



WEEKLY REVIEW

PAKISTAN EQUITIES

December 15, 2023

Research

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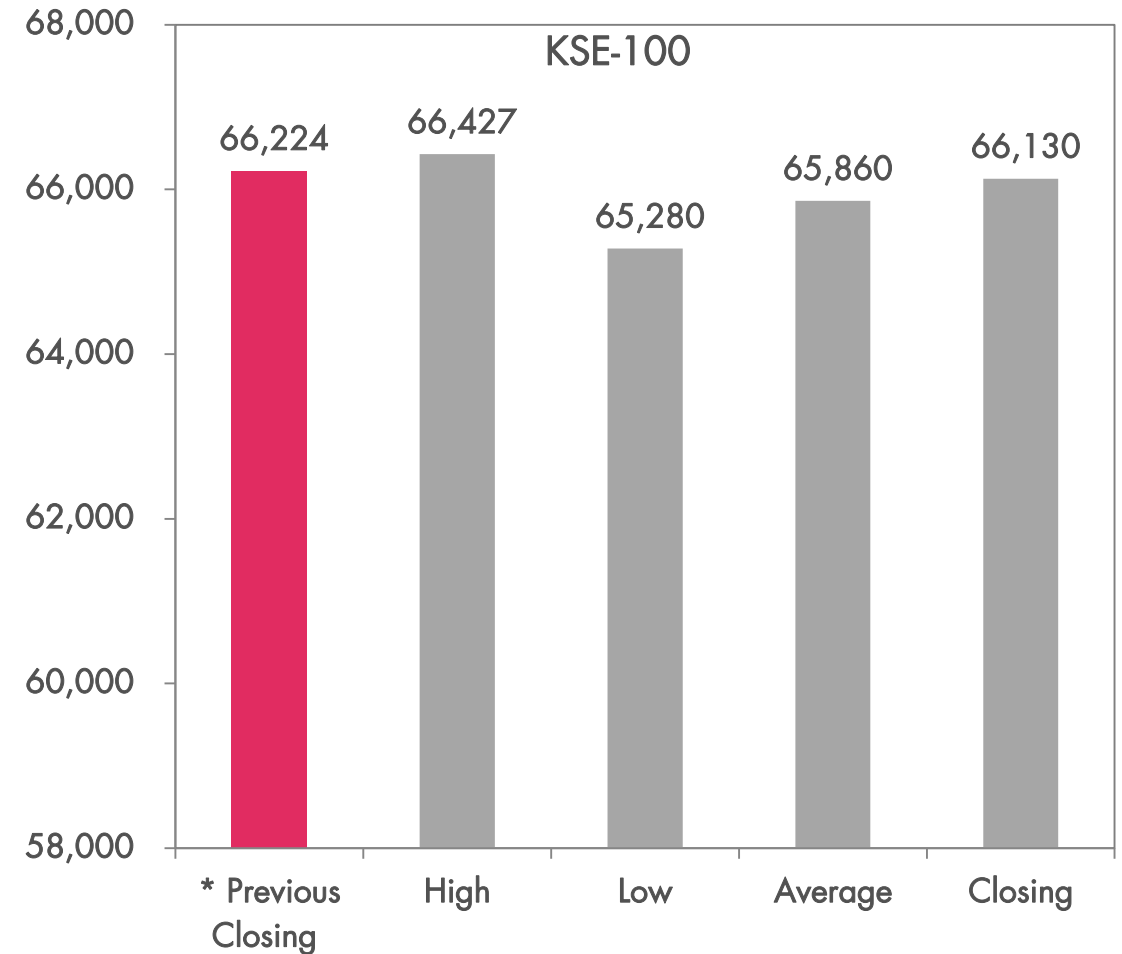
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PSX Indices

KSE100 lose 0.1% w/w

PSX Indices	Level	w/w
KSE-100	66,130	-0.1%
KSE-30	22,044	-0.4%
KSE-ALL	44,049	0.4%
KMI-30	111,761	0.5%
KMI-ALL	32,204	0.3%
OGTi	16,082	4.4%
BKTi	15,657	-4.0%

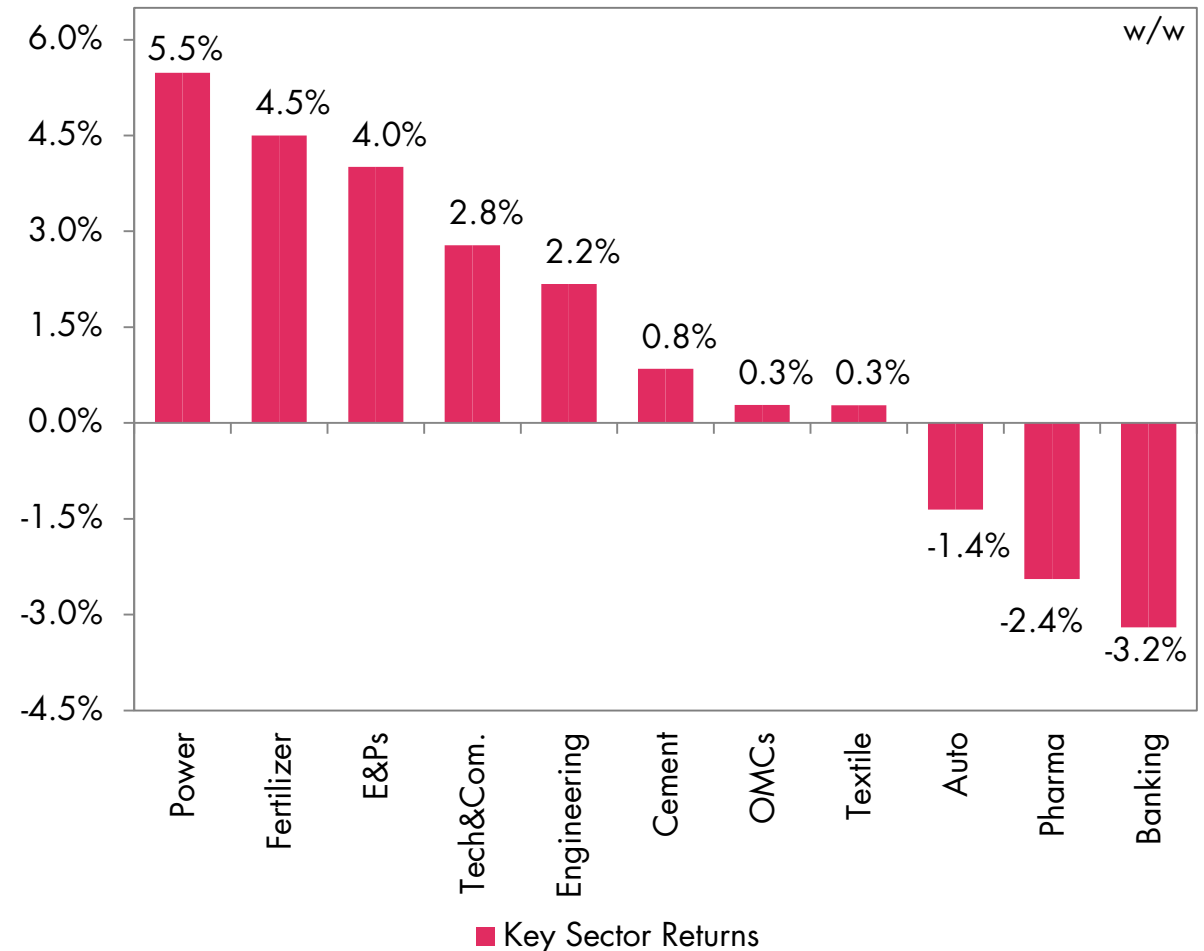
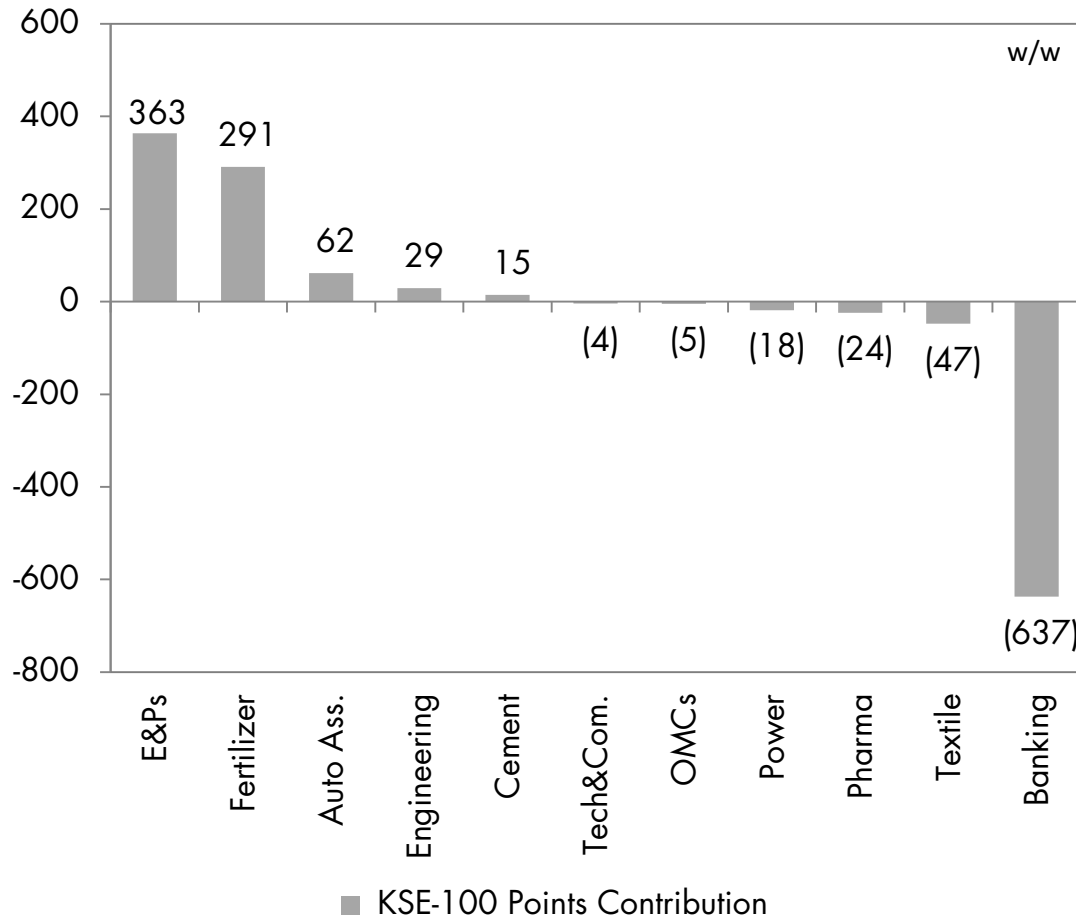


* Last week closing

Source: PSX , Next Research

E&P sector added 363 points to KSE100 Index

Banking sector lost 3.2% w/w



Top 10 positive contributors added 889 points to KSE100 Index

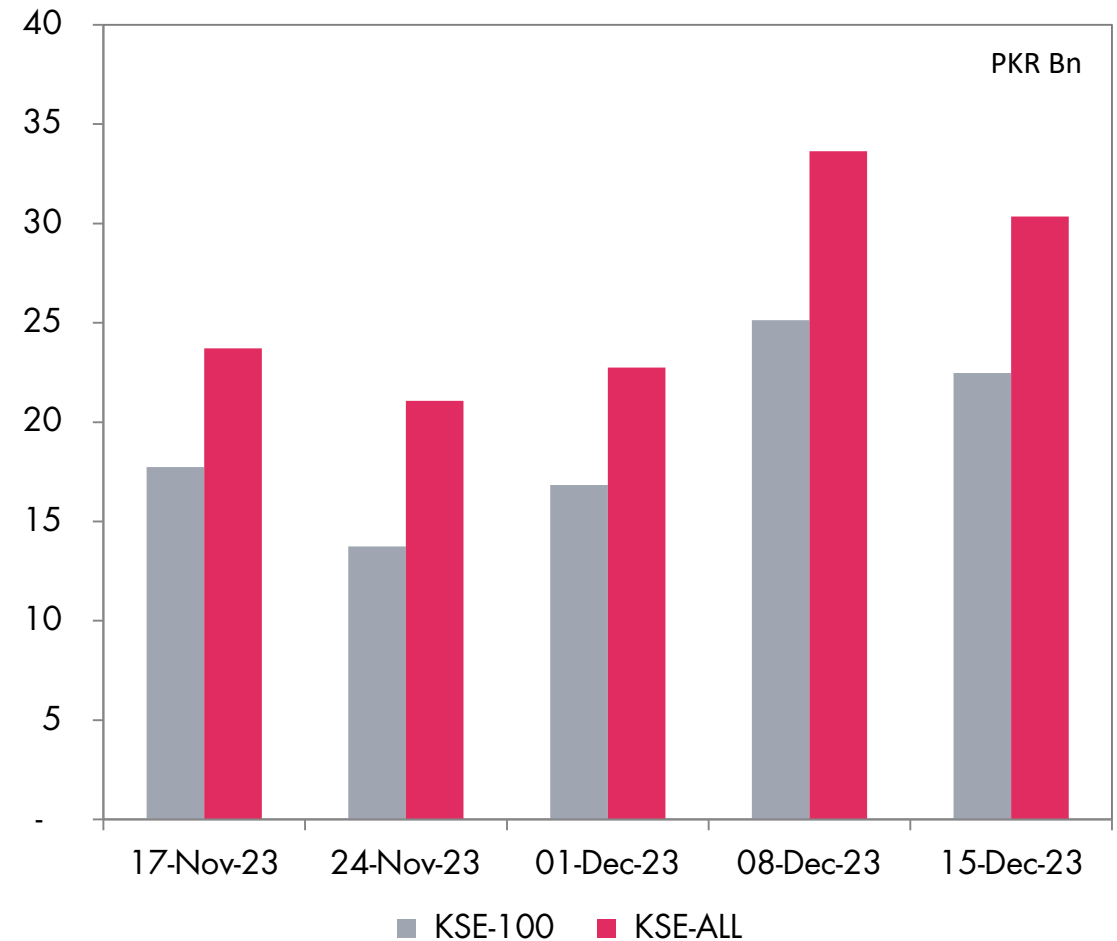
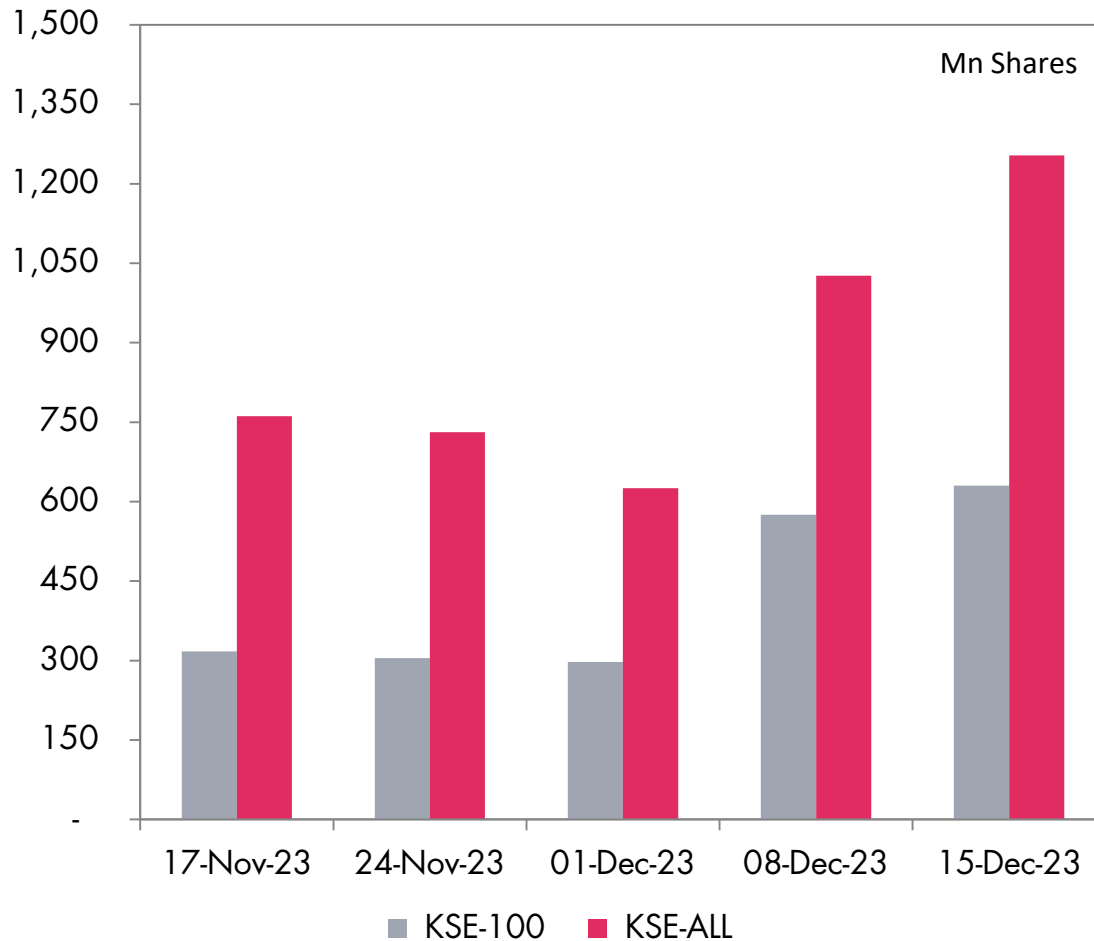
Top 10 negative contributors took 931 points from KSE100 Index

Top 10 Positive Contributors		Index Points	Top 10 Negative Contributors		Index Points
PPL		251.41	MEBL		(219.07)
FFC		86.81	UBL		(172.73)
PTC		78.31	BAHL		(113.72)
SNGP		78.17	HUBC		(91.18)
BOP		77.52	HBL		(83.82)
ENGRO		71.37	PSO		(71.00)
EFERT		68.90	SYS		(56.15)
KEL		67.84	HMB		(44.47)
PAEL		61.53	ILP		(43.37)
MARI		47.02	SRVI		(35.12)

Source: PSX , Next Research

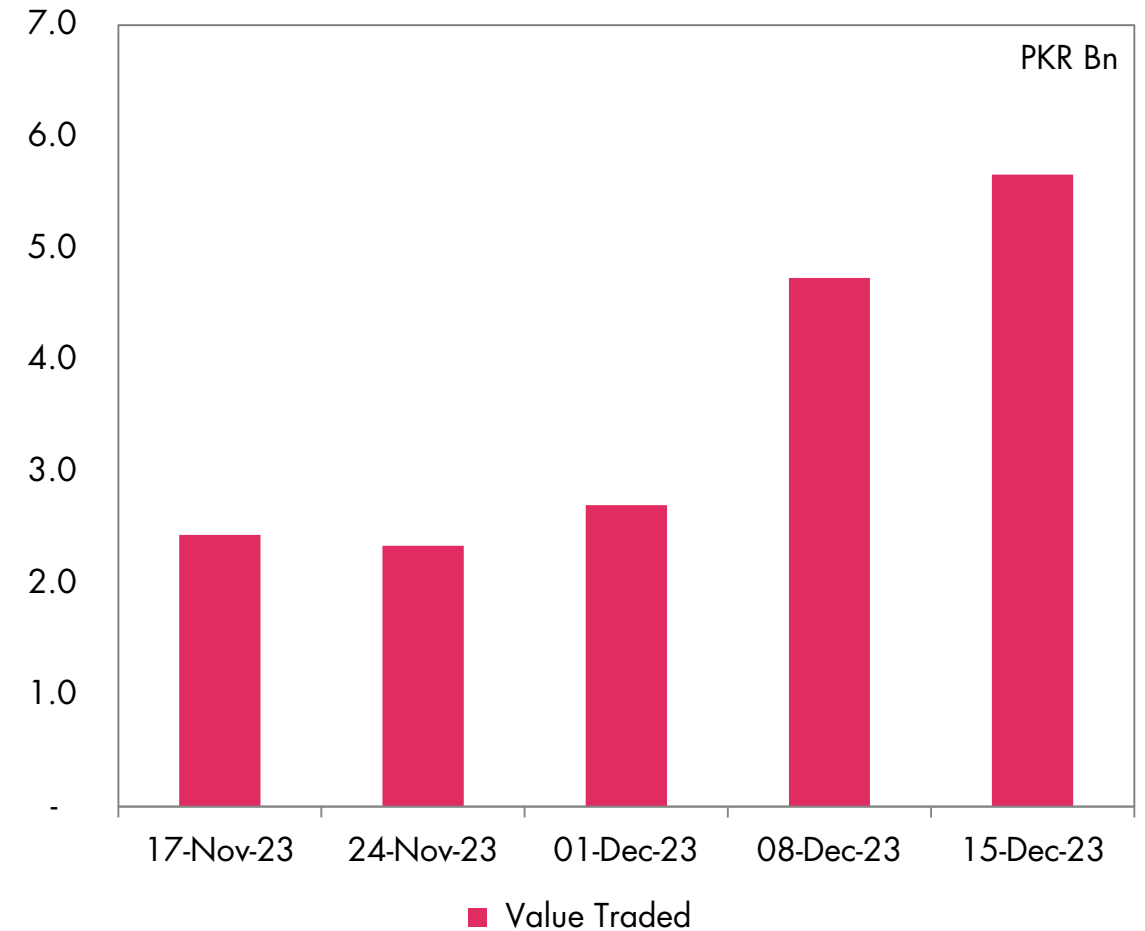
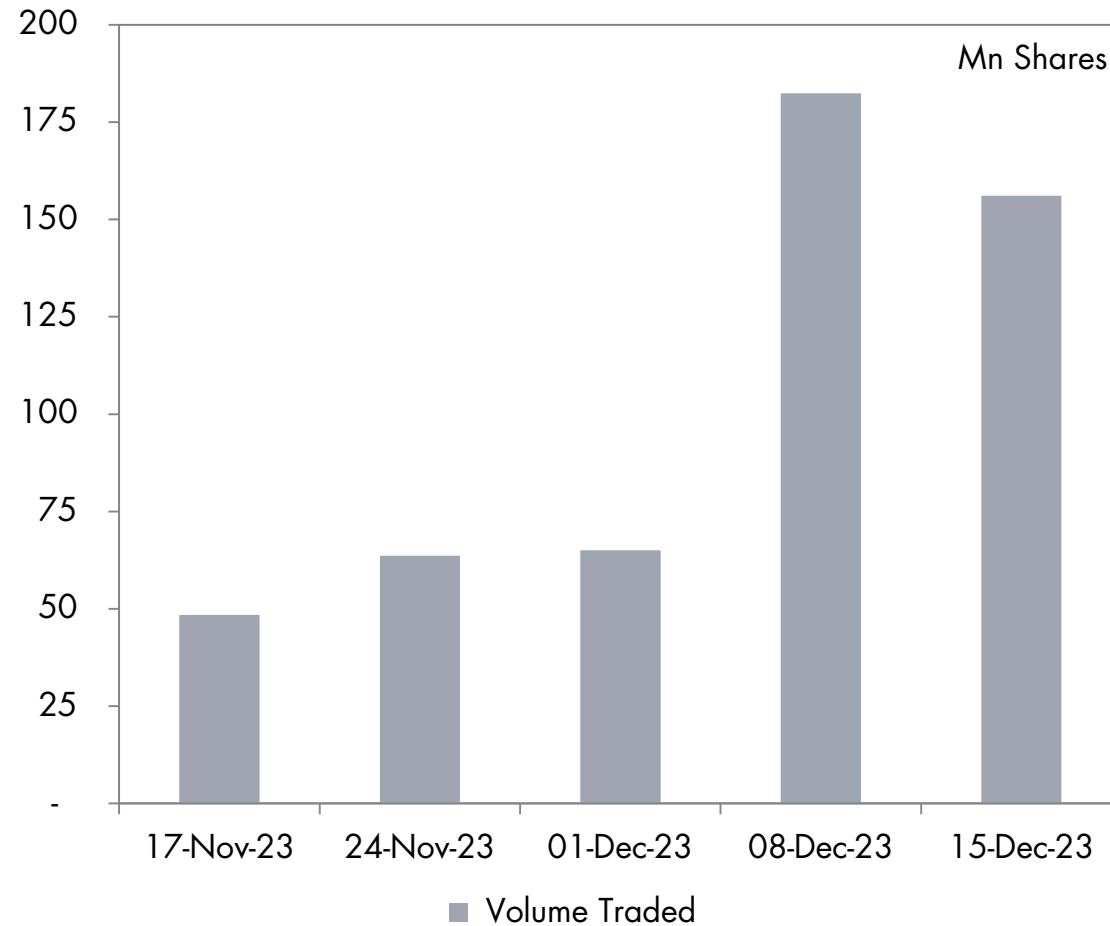
Average volume increased 22% w/w

Average value traded decreased 10% w/w



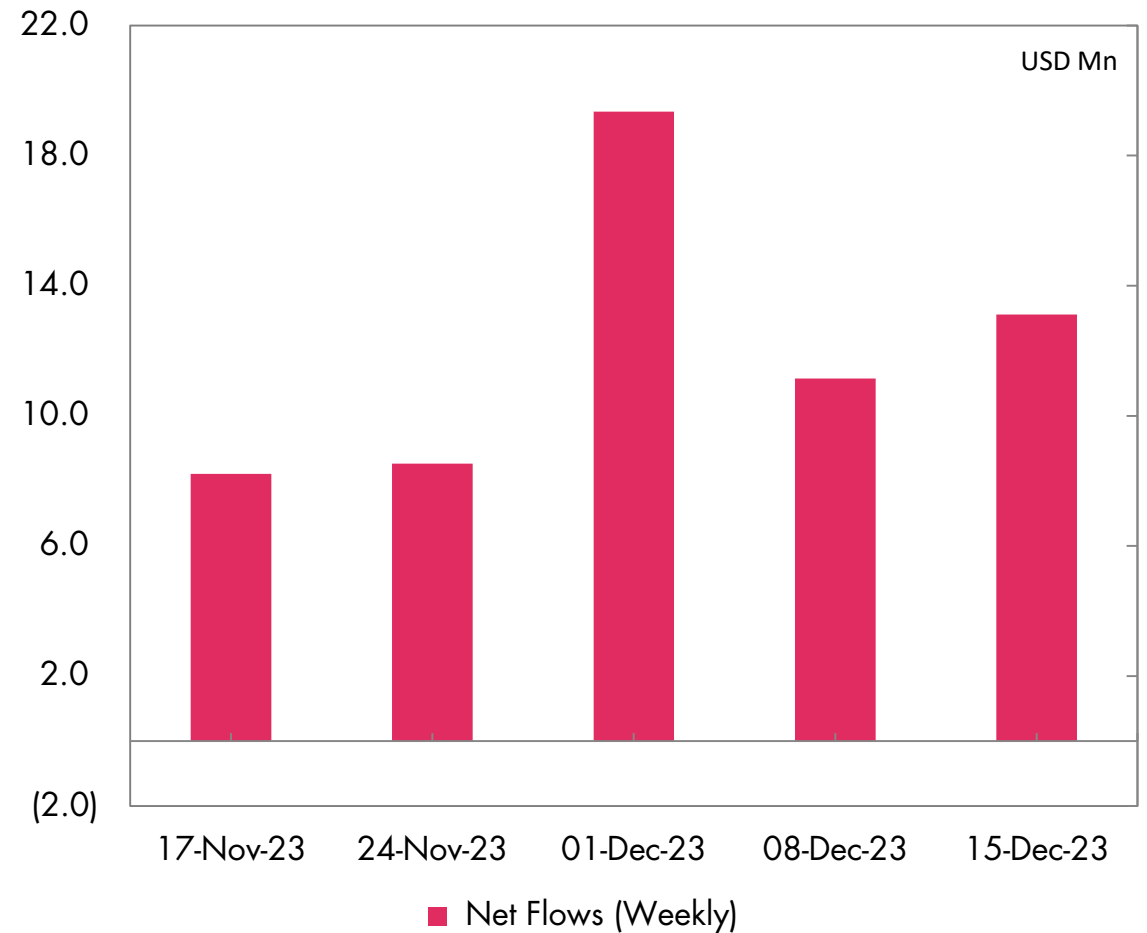
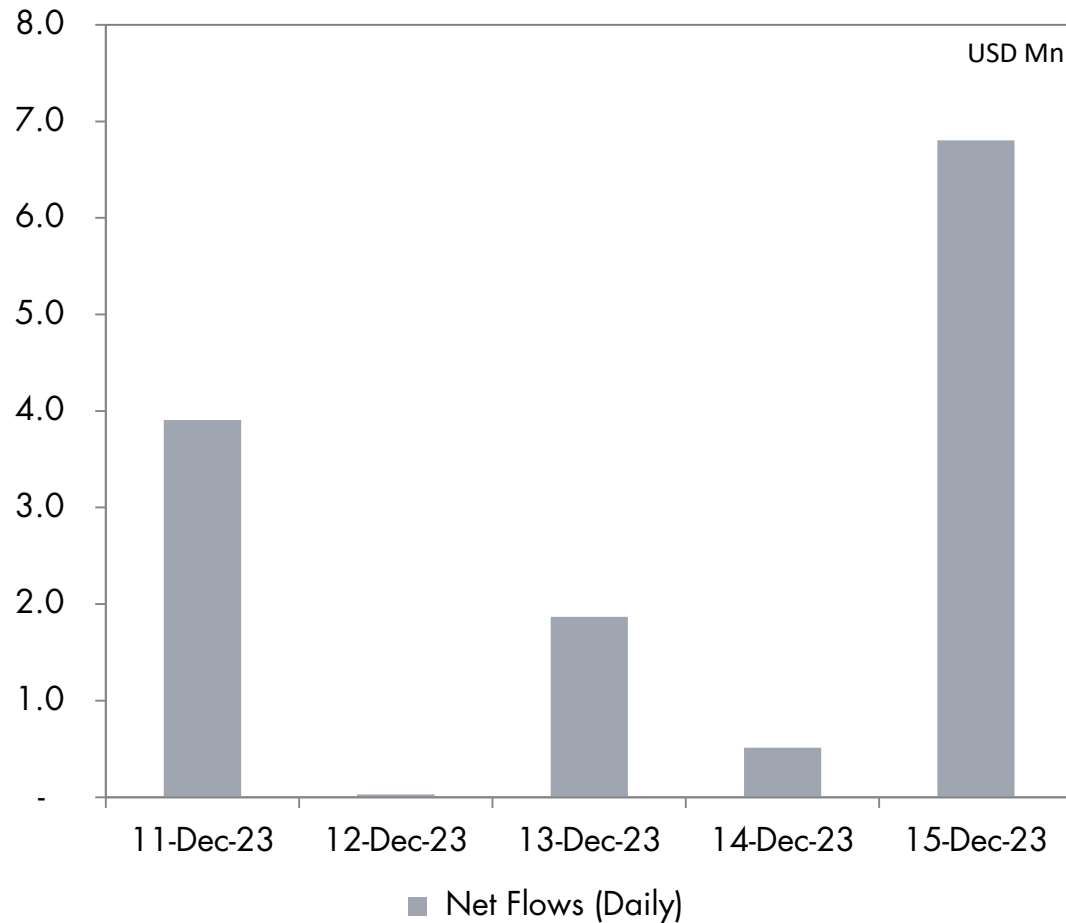
Off-market volume was 156mn shares during the week

Off-market value traded was PKR 5.7bn during the week



Foreigners were buying during the week

Foreign buying stood at USD 13.1 mn during the week



Banks were the largest net buyers

Insurance emerged as the largest net sellers

Weekly Net Flows (USD Mn)	FIPI	Individuals	Banks	Companies	M. Funds	Brokers	Others	Insurance	NBFC
All other Sectors	3.12	8.42	0.88	(2.11)	(0.21)	(0.81)	(0.09)	(9.17)	(0.03)
Cement	2.97	(3.30)	0.45	0.08	(0.59)	(0.54)	(0.36)	1.29	0.00
Commercial Banks	1.81	0.01	3.90	1.00	0.68	(1.48)	(1.18)	(4.73)	(0.00)
Fertilizer	1.32	(2.09)	(1.08)	(0.61)	(0.34)	(0.32)	(0.31)	3.45	(0.02)
Consumers	0.38	0.56	(0.11)	0.02	0.14	(1.05)	(0.01)	0.09	(0.01)
Oil and Gas Exploration	(1.02)	(1.85)	(0.68)	0.86	(0.87)	(0.11)	(1.06)	4.76	(0.02)
Oil and Gas Marketing	0.57	(1.41)	0.77	(0.40)	0.01	0.29	(0.22)	0.39	0.01
Power	2.71	(1.14)	(1.69)	(0.28)	1.10	0.88	0.04	(1.61)	0.00
Technology & Communication	0.89	1.97	(1.08)	(1.10)	(0.12)	(0.59)	0.10	(0.06)	(0.00)
Textile Composite	0.37	(0.39)	0.12	(0.41)	0.30	0.04	0.02	(0.05)	(0.00)
Total	13.12	0.78	1.48	(2.97)	0.10	(3.71)	(3.08)	(5.65)	(0.07)

Source: NCCPL , Next Research

IMF board to okay Pakistan SLA on Jan 11

- **IMF board to okay Pakistan SLA on Jan 11 (ET):** The executive board of the International Monetary Fund (IMF) will meet on January 11 to give the final nod to disburse the next \$700 million tranche to Pakistan under the \$3 billion Stand-By Arrangement (SBA) inked by the Washington-based lender with the country, Bloomberg News reported on Thursday.
- **High external funding risks remain: Fitch (Dawn):** The global ratings agency Fitch on Wednesday maintained Pakistan's long-term foreign currency issuer default rating at 'CCC' and noted that it expects general elections to take place as scheduled and produce a coalition government "along the lines of Shehbaz Sharif's government". The unchanged credit rating is based on the last month's IMF staff-level agreement on the first review of Pakistan's nine-month standby arrangement (SBA).
- **Rs573m saved in PSX Sukuk auction (ET):** The government has saved Rs573 million in rental cost (cut-off yield) as it raised Rs30 billion in the maiden auction of one-year Ijarah Sukuk at the Pakistan Stock Exchange (PSX) at a fixed rental payment of 19.52%. This rental cost is 1.91 percentage points lower than the 21.43% rate of return paid to investors, mostly by conventional banks, on the purchase of one-year conventional bonds, called T-bills, in an auction held by the State Bank of Pakistan (SBP) on November 29, 2023.
- **No plan to delay polls even after LHC intervention: ECP (Nation):** The Lahore High Court (LHC) has suspended the Election Commission of Pakistan (ECP) notification appointing district returning officers (DROs), returning officers (ROs), and assistant returning officers (AROs) from the executive for rendering duties during the general elections scheduled to be held on February 8.
- **Pakistan expecting \$4.5bn from creditors: Shamshad (The News):** Caretaker Minister for Finance, Revenues, and Economic Affairs Dr Shamshad Akhtar said on Wednesday that Pakistan was anticipating \$4.5 billion from multilateral and bilateral creditors during the current fiscal year. Over and above \$4.5 billion from other multilateral and bilateral avenues, the IMF's tranche of \$700 million would also be disbursed once getting approval from the Fund's Executive Board.
- **WB says external debt stocks at \$126.942bn by end 2022 (BR):** The World Bank (WB) has estimated Pakistan's total external debt stocks at \$126.942 billion by end 2022 compared to \$130.873 billion by end-2021.
- **ADB says Pakistan's public debt around 80pc of GDP (The News):** Amid rising public debt touching close to 80 percent of GDP, the Asian Development Bank (ADB) said on Wednesday that Pakistan's overall recovery was still constrained by moderate confidence and high inflation eroding purchasing power. In its forecast for Asian Development Outlook (ADO) for December 2023 update, the ADB said Pakistan's public debt went up close to 80 percent of GDP for FY-2022.
- **Investors rush to buy long-term T-bills (Dawn):** The government raised Rs2.15 trillion through the auction of market treasury bills but kept the cut-off yields almost unchanged on Wednesday. What is more significant in the auction was the investors' rush for the 12-month papers as they were willing to park Rs3.269tr in it. The State Bank in its monetary policy announced on Tuesday said that the inflation would come down in the second half of FY24.
- **RDA inflows reach \$7.035bn by November end (The News):** Foreign currency inflows through Roshan Digital Accounts (RDAs) for Pakistanis living abroad crossed \$7 billion in November, offering a glimmer of hope for the country's dwindling foreign exchange reserves and remittances, central bank data showed on Monday.
- **Forex reserves inch up as SBP awaits IMF tranche (The News):** The foreign exchange reserves held by the central bank rose slightly to \$7.041 billion in the week ending Dec. 8, according to the State Bank of Pakistan (SBP) data released on Thursday, as analysts believe the SBP bought dollars from the market to stabilise the reserve level. The SBP reserves increased by \$21 million to \$7.041 billion. The country's total reserves rose by \$99 million to \$12.206 billion. The reserves of commercial banks also increased by \$79 million to \$5.166 billion.
- **SBP holds key rate for fourth time in a row (Dawn):** The State Bank kept the interest rate unchanged at a record 22 per cent on Tuesday for the fourth consecutive meeting, hoping to see a significant decline in inflation in the second half of the fiscal year. Most independent economists and analysts expected the central bank to hold the rate steady due to a surge in the November inflation. The bank's monetary policy committee (MPC) said that an increase in gas prices last month could affect the inflation outlook.
- **Car sales rise 5pc m/m, but fall 65pc y/y in November (The News):** The car sales rose 5 percent in November from a month earlier, but plunged 65 percent from a year ago, as high prices and low affordability weighed on demand for new passenger vehicles, data from the Pakistan Automotive Manufacturers Association (PAMA) showed on Monday.
- **Aramco acquires 40pc of GO for \$100m (Dawn):** In a first, Saudi Oil giant Aramco formally entered Pakistan's retail market with an estimated investment of about \$100 million by acquiring a 40 per cent stake
- **PTCL acquires 100pc shares of Telenor Pakistan for Rs108bn (Dawn):** The Pakistan Telecommunication Company Ltd (PTCL) said on Thursday it has signed a share purchase agreement with Telenor Pakistan to buy 100 per cent of its shares based on an enterprise value of Rs108 billion (\$380 million).

Commodities

WTI increase 3% WoW

Commodity18	Unit	24-Nov-23	01-Dec-23	08-Dec-23	15-Dec-23
WTI	bbl	76.34	75.67	69.38	71.58
Brent	bbl	81.26	80.39	74.30	76.63
Arab Light	bbl	86.92	87.58	80.87	77.47
Coal	MT	114.35	108.00	108.50	101.25
Natural Gas	mmbtu	2.93	2.80	2.58	2.39
Polypropylene	MT	0.47	0.47	0.46	0.44
Ethanol	MT	2.16	2.16	2.16	2.16
Urea	MT	370.00	355.00	330.00	325.00
DAP	MT	534.00	542.50	562.50	567.50

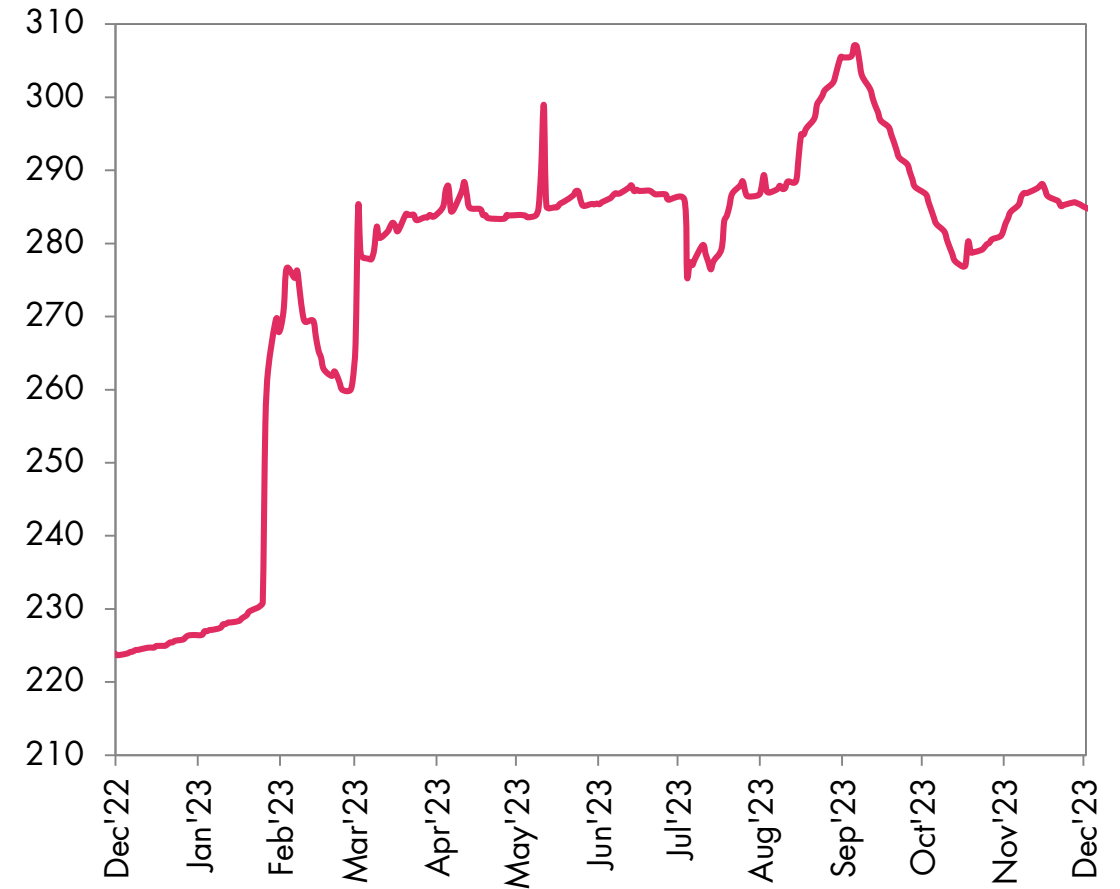
Commodity691	Unit	24-Nov-23	01-Dec-23	08-Dec-23	15-Dec-23
Cotton	lb	80.90	80.12	82.72	80.81
Gold	Ounce	1,991.79	2,040.17	2,028.47	2,035.53
Silver	Ounce	23.66	25.36	23.80	24.14
Copper	lb	3.76	3.85	3.83	3.88
Iron Ore	MT	1,007.50	1,021.50	1,038.50	1,007.00
Steel Scrap LME	MT	385.00	382.84	330.00	325.00
Steel Rebar LME	MT	570.00	569.32	608.00	604.5
Rubber	KG	149.50	147.80	143.90	144.60

Source: Bloomberg, Mettis, other websites, Next Research

Currencies

PKR appreciated against USD (Interbank)

Currency	17-Nov-23	24-Nov-23	01-Dec-23	08-Dec-23	15-Dec-23
PKR / USD	286.50	285.37	284.97	283.87	283.26
PKR / EUR	310.25	311.31	310.50	306.00	311.39
PKR / GBP	354.80	358.20	360.05	356.67	361.55
PKR / JPY	1.90	1.91	1.92	1.97	1.99
PKR / CAD	208.06	208.50	210.49	208.90	211.65
PKR / AUD	185.25	187.35	188.22	187.54	190.09



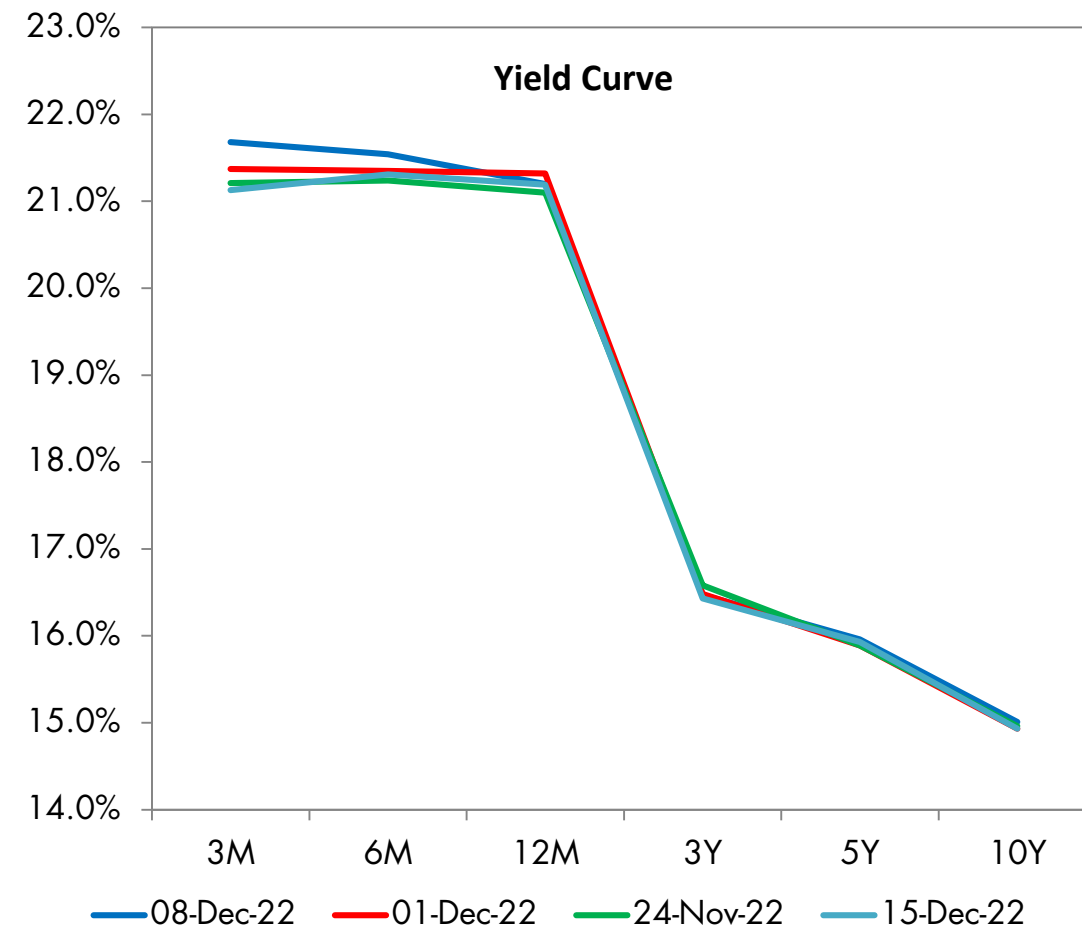
Source: SBP , Next Research

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%	21.5
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%	14.3%
CIC – Growth YoY	8.3%	10.5%	11.1%	9.8%
NDA – Banking Growth YoY	16.1%	17.3%	16.7%	15.6%
NFA – Banking Growth YoY	85.3%	121.5%	74.2%	35.1%
Private Sector Credit Growth YoY	-1.0%	0.3%	1.1%	-4.4%
Govt. Borrowing W/ SBP Growth YoY	-16.6%	-15.8%	6.2%	-21.9%

*Latest Number Available

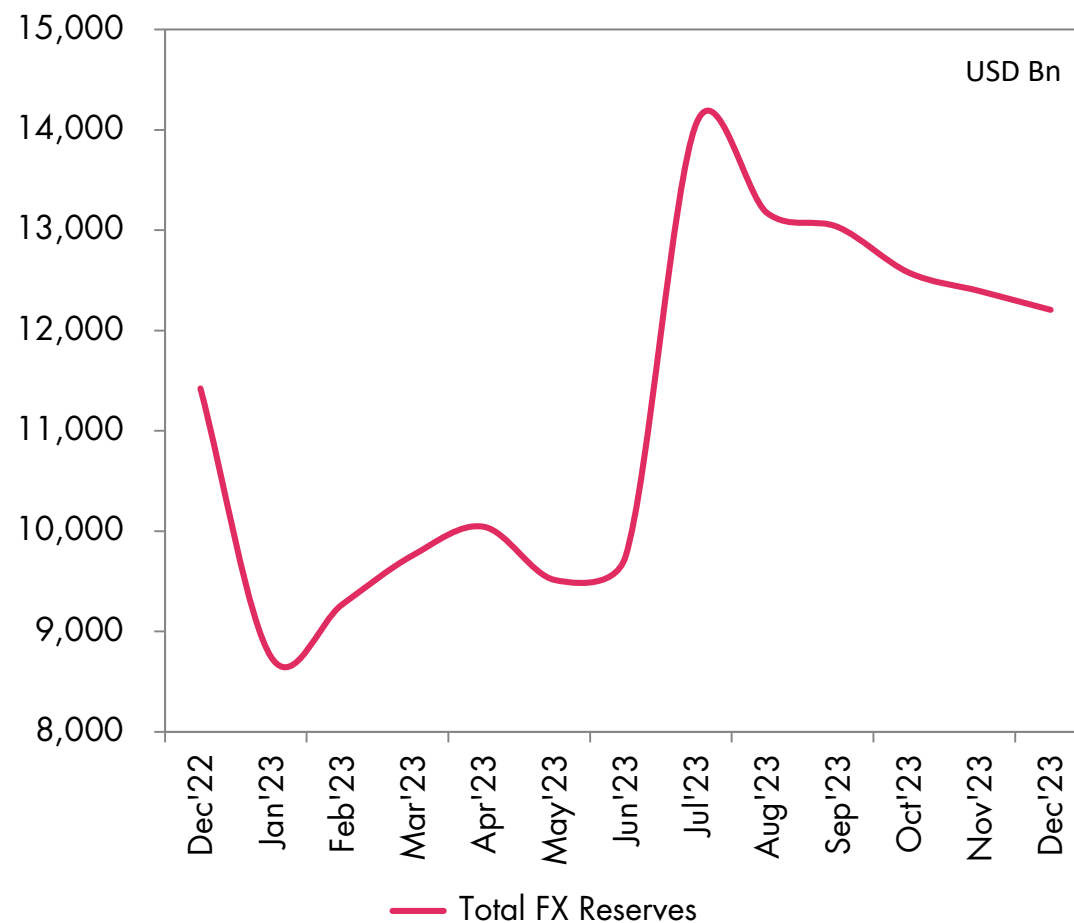


Source: SBP, PBS, Next Research

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	2,250
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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