

October 6, 2022

Morning Briefing

Economy

ADB promises \$2.5bn for flood relief operations

Economy | Positive

The Asian Development Bank (ADB) on Wednesday promised \$2.5 billion to Pakistan to help support flood relief activities. The “ADB will provide flood relief support to Pakistan to the tune of \$2.3bn to \$2.5bn including \$1.5bn for the BRACE (Building Resilience with Active Countercyclical Expenditure) programme which will be placed before the ADB Board for approval during this month,” the Ministry of Finance quoted the Manila-based lending agency’s country director Mr Yong Ye. (Dawn) | [Click for more info.](#)

Rupee settles under 224 as appreciation run continues

Economy | Positive

As per the State Bank of Pakistan (SBP), the rupee closed at 223.94 after appreciating Rs1.7 or 0.76%. In the last nine trading sessions, the rupee has cumulatively appreciated Rs15.76 or 7.04%. In the open market, the PKR gained 1.50 rupees for both buying and selling against USD, closing at 225 and 227, respectively. (BR) | [Click for more info.](#)

T-Bill Auction Yields drop from record high as Finance Minister indicate lower interest rates

Economy | Neutral

On October 05, 2022, SBP raised PKR 877 billion through the auction of market treasury bills. The government received total bids worth PKR 2,013 billion and the highest bids of PKR 1,230 billion for 3 Month T-bills followed by PKR 542 billion for 12 Months and PKR 240 billion for 6 Months. (Augaf) | [Click for more info.](#)

Pakistan central bank to complete probe soon into alleged FX manipulation by banks

Economy | Neutral

Pakistan’s central bank will soon complete an investigation into alleged manipulation by commercial banks of foreign exchange operations in the country, an official said on Wednesday. “The investigations are being carried out by the regulator and results might come soon,” the chief spokesperson for the State Bank of Pakistan (SBP), Abid Qamar, told. The rupee is currently at around 223.94 to the U.S. dollar, down around 20% in 2022. It had lost 27% at one stage, hitting a low of 220 on Aug. 31. (Reuters) | [Click for more info.](#)

Oil & Gas

MPCL successfully drills ‘first-ever’ horizontal well in Daharki

MPCL | Positive

Mari Petroleum Company Limited (MPCL) has successfully drilled and tested its first-ever horizontal development well Mari 122-H in HRL Reservoir of Mari Gas Field in Daharki, Sindh Province. The well was drilled to a total depth of 1,550 meters including a horizontal section of around 530 meters. (BR) | [Click for more info.](#)

Musadik warns of drastic cut in gas supply during winter

Gas | Negative

Minister of State for Petroleum Dr Musadik Malik Wednesday warned of a drastic cut in gas supply for domestic purposes this winter and said a comprehensive plan would be unveiled soon to make the country self-sufficient in energy in next three to four years. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,239.9	28,379.1	139.2	0.5%
KSE100	41,350.4	41,611.4	261.0	0.6%
KSE30	15,477.5	15,604.4	126.9	0.8%
KMI30	68,347.0	68,837.2	490.2	0.7%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	9,800.0	10,350.0	550.0	5.6%
UPFL	25,000.0	25,500.0	500.0	2.0%
MARI	1,551.9	1,599.3	47.4	3.1%
RCML	398.1	428.0	29.9	7.5%
GATI	381.0	408.9	27.9	7.3%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.6	1.6	-0.1	365.17
TELE	10.9	11.4	0.5	23.10
TRG	133.9	143.9	10.0	21.77
FLYNG	8.2	8.3	0.1	14.03
GTECH	9.2	8.5	-0.7	13.99

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	4.36	-0.01	4.35
F-Corporates	0.09	-0.34	-0.25
O/S Pakistanies	2.93	-3.58	-0.65
Net	7.38	-3.93	3.45
LIPI			
Individuals	48.52	-50.57	-2.06
Companies	2.24	-3.13	-0.89
Comm. Banks	1.59	-1.78	-0.19
NBFC	0.02	-0.04	-0.01
Mutual Funds	2.11	-1.55	0.57
Other	0.40	-0.20	0.20
Brokers Proprietary	13.21	-13.12	0.10
Insurance	0.12	-1.29	-1.16
Net	68.22	-71.66	-3.45

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	88.05	1.7%
Brent oil	USD/bbl.	93.78	2.2%
Gold	USD/t oz.	1718.49	-0.4%
Silver	USD/t oz.	20.68	-1.6%
Coal	USD/ton	284.95	-1.4%
Steel Scrap (LME)	USD/ton	365.00	-0.1%
Steel Rebar (LME)	USD/ton	685.00	-0.7%
USD/PKR	Interbank	5.99	-0.6%

News Source: Local / Int'l Newspapers and websites

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Power

Most KE plants are obsolete and should be replaced: Nepra

KEL | Negative

The National Electric Power Regulatory Authority (Nepra) has said that most of the generation plants of the K-Electric have completed their life, and required to be replaced with efficient and least cost new capacity. (BR) | [Click for more info.](#)

Govt to Install AMI Meters by Mid-2023 to Reduce Electricity Losses

Power | Neutral

In order to curb the losses incurred by the ex-WAPDA distribution companies (DISCOs), the federal government has decided to install AMI (Advanced Metering of Infrastructure) meters on all the feeders suffering high losses by June 2023. (Propakistani) | [Click for more info.](#)

Autos

Atlas Group exports auto parts worth \$2m, 12,000 bikes in 6 months

ATLH | Positive

Atlas Group has achieved impressive export sales during the last six months as nearly 12,000 motorcycles have been exported along with additional auto parts worth around US\$ 2 million. (BR) | [Click for more info.](#)

Miscellaneous

Saudi firm to buy stake in Organic Meat

TOMCL | Positive

The Organic Meat Company Ltd said on Wednesday that Saudi Agricultural and Livestock Investment Company — which is owned by the kingdom's sovereign Public Investment Fund — has shown interest in buying up to 30 per cent shareholding in the Pakistani entity. The proposed investment is currently in a discussion phase and no binding arrangements of any kind have been agreed with the Saudi entity, it added. (Dawn) | [Click for more info.](#)

APTMA decides to shut down textile mills across country

Textile | Negative

All Pakistan Textile Mills Association (APTMA) has decided to shut down textile mills across the country on Wednesday. "The government has withdrawn competitive power rates for textile industry. The closure of textile industry will deal a heavy blow to the domestic exports," it stated. "Increasing exports is very important and the only way-out for the economy of the country. The government must provide electricity and gas at competitive rates to textile industry. It should also ensure continuous power and gas supply to textile industry," it demanded. (BR) | [Click for more info.](#)

Ministry warns FBR; Poultry/dairy products at risk of global exclusion

Food | Positive

The Ministry of National Food Security has warned the Federal Board of Revenue (FBR) that the heavy taxation including sales tax on the import of chicken and ingredients of poultry/ animal feed would exclude Pakistani products from the international markets. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	58,065.5	1276.66	2.25%
HK - Hang Seng	18,088.0	1008.46	5.90%
PAK (KSE-100)	41,611.4	260.99	0.63%
Taiwan - TWII	13,801.4	224.91	1.66%
INDONESIA - IDX	7,075.4	3.12	0.04%
PHILP - PSEi	5,988.6	0.87	0.01%
US - S&P 500	3,783.3	-7.65	-0.20%
KSA - Tadawul	11,770.3	-10.09	-0.09%
CHINA - Shanghai	3,024.4	-16.82	-0.55%
US - Dow 30	30,273.9	-42.45	-0.14%

Board Meetings

Scrip	Day	Agenda	Time
KOIL	Thursday	ANN A/c for 30Jun22	10:00 AM
NSRM	Thursday	ANN A/c for 30Jun22	10:00 AM
SGPL	Thursday	ANN A/c for 30Jun22	10:30 AM
SERT	Thursday	ANN A/c for 30Jun22	10:30 AM
FDIBL	Thursday	1Q A/c for 30Jun22	11:00 AM
FPRM	Thursday	ANN A/c for 30Jun22	11:00 AM
IML	Thursday	ANN A/c for 30Jun22	11:00 AM
KSTM	Thursday	ANN A/c for 30Jun22	11:00 AM
PACE	Thursday	ANN A/c for 30Jun22	11:00 AM
RUBY	Thursday	ANN A/c for 30Jun22	11:00 AM
GEMSPNL	Thursday	ANN A/c for 30Jun22	11:00 AM
HAFL	Thursday	ANN A/c for 30Jun22	11:30 AM
AKDSL	Thursday	ANN A/c for 30Jun22	12:00 PM
BNL	Thursday	ANN A/c for 30Jun22	12:00 PM
KOHP	Thursday	ANN A/c for 30Jun22	12:00 PM
FCSC	Thursday	ANN A/c for 30Jun22	12:30 PM
SGABL	Thursday	ANN A/c for 30Jun22	1:00 PM
DSIL	Thursday	ANN A/c for 30Jun22	2:00 PM
SSML	Thursday	ANN A/c for 30Jun22	2:00 PM
NATM	Thursday	ANN A/c for 30Jun22	2:30 PM
TSPL	Thursday	ANN A/c for 30Jun22	2:30 PM
PASL	Thursday	ANN A/c for 30Jun22	2:45 PM
SMCPL	Thursday	ANN A/c for 30Jun22	4:00 PM

Source: PSX

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MORNING BRIEFING

PSMA reiterates its export surplus sugar demand**Sugar | Neutral**

The Pakistan Sugar Mills Association (PSMA) has reiterated its demand that the government should immediately allow export of surplus sugar as according to the figures released by the Ministry of Food Security hinted that sugar stocks at the start of next crushing season would stand at around 1,736,017 metric tonnes. (BR) [Click for more info.](#)

Service trade deficit widens 46pc in August**Economy | Negative**

Service trade deficit jumped 46 per cent to \$361 million in August compared to July, official data showed on Wednesday, as imports grew at a faster pace than exports. (Dawn) | [Click for more info.](#)

Political News**Next general elections to be held as per schedule: Khawaja Asif**

Defence Minister Khawaja Muhammad Asif said Wednesday that the next general elections will be held as per schedule. He said the appointment of the army chief will take place as per law and the Constitution. (BR) | [Click for more info.](#)

International News**LNG Market Supply to Remain Tight for Years, Top Producers Say**

Liquefied natural gas will be in short supply in the coming years as production lags behind surging demand from Europe, according to the world's top producers of the fuel. (Bloomberg) | [Click for more info.](#)

Oil Extends Rally on OPEC+ Output Cut and Russian Supply Warning

Oil rose for a fourth session after the OPEC+ alliance agreed to the biggest production cut since 2020 and Russia reiterated a warning that it won't sell crude to any countries that adopt a price cap. West Texas Intermediate traded near \$88 a barrel after jumping 10% over the previous three sessions. OPEC+ plans to slash daily output by 2 million barrels, a move that drew a swift rebuke from the US. The Biden administration has previously sought more oil from producers as it battles energy-driven inflation. (Bloomberg) | [Click for more info.](#)

Stocks Restore Rally, Oil Jumps on Production Curb: Markets Wrap

Investors signaled further belief in a fledgling equity rally that began this week as US futures erased a Wednesday decline and Asian stock markets traded higher in a shift that appeared to downplay concern that a cut in oil production would stoke inflation. (Bloomberg) | [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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