

September 30, 2022

Morning Briefing

Economy

ADB to mobilise over \$2bn to support post-flood relief measures

Economy | Positive

The Asian Development Bank (ADB) is envisaging financing of over \$ 2 billion to support Pakistan's post-flood relief and resilience activities by end of the current calendar year. (BR) | [Click for more info.](#)

Take flood havoc into account, Dar pleads with IMF

Economy | Neutral

The minister held a virtual meeting with the IMF Mission Chief on Thursday. The finance minister recalled the meeting of Prime Minister Shehbaz Sharif with the MD IMF during his visit to the US, in which, the MD IMF has vowed to support Pakistan in this difficult situation caused by the flashfloods and reconsider the program conditions. Official documents of the ministry revealed that engagement with IMF for 9th review under the Extended Fund Facility programme is expected in Mid-October 2022. (BR) | [Click for more info.](#)

COAS may undertake official visit to US on Oct 3

Economy | Neutral

General Qamar Javed Bajwa, Chief of Army Staff (COAS) is expected to undertake an official visit to the United States of America on the invitation of the US Department of Defence, on the 3rd of October 2022. (BR) | [Click for more info.](#)

Pakistan bonds slump

Economy | Negative

Dollar-denominated bonds of Pakistan continued their southward movement on Thursday as fears of global investors about a managed currency under Finance Minister Ishaq Dar refused to subside. (Dawn) | [Click for more info.](#)

Pakistan-China agree on early launch of ML-1 project

Economy | Positive

Pakistan and China Thursday agreed on early launch of much awaited Mainline-1 (ML1) project, aimed at revamping and modernising the country's age-old railway infrastructure. (The News) | [Click for more info.](#)

Rupee gains despite fall in SBP reserves to just \$8bn

Economy | Neutral

The foreign exchange reserves of the State Bank of Pakistan further declined by \$341 million to \$8.005 billion during the week ended Sept 23. The reserves once again reached the point from where they were elevated after landing of \$1.16bn IMF tranche. Currency dealers said that the dollar lost another Rs2.49 in the interbank market on Thursday to close at Rs229.63 compared to Rs232.12 a day before. (Dawn) | [Click for more info.](#)

Oil & Gas

Finance ministry decides to reduce petroleum prices

Oil | Positive

The Ministry of Finance has decided in principle to reduce the price of petroleum products after the International Monetary Fund (IMF) agreed to freeze the tax imposed on petrol for three months. According to the agreement with the IMF, levy on petrol is to be increased to Rs50 per litre by January 2023. (ET) | [Click for more info.](#)

Pakistan Stock Exchange Overview

| | Open | Close | Chg. | % |
|---------|----------|----------|--------|-------|
| KSE All | 28,347.3 | 28,135.2 | -212.0 | -0.7% |
| KSE100 | 41,435.1 | 41,013.9 | -421.3 | -1.0% |
| KSE30 | 15,504.3 | 15,312.3 | -192.0 | -1.2% |
| KMI30 | 67,688.8 | 67,291.7 | -397.1 | -0.6% |

Top Five Gainers

| | Open | Close | Chg. | % |
|------|---------|---------|------|------|
| SAPL | 1,100.0 | 1,149.0 | 49.0 | 4.5% |
| FASM | 400.0 | 424.0 | 24.0 | 6.0% |
| DLL | 196.7 | 204.5 | 7.8 | 4.0% |
| LUCK | 496.0 | 503.0 | 7.0 | 1.4% |
| GADT | 224.0 | 230.5 | 6.5 | 2.9% |

Top Five Volume Leaders

| | Open | Close | Chg. | Vol. |
|------|-------|-------|------|-------|
| KEL | 3.1 | 3.0 | 0.0 | 11.17 |
| TPLP | 21.5 | 20.9 | -0.6 | 9.98 |
| TRG | 125.3 | 122.9 | -2.4 | 7.81 |
| NCL | 34.6 | 36.2 | 1.7 | 5.95 |
| FCCL | 15.4 | 15.2 | -0.1 | 3.96 |

Portfolio Investments – Net Position

| FIPI | Buy | Sell | Net |
|---------------------|--------------|---------------|--------------|
| F-Individuals | 0.01 | -2.75 | -2.74 |
| F-Corporates | 0.22 | -2.10 | -1.88 |
| O/S Pakistanies | 2.29 | -2.11 | 0.17 |
| Net | 2.52 | -6.97 | -4.45 |
| LIPI | | | |
| Individuals | 32.21 | -28.88 | 3.33 |
| Companies | 5.44 | -3.02 | 2.42 |
| Comm. Banks | 5.58 | -2.94 | 2.64 |
| NBFC | 0.07 | -0.06 | 0.01 |
| Mutual Funds | 1.72 | -3.97 | -2.25 |
| Other | 1.33 | -0.15 | 1.18 |
| Brokers Proprietary | 9.49 | -11.52 | -2.03 |
| Insurance | 0.43 | -1.29 | -0.87 |
| Net | 56.28 | -51.83 | 4.45 |

Commodity Outlook

| | Unit | Close | % chg. |
|-------------------|-----------|---------|--------|
| Crude oil | USD/bbl. | 81.68 | -0.1% |
| Brent oil | USD/bbl. | 87.42 | -0.6% |
| Gold | USD/t oz. | 1660.29 | 0.2% |
| Silver | USD/t oz. | 18.82 | -0.1% |
| Coal | USD/ton | 295.90 | -0.5% |
| Steel Scrap (LME) | USD/ton | 164.00 | -55.1% |
| Steel Rebar (LME) | USD/ton | 671.00 | -0.2% |
| USD/PKR | Interbank | 6.01 | -1.0% |

News Source: Local / Int'l Newspapers and websites

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Petroleum division to ensure ECC approval for sale of ENI Pakistan E&P | Neutral

Petroleum division is set to get the approval of the Economic Coordination Committee (ECC) regarding the sale of ENI Pakistan to Prime International Oil & Gas Company Limited (PIOGCL). According to sources, the petroleum division without getting the determination of the assets of ENI Pakistan done from an international third party is trying hard to secure the approval of ECC about the sale of ENI Pakistan to PIOGCL which lacks the operatorship experience. (PT) | [Click for more info.](#)

Power

August 2022, Negative FCA in KE tariff, positive in Discos' approved

Discos | Positive

The National Electric Power Regulatory Authority (Nepra) Thursday approved negative adjustment of Rs 4.88 per unit in KE tariff and positive adjustment of paisa 20 per unit in Discos tariff for the August 2022 under monthly Fuel Charges Adjustment (FCA) mechanism. (BR) | [Click for more info.](#)

PM approves 2,000MW public sector power projects

Power | Positive

Prime Minister Shehbaz Sharif on Thursday gave in-principle approval for setting up 2,000 megawatts of solar power projects in the public sector to generate low-cost and environment-friendly electricity in the country. (BR) | [Click for more info.](#)

Banks

HBL faces secondary liability in US terror financing case

HBL | Neutral

Pakistan's largest commercial bank, Habib Bank Limited (HBL), faces secondary liability in a terror financing case in the United States, but the bank insists that it adheres to all laws and regulations, terming the allegations "meritless". (Dawn) | [Click for more info.](#)

Miscellaneous

DRAP given one week to take emergency measures to help pharma industry survive

Pharma | Neutral

The Pakistan Pharmaceutical Manufacturers' Association (PPMA) has given a one-week deadline to the DRAP to adopt due emergency measures for the very survival of the drug industry as otherwise it would be left with no option but to take extreme measures including price adjustments on its own to ensure availability of essential medicines in the country. (BR) | [Click for more info.](#)

ECC will take up 11-point agenda today

Food, Economy | Neutral

The Economic Coordination Committee (ECC) of the Cabinet will take up 11-point agenda including urgent advice relating to the award of the 5th international wheat tender for 0.3 MT. (BR) | [Click for more info.](#)

| World Indices | | | |
|------------------|----------|---------|--------|
| | Last | Chg. | Chg. % |
| KSA - Tadawul | 11,405.3 | 235.24 | 2.11% |
| Taiwan - TWII | 13,534.3 | 68.19 | 0.51% |
| PHILP - PSEi | 5,934.3 | 54.57 | 0.93% |
| CHINA - Shanghai | 3,041.2 | -3.86 | -0.13% |
| INDONESIA - IDX | 7,036.2 | -40.83 | -0.58% |
| US - S&P 500 | 3,640.5 | -78.57 | -2.11% |
| HK - Hang Seng | 17,165.9 | -85.01 | -0.49% |
| INDIA - SENSEX | 56,410.0 | -188.32 | -0.33% |
| PAK (KSE-100) | 41,013.9 | -421.27 | -1.02% |
| US - Dow 30 | 29,225.6 | -458.13 | -1.54% |

| Board Meetings | | | |
|----------------|----------|---------------------|----------|
| Scrip | Day | Agenda | Time |
| GRYL | Friday | ANN A/c for 30Jun22 | 10:00 AM |
| GFIL | Friday | ANN A/c for 30Jun22 | 11:00 AM |
| RPL | Friday | ANN A/c for 30Jun22 | 11:00 AM |
| SAIF | Friday | ANN A/c for 30Jun22 | 11:00 AM |
| SLCL | Friday | ANN A/c for 30Jun22 | 11:00 AM |
| TOWL | Friday | ANN A/c for 30Jun22 | 11:00 AM |
| TPL | Friday | ANN A/c for 30Jun22 | 11:00 AM |
| YOUW | Friday | ANN A/c for 30Jun22 | 11:00 AM |
| ANL | Friday | ANN A/c for 30Jun22 | 11:30 AM |
| CCM | Friday | ANN A/c for 30Jun22 | 11:30 AM |
| GOC | Friday | ANN A/c for 30Jun22 | 11:30 AM |
| INKL | Friday | ANN A/c for 30Jun22 | 11:30 AM |
| POML | Friday | ANN A/c for 30Jun22 | 11:30 AM |
| PHDL | Friday | ANN A/c for 30Jun22 | 2:00 PM |
| DINT | Friday | ANN A/c for 30Jun22 | 2:30 PM |
| FECM | Friday | ANN A/c for 30Jun22 | 2:30 PM |
| AHCL | Friday | ANN A/c for 30Jun22 | 3:00 PM |
| BGL | Friday | ANN A/c for 30Jun22 | 5:00 PM |
| FECTC | Saturday | ANN A/c for 30Jun22 | 12:00 PM |
| JVDC | Saturday | ANN A/c for 30Jun22 | 01:30 PM |

Source: PSX

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2022**Move to abolish special tariff for exporters under study****Textile | Neutral**

The federal government is considering abolishing the special energy tariff given to all export industries, including textiles, from October 1. The office memorandum issued by the Power Division says that the Discos will provide electricity at Rs43.45 per unit to the export sector from October 1, 2022, and will end the supply at the rate of 9 cents per unit. The exporters will have to pay the industrial tariff at Rs43.45 per unit with 100 percent increase. (BR) | [Click for more info.](#)

Value of foreign assets to be converted into PKR: FBR**Economy | Neutral**

The value of foreign assets shall be converted into rupees for the calculation of the Capital Value Tax (CVT) on foreign assets of resident individuals. The Federal Board of Revenue (FBR) has issued Capital Value Tax Rules, 2022 through an SRO1797(I)/2022, here on Thursday. Through these rules, the FBR has laid down the procedure for the payment of CVT on foreign assets and motor vehicles. The FBR has also issued the CVT recovery and refund rules. (BR) | [Click for more info.](#)

Political News**Maryam acquitted, much to embittered IK's chagrin**

The Islamabad High Court (IHC) Thursday set aside the Accountability Court, Islamabad's judgment and the conviction of Pakistan Muslim League-Nawaz (PML-N) Vice President Maryam Nawaz and Captain Muhammad Safdar (retired) in the Avenfield Apartments corruption reference. (BR) | [Click for more info.](#)

Absolutely no truth in regime-change cipher allegations: US envoy

There is no truth in the regime change allegations; the present Pakistani government is finding ways to put the economy back on the track; all investments in Pakistan, whether American or Chinese, should be transparent and subjected to same scrutiny. (The News) | [Click for more info.](#)

International News**Asian Equities Slide as Global Selloff Deepens: Markets Wrap**

Asian stocks dropped on Friday in the wake of another plunge on Wall Street as the prospect of higher interest rates and turmoil in Europe stoked fears of global recession. (Bloomberg) | [Click for more info.](#)

Oil settles lower after hitting \$90/bbl as OPEC+ considers output cut

Oil prices settled lower on Thursday in choppy trading, rising above \$90 per barrel and then retreating as traders weighed a worsening economic outlook against potential OPEC+ output cuts next week. (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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