



# WEEKLY REVIEW

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PAKISTAN EQUITIES

December 08, 2023

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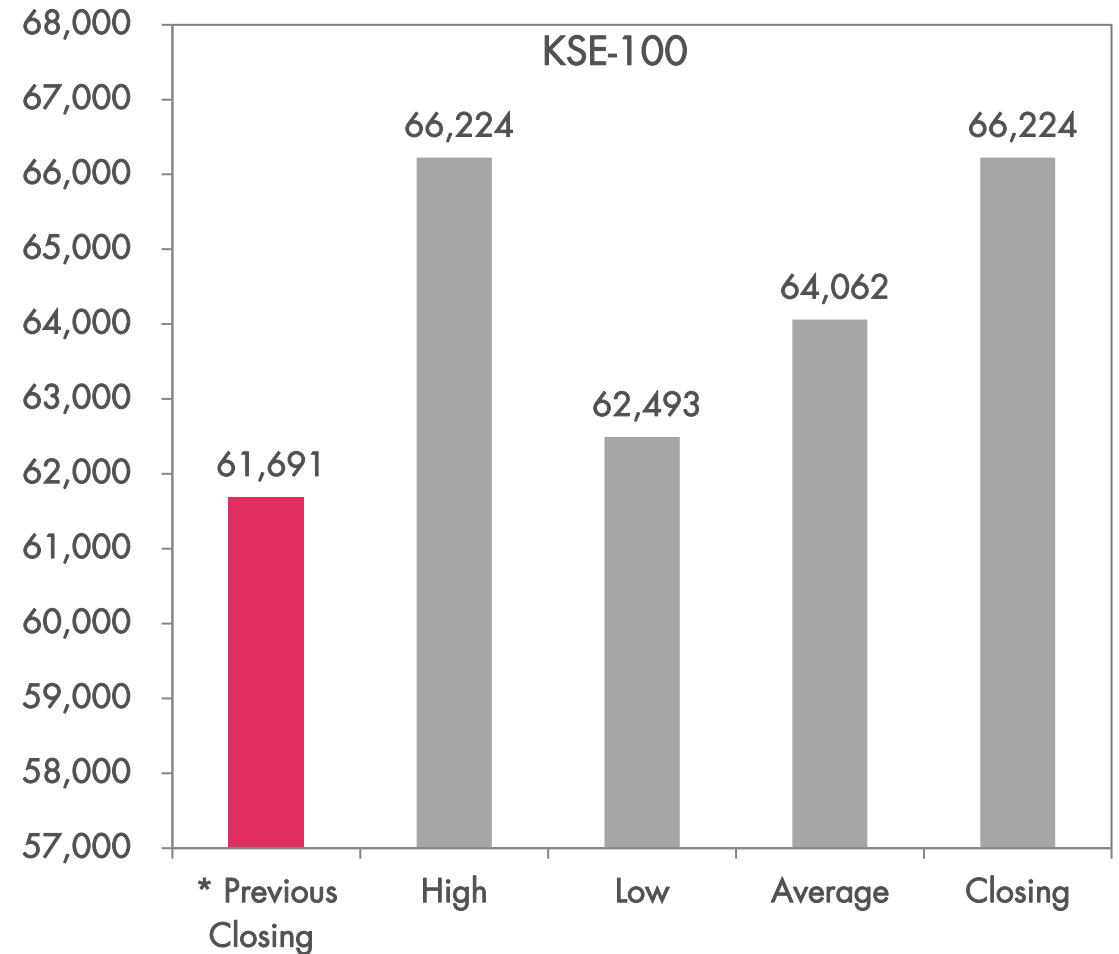
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# PSX Indices

KSE100 Gain 7.3% w/w

PSX Indices	Level	w/w
KSE-100	66,224	7.3%
KSE-30	22,123	7.6%
KSE-ALL	43,882	6.9%
KMI-30	111,195	6.7%
KMI-ALL	32,123	6.7%
OGTi	15,397	13.9%
BKTi	16,315	12.2%

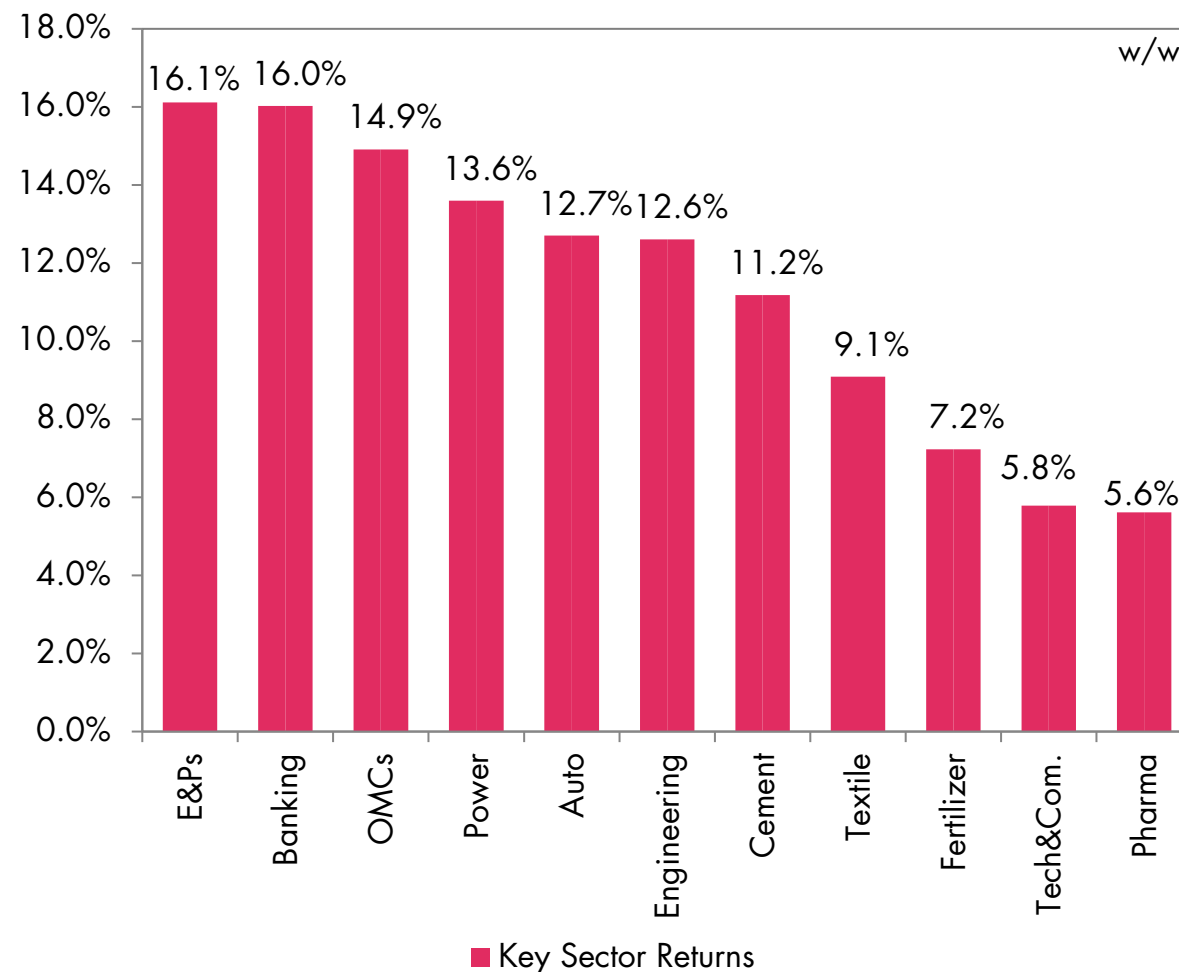
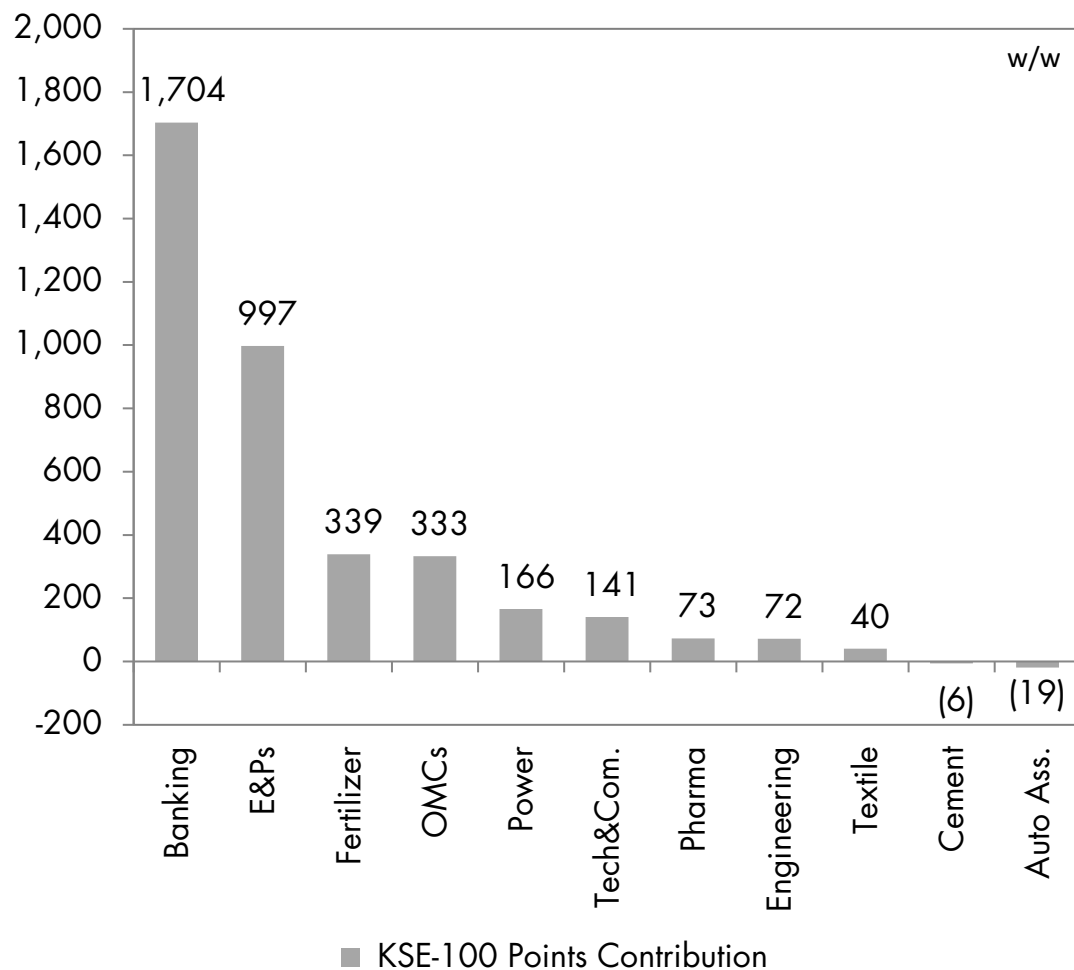


\* Last week closing

Source: PSX , Next Research

# Banking sector added 1,704 points to KSE100 Index

Pharma sector gain 5.6% w/w



# Top 10 positive contributors added 2,620 points to KSE100 Index

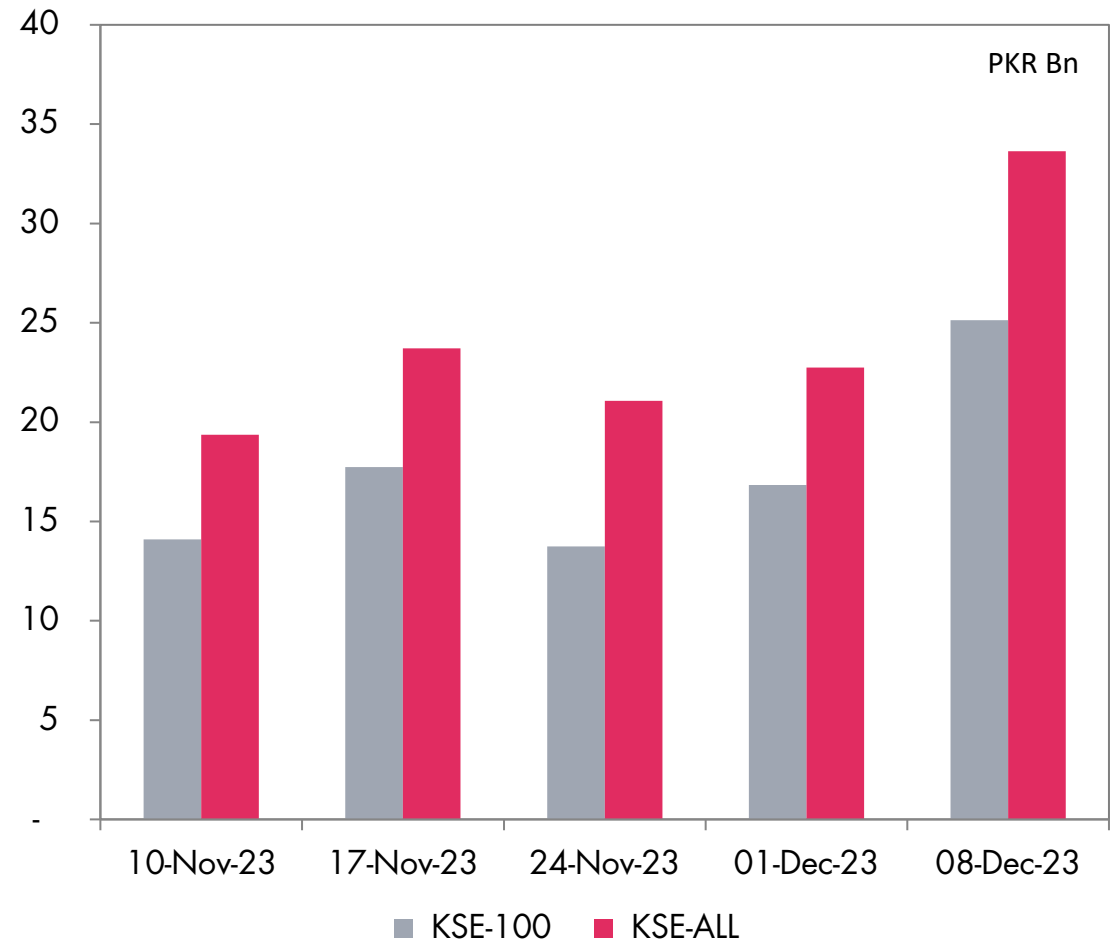
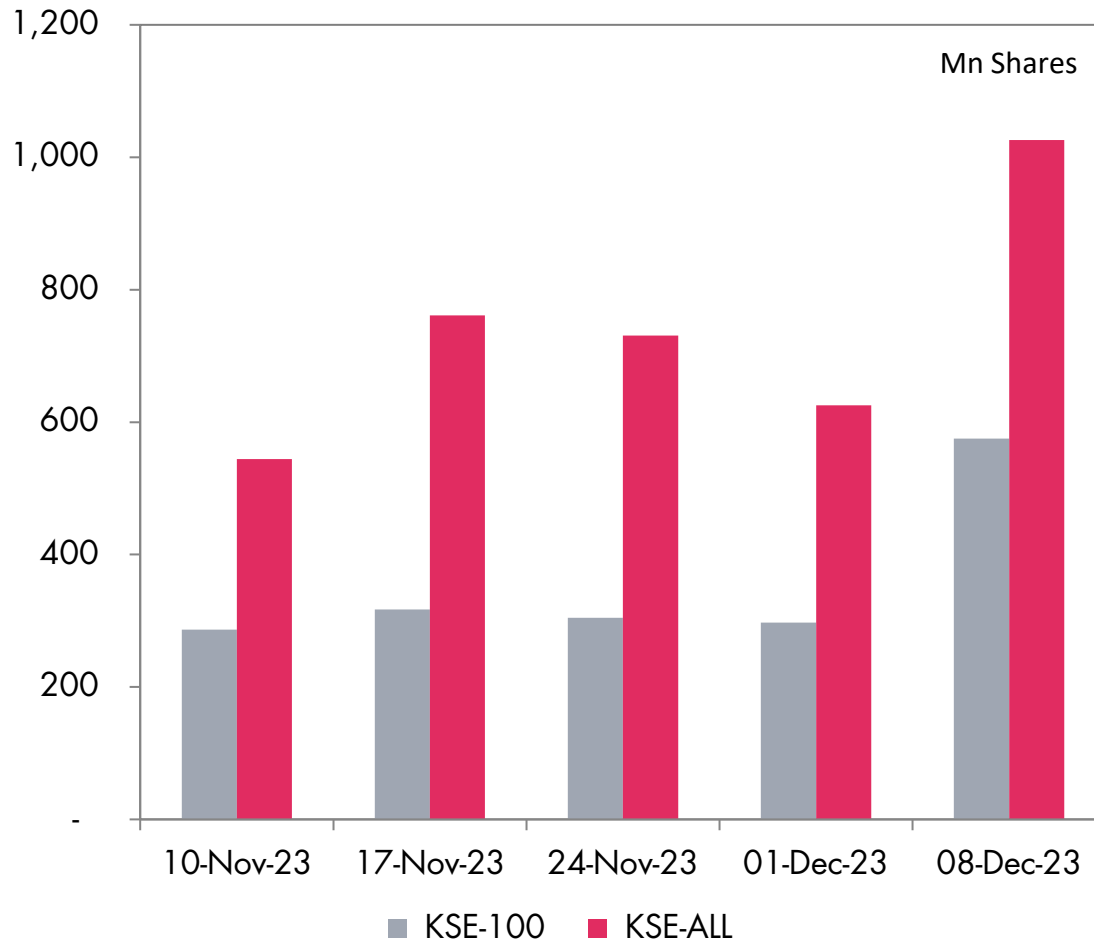
Top 10 negative contributors took 128 points from KSE100 Index

Top 10 Positive Contributors		Index Points	Top 10 Negative Contributors		Index Points
PPL		387.53	LUCK		(69.51)
HBL		319.98	MTL		(25.67)
OGDC		293.70	SYS		(7.34)
MARI		282.18	IBFL		(7.06)
BAHL		271.04	FATIMA		(5.26)
MEBL		270.43	COLG		(3.99)
MCB		254.76	KOHC		(3.69)
PSO		246.37	CHCC		(2.29)
BAFL		162.09	BWCL		(1.84)
EFERT		132.13	GADT		(1.83)

Source: PSX , Next Research

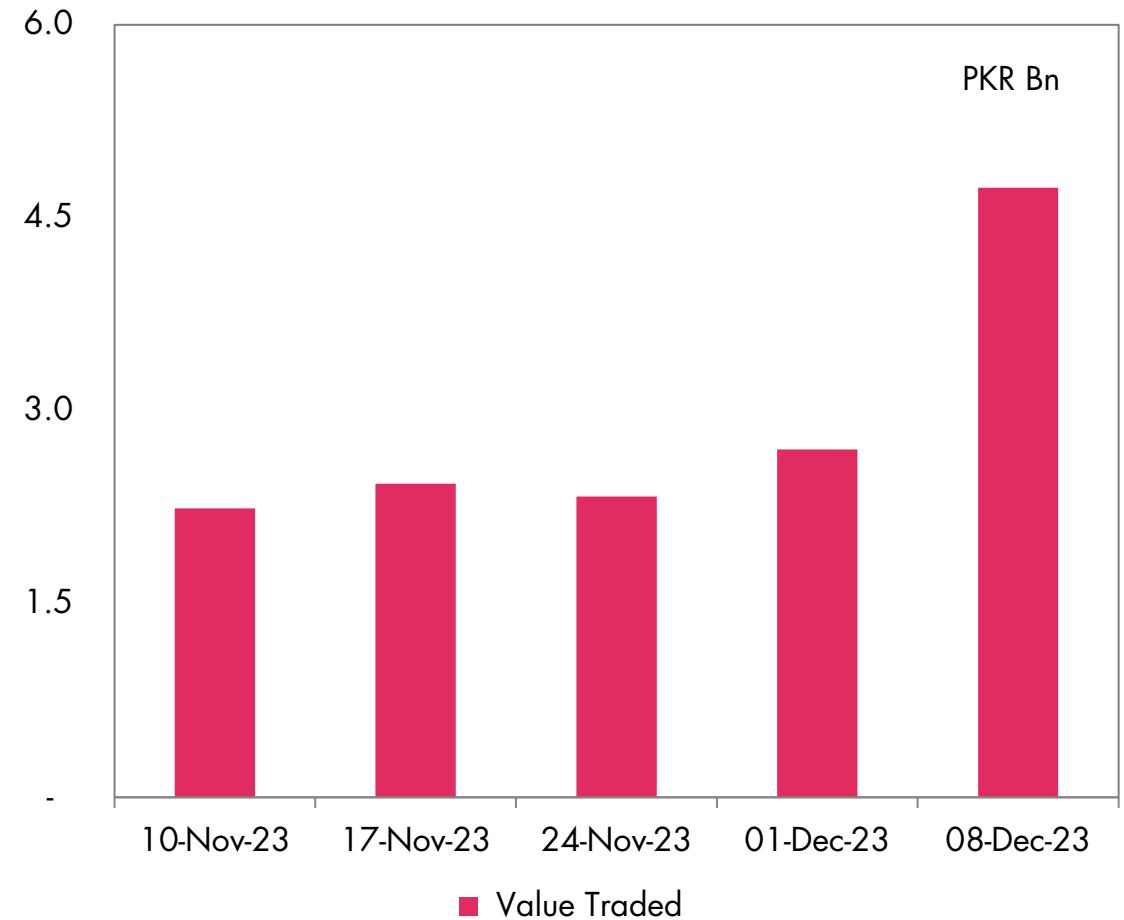
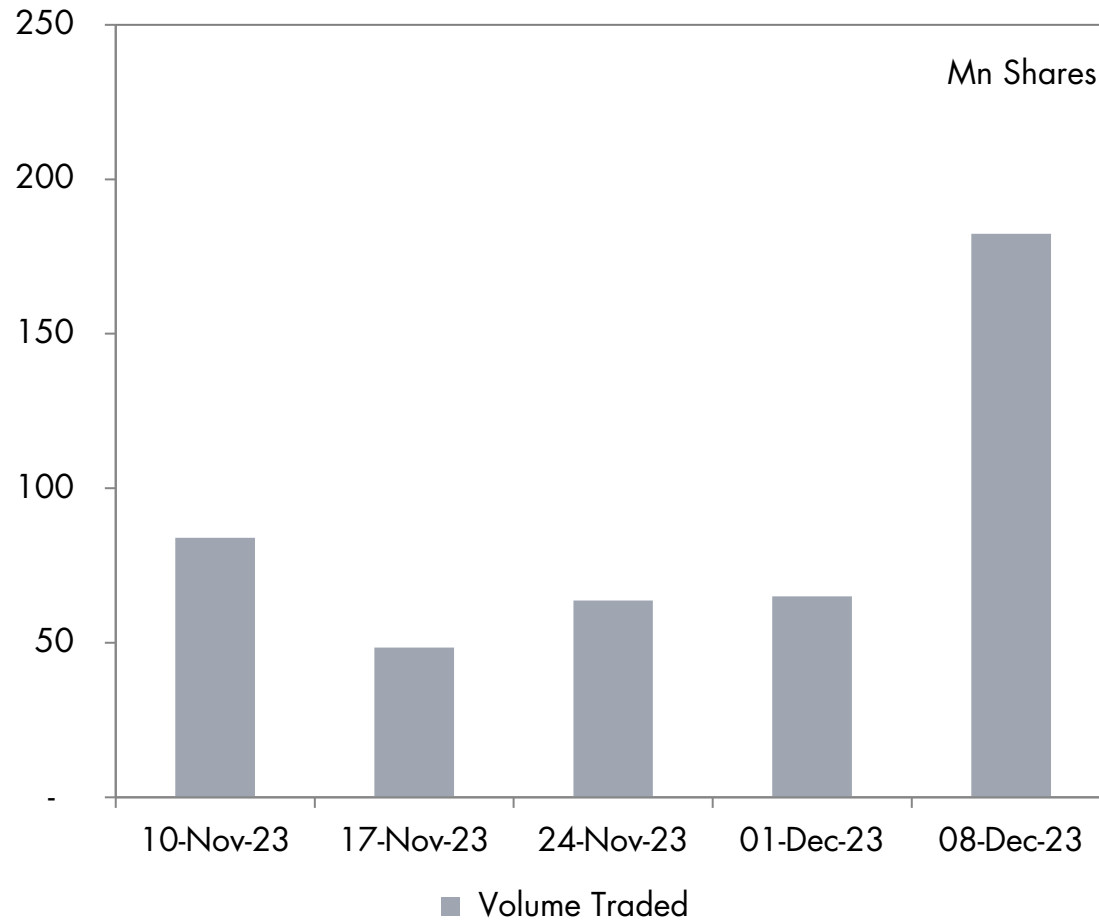
# Average volume increased 64% w/w

## Average value traded increased 48% w/w



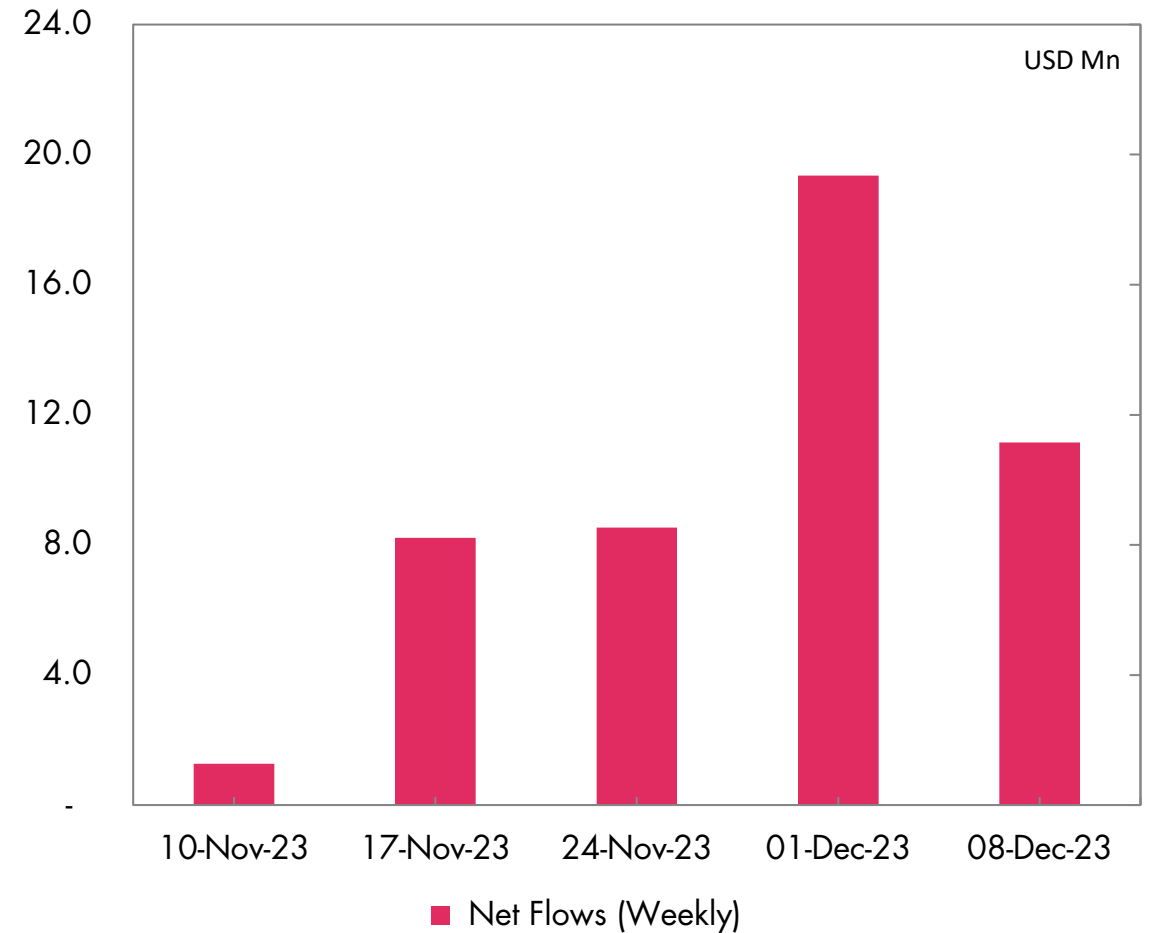
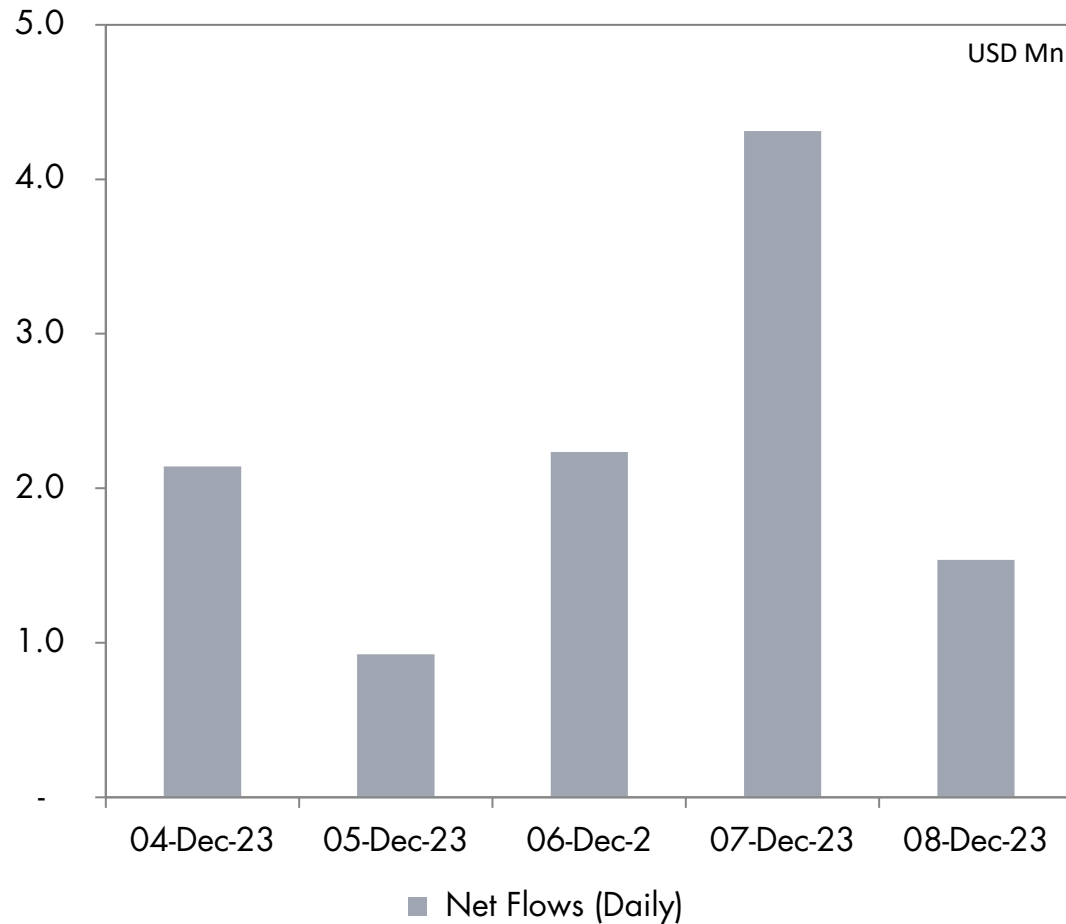
# Off-market volume was 182mn shares during the week

Off-market value traded was PKR 4.7bn during the week



# Foreigners were buying during the week

Foreign buying stood at USD 11.1 mn during the week



# Funds were the largest net buyers

## Banks emerged as the largest net sellers

Weekly Net Flows (USD Mn)	FIPI	Individuals	Banks	Companies	M. Funds	Brokers	Others	Insurance	NBFC
All other Sectors	2.39	(1.45)	(2.62)	1.91	0.87	(0.92)	0.04	(0.18)	(0.04)
Cement	1.39	0.36	(0.16)	(1.88)	0.37	(0.41)	0.27	0.05	(0.01)
Commercial Banks	4.26	0.69	(4.47)	(0.63)	0.30	(0.86)	(0.14)	0.84	0.01
Fertilizer	1.85	(1.09)	(0.31)	(1.49)	0.53	(0.11)	(0.44)	1.01	0.06
Consumers	(0.54)	0.33	(0.25)	(0.36)	(0.11)	0.22	0.83	(0.14)	0.01
Oil and Gas Exploration	(1.12)	(2.35)	(2.80)	5.01	3.11	(0.65)	0.11	(1.27)	(0.04)
Oil and Gas Marketing	0.80	0.20	(0.02)	0.03	(0.02)	(0.72)	0.06	(0.32)	(0.02)
Power	1.16	(1.14)	(0.82)	(0.64)	0.87	0.37	(0.04)	0.24	(0.00)
Technology & Communication	0.36	0.56	(0.94)	(0.89)	0.60	0.03	0.38	(0.10)	(0.00)
Textile Composite	0.58	0.20	(0.62)	(0.39)	0.34	0.00	(0.04)	(0.07)	0.00
Total	11.15	(3.69)	(13.02)	0.66	6.87	(3.05)	1.04	0.06	(0.02)

Source: NCCPL , Next Research



## IMF Board to Meet Jan. 11 on Pakistan's Loan Program

- **IMF Board to Meet Jan. 11 on Pakistan's Loan Program (Bloomberg):** The International Monetary Fund's executive board will meet Jan. 11 to consider final approval to disburse the next \$700 million tranche from its current loan program, according to a spokeswoman. Pakistan last month reached a staff-level agreement with the IMF for the payment, under its existing \$3 billion bailout package, and the board typically approves such deals.
- **Pak authorities have delivered on economic front, says top IMF official (The News):** Bahador Bijani, an Executive Director of the International Monetary Fund (IMF), has noted an overall improvement in the economic situation, saying, the "Pakistani authorities have delivered". He made these remarks at an event hosted by Pakistan's ambassador to the US in honour of friends of Pakistan from International Financial Institutions including IMF, International Finance Corporation (IFC), World Bank (WB), and Multilateral Investment Guarantee Agency (MIGA), at Pakistan House in Washington.
- **No doubt elections will be held on Feb 8: Kakar (The News):** Caretaker Prime Minister Anwaar-ul-Haq Kakar has said that the nation should not have any doubts about the general elections, scheduled to be held on February 8, 2024.
- **PSX to hold first-ever Sukuk auction today (Dawn):** The Ministry of Finance is issuing for the first time a one-year Islamic bond through the Pakistan Stock Exchange (PSX) on Friday to raise Rs30 billion. As opposed to the earlier practice where commercial banks would place bids for the government debt, the new method will allow the general public to participate directly in the bond auctions. Moreover, the listed status of the government debt will enable investors to buy and sell the bonds on the exchange just like ordinary shares.
- **ADB approves \$659m in financing to support Pakistan's sustainable development (Dawn):** The Asian Development Bank (ADB) on Wednesday approved three projects totalling \$658.8 million to help Pakistan achieve its goal of more inclusive and sustainable growth and development.
- **No rate cut expected from SBP as inflation stays high: poll (The News):** The State Bank of Pakistan (SBP) is likely to keep its benchmark interest rate unchanged at 22 percent for a fourth straight meeting on December 12 as inflation remains elevated, a survey of analysts and market participants showed on Saturday.
- **SBP forex reserves fall \$237m in a week (Dawn):** The State Bank's foreign exchange reserves dropped by \$237 million to \$7 billion in the week ending Dec 1, the central bank said in a statement on Thursday, as debt servicing on foreign loans continues to eat up SBP's holdings. The country's total liquid foreign reserves stood at \$12.1bn, including \$5.09bn held by commercial banks, the central bank said. The SBP has now lost more than \$1.7bn since mid-July.
- **FY25 budget likely to be Rs16.50tr (ET):** The size of the federal budget for the next fiscal year 2024-25 is likely to be Rs16.50 trillion and the financial deficit target expected to stand at Rs9 trillion. The tax collection target for the next fiscal is likely to be set at Rs11 trillion – almost 12% more than Rs9.4 trillion in 2023-24.
- **Exports rise 7.66 percent in November, trade deficit narrows by 31.7 percent (The News):** Exports continued their upward trajectory in November, rising 7.66 percent year-on-year to \$2.57 billion, marking the third consecutive month of positive growth, official data showed on Friday.
- **Central govt debt rises by 24.45% YoY to Rs62.48tr in October (Metis):** The total debt of the central government has increased by 24.45% YoY to Rs62.48 trillion in October 2023, compared to Rs50.21tr in October 2022, the data released by the State Bank of Pakistan (SBP) showed. Moreover, on a sequential basis, the central government debt inched up 0.31% MoM compared to Rs62.29tr in September 2023. The year-on-year increase in debt burden is primarily attributed to borrowing from domestic and foreign sources to cover the fiscal deficit.
- **Rs301bn over four months takes circular debt to Rs2.61tr (The News):** The much-hyped drive against power theft, championed by the caretaker government, seems to have fallen short of its intended impact, as evidenced by the unabated growth of circular debt. The debt has surged at an alarming rate in the early months of the new financial year, surpassing the pace set in the previous fiscal period. The power sector's circular debt stock has reached a staggering amount of Rs2.611 trillion by the end of October 2023 from Rs2.31 billion total stock recorded at the end of the fiscal year 2022-23 in June.
- **Nov oil sales rise 9pc MoM (BR):** Pakistan OMC's recorded sales of 1.4 million tons up 9.0 percent on month-on-month basis while Ex-Furnace Oil (FO) sales up 7.0 percent MoM in November 2023. The MoM jump in sales is due to lower petrol and diesel prices and low base of FO sales in last month, experts said. Average petrol price of November 2023 came down to Rs 282 per litre compared to Rs 303 per litre in October 2023. Similarly average Diesel prices came down to Rs 300 per litre in November 2023 from Rs 311 per litre in October 2023.
- **Nepa exposes bogus billing by KE, Discos (The News):** The National Electric Power Regulatory Authority (Nepra) has disclosed a massive and deliberate trend of deceptive meter reading and billing practices by DISCOS in July-August 2023 bills defrauding millions of consumers to conceal their operational inefficiencies. After widespread complaints of excessive, inflated, and inaccurate billings against Discos in July and August 2023, the Nepra ordered an inquiry and conducted a hearing on September 13, with the CEOs of companies.
- **Suzuki eyes Rs406/share buyout (The News):** Suzuki Motor Corporation, the majority shareholder in Pak Suzuki Motor Company (PSMC), has offered to buy out the minority shareholders at a minimum price of Rs406 per share and delist the company from the Pakistan Stock Exchange (PSX), PSMC said on Monday.

# Commodities

WTI decrease 10% WoW

Commodity18	Unit	17-Nov-23	24-Nov-23	01-Dec-23	08-Dec-23
WTI	bbl	72.90	76.34	75.67	69.79
Brent	bbl	77.42	81.26	80.39	74.58
Arab Light	bbl	84.99	86.92	87.58	78.50
Coal	MT	113.75	114.35	108.00	108.50
Natural Gas	mmbtu	3.06	2.93	2.80	2.58
Polypropylene	MT	0.47	0.47	0.47	0.46
Ethanol	MT	2.16	2.16	2.16	2.16
Urea	MT	367.50	370.00	355.00	330.00
DAP	MT	540.00	534.00	537.30	550.00

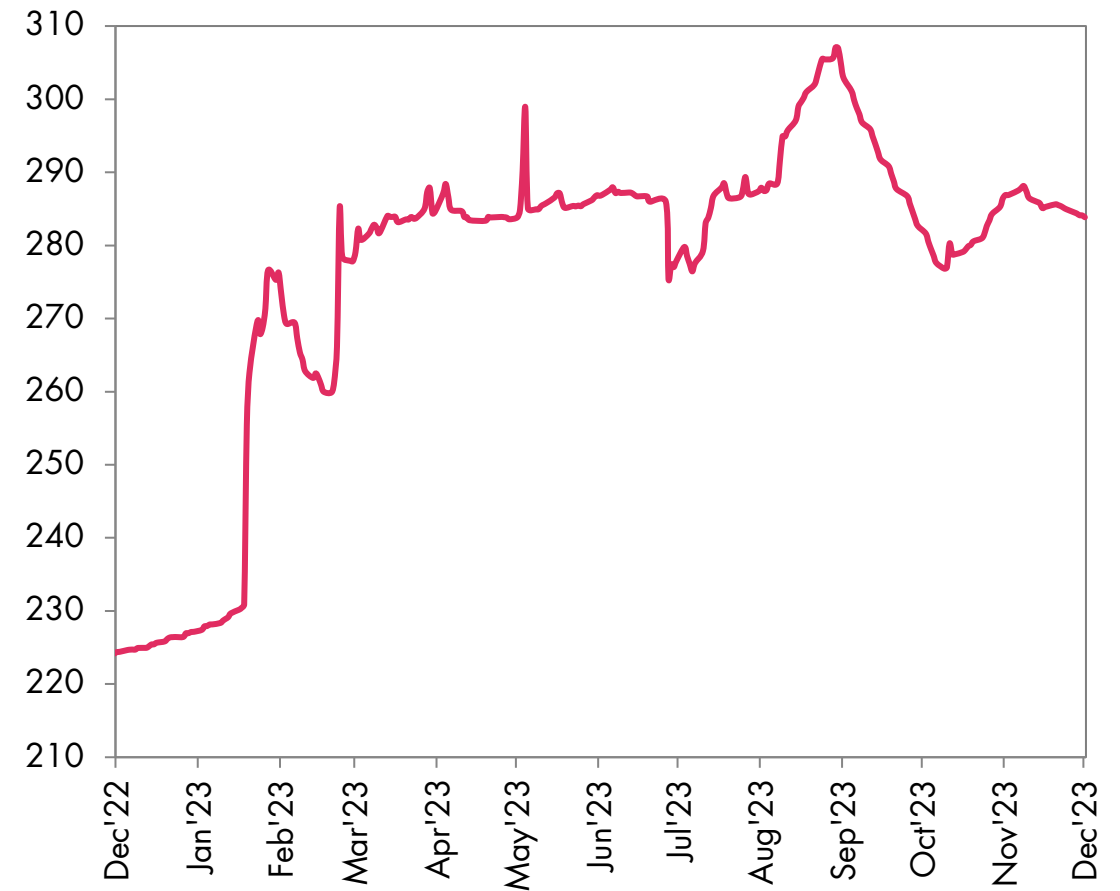
Commodity691	Unit	17-Nov-23	24-Nov-23	01-Dec-23	08-Dec-23
Cotton	lb	80.88	80.90	80.12	82.72
Gold	Ounce	1,980.90	1,991.79	2,040.17	2,028.16
Silver	Ounce	23.74	23.66	25.36	23.77
Copper	lb	3.70	3.76	3.85	3.80
Iron Ore	MT	986.00	1,007.50	1,021.50	1,038.50
Steel Scrap LME	MT	383.00	385.00	382.84	430.00
Steel Rebar LME	MT	566.00	570.00	569.32	608.00
Rubber	KG	150.10	149.50	147.80	143.90

Source: Bloomberg, Mettis, other websites, Next Research

# Currencies

## PKR appreciated against USD (Interbank)

Currency	10-Nov-23	17-Nov-23	24-Nov-23	01-Dec-23	08-Dec-23
PKR / USD	287.03	286.50	285.37	284.97	283.87
PKR / EUR	306.26	310.25	311.31	310.50	306.00
PKR / GBP	350.52	354.80	358.20	360.05	356.67
PKR / JPY	1.90	1.90	1.91	1.92	1.97
PKR / CAD	207.83	208.06	208.50	210.49	208.90
PKR / AUD	182.42	185.25	187.35	188.22	187.54



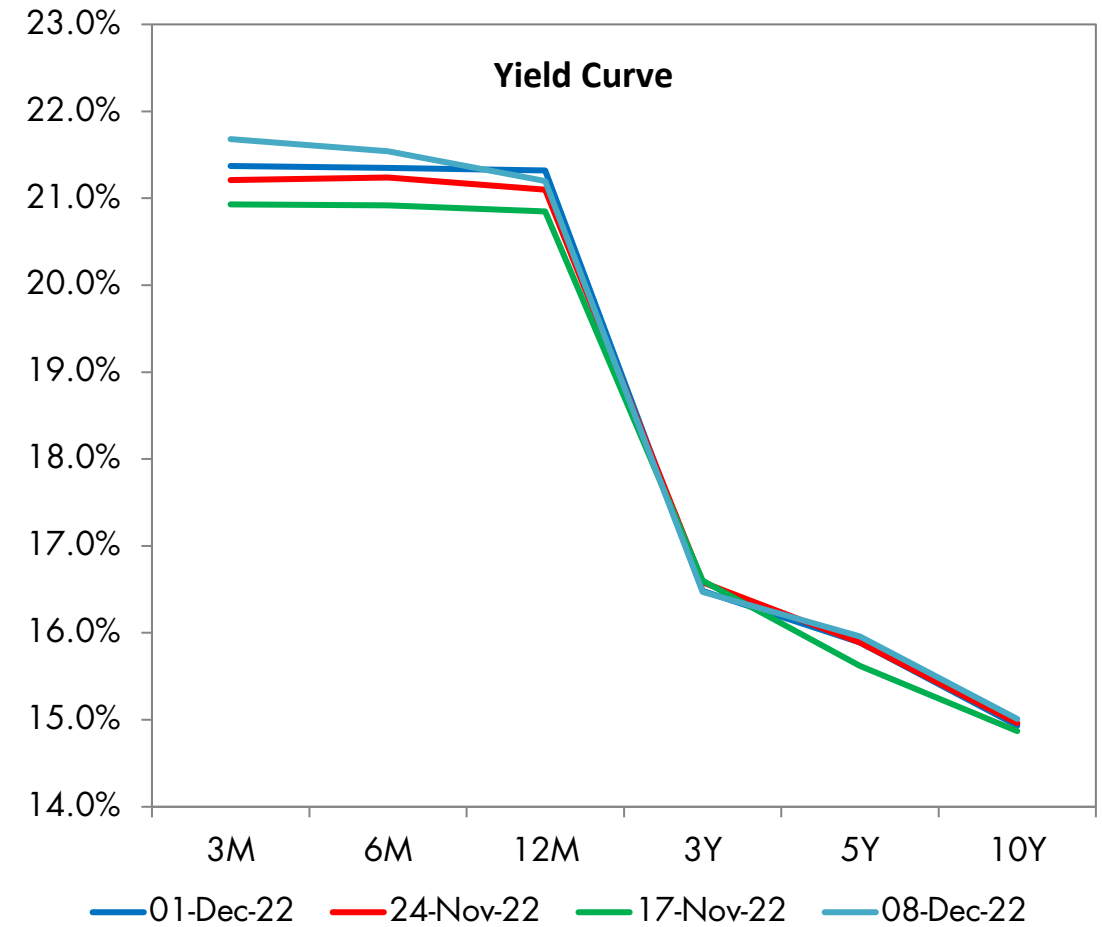
Source: SBP , Next Research

# Economic Indicators

## Monetary aggregates

	Sep-23	Oct-23	Nov-23	Dec-23 *
Discount Rate	23.0%	23.0%	23.0%	23.0%
Policy Rate	22.0%	22.0%	22.0%	22.0%
6M KIBOR	23.0%	22.0%	21.5%	21.7%
CPI	31.4%	26.9%	29.2%	n/a
CPI – NFNE Urban	18.6%	18.5%	18.6%	n/a
M2 – Growth YoY	12.9%	13.1%	13.7%	n/a
CIC – Growth YoY	8.3%	10.5%	11.1%	n/a
NDA – Banking Growth YoY	16.1%	17.3%	16.7%	n/a
NFA – Banking Growth YoY	85.3%	121.5%	74.2%	n/a
Private Sector Credit Growth YoY	-1.0%	0.3%	1.1%	n/a
Govt. Borrowing W/ SBP Growth YoY	-16.6%	-15.8%	6.2%	n/a

\*Latest Number Available

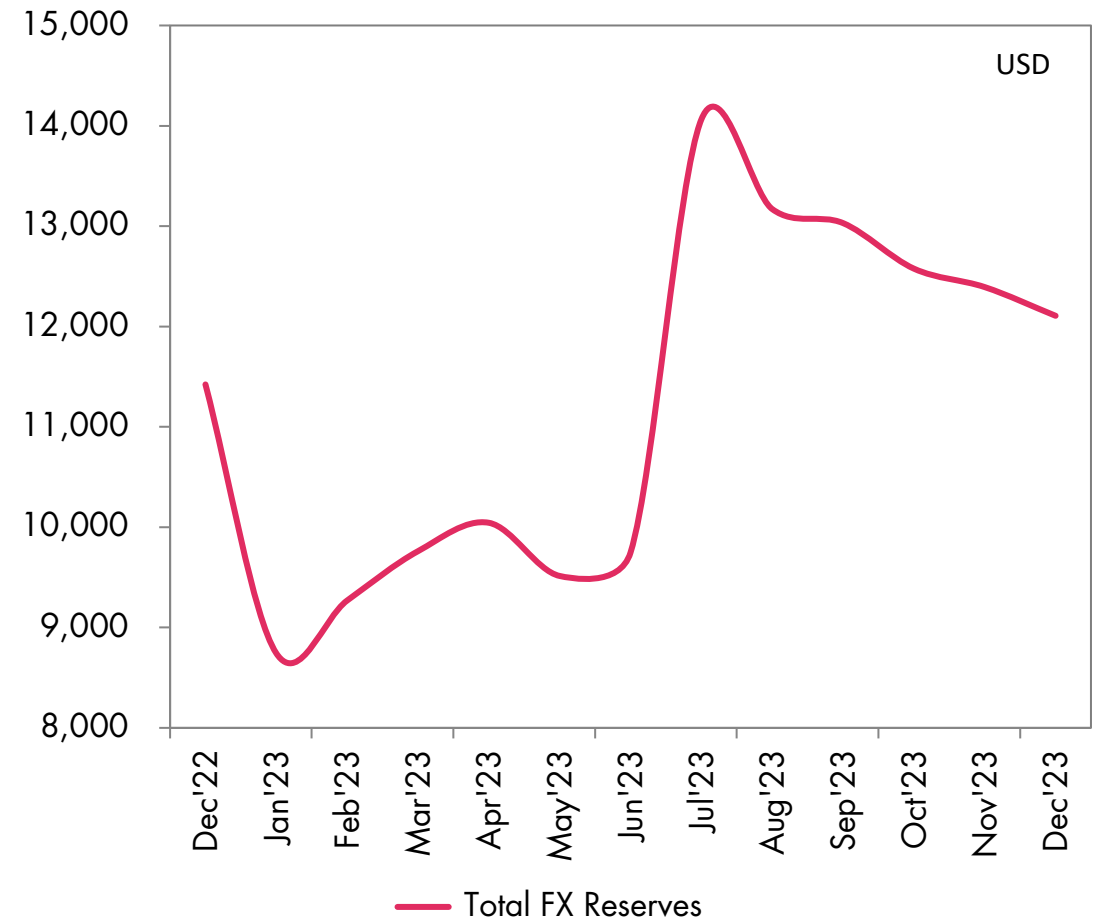


Source: SBP, PBS, Next Research

# Economic Indicators

## External account

USD Million	Aug-23	Sep-23	Oct-23	Nov-23
Current Account	(164)	(46)	(74)	n/a
Financial Account	24	268	(75)	n/a
Balance of Payment	(271)	29	(172)	n/a
FDI	142	173	122	n/a
Remittances	2,095	2,208	2,463	n/a
Commodities Exports – SBP	2,425	2,470	2,762	n/a
Commodities Imports – SBP	4,275	3,970	4,346	n/a
Trade Balance – SBP	(1,850)	(1,500)	(1,584)	n/a
Exports – PBS	2,366	2,476	2,690	2,572
Imports – PBS	4,528	3,994	4,864	4,460
Trade Balance – PBS	(2,162)	(1,518)	(2,174)	(1,888)



Source: SBP, PBS, Next Research

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