun22	2:30 PM
LMSM	Tuesday	ANN A/c for 30Jun22	3:00 PM
MQTM	Tuesday	ANN A/c for 30Jun22	3:30 PM
ICIBL	Wednesday	ANN A/c for 30Jun22	10:30 AM
ZHCM	Wednesday	ANN A/c for 30Jun22	10:30 AM
DSML	Wednesday	ANN A/c for 30Jun22	11:00 AM

Source: PSX

Research Team
research@abaalihabib.com

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MORNING BRIEFING

Overall banking assets; Market share of IBI assets surges to 19.5pc
MEBL | Positive

Assets of Islamic Banking Industry (IBI) witnessed an all-time high quarterly increase of Rs 836 billion during the quarter April to June, 2022. With current increase, market share of IBI assets in overall banking assets surged to 19.5 percent by end-June 2022. (BR) | [Click for more info.](#)

Steel makers seek emergency rate cut from SBP**Steel | Neutral**

Pakistan Association of Large Steel Producers (PALSP) on Monday urged the State Bank of Pakistan (SBP) for an emergency rate cut as the industry was on the brink of survival due to havoc wreaked on the economy by the devastating floods. (The News) | [Click for more info.](#)

Five zero-rated sectors' concessional tariff issue to be resolved soon: MoC**Textile | Neutral**

Ministry of Commerce (MoC) said on Monday that the issue of electricity supply to five zero rated sectors at Cents 9/kWh will be resolved within a couple of days as some "pockets" for funds have been identified to the Finance Ministry. (BR) | [Click for more info.](#)

Cotton arrivals drop by 26%**Textile | Negative**

The cotton arrivals in the country dropped by 26% to 2.93 million bales by October 1, 2022, the data released by Pakistan Central Cotton Committee (PCCC) showed on Monday. According to the PCCC, around 45% of sown cotton was destroyed by heavy monsoons and floods. (Mettis) | [Click for more info.](#)

International News

Asian Stocks Gain After US Rallies, Yields Slide: Markets Wrap

Asian stocks gained on Tuesday following a rally in US shares and a surge in Treasuries as weak manufacturing data tamped down fears of more aggressive Federal Reserve rate hikes. (Bloomberg) | [Click for more info.](#)

Oil Forges Higher as Traders Expect OPEC+ to Deliver Supply Cut

Oil pushed higher after posting the biggest one-day gain since May as the market looked to OPEC+ to deliver a substantial cut in supply. (Bloomberg) | [Click for more info.](#)

Research Team

research@abaalihabib.comAba 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
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Muhammad Ali - Research Analyst
Muhammadali@abaalihabib.com

Kainat Rohra- Research Analyst
Kainatrohra@abaalihabib.com

Ayesha Abid – Research Analyst
ayasha.abid@abaalihabib.com

SALES TEAM

Zaheer Ahmed - Head of Equity Sales & Business Dev.
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Mr. Salman Naqvi - Head of Retail Sales
(021) 32431925

Fahed Fazal- Manager Equity Sales
Fahedfazal@abaalihabib.com
(021) 32431925

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Shoaib- Equity Trader
shoibqadri@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Karachi Office

Suite# 505, 5th Floor, Business Plaza,
Mumtaz Hussan Road, Off I.I. Chundrigar
Road, Karachi
Contact: 021-32429664-7
Cell: [+92 3312766771](tel:+923312766771)