



WEEKLY REVIEW

PAKISTAN EQUITIES

December 29, 2023

Research

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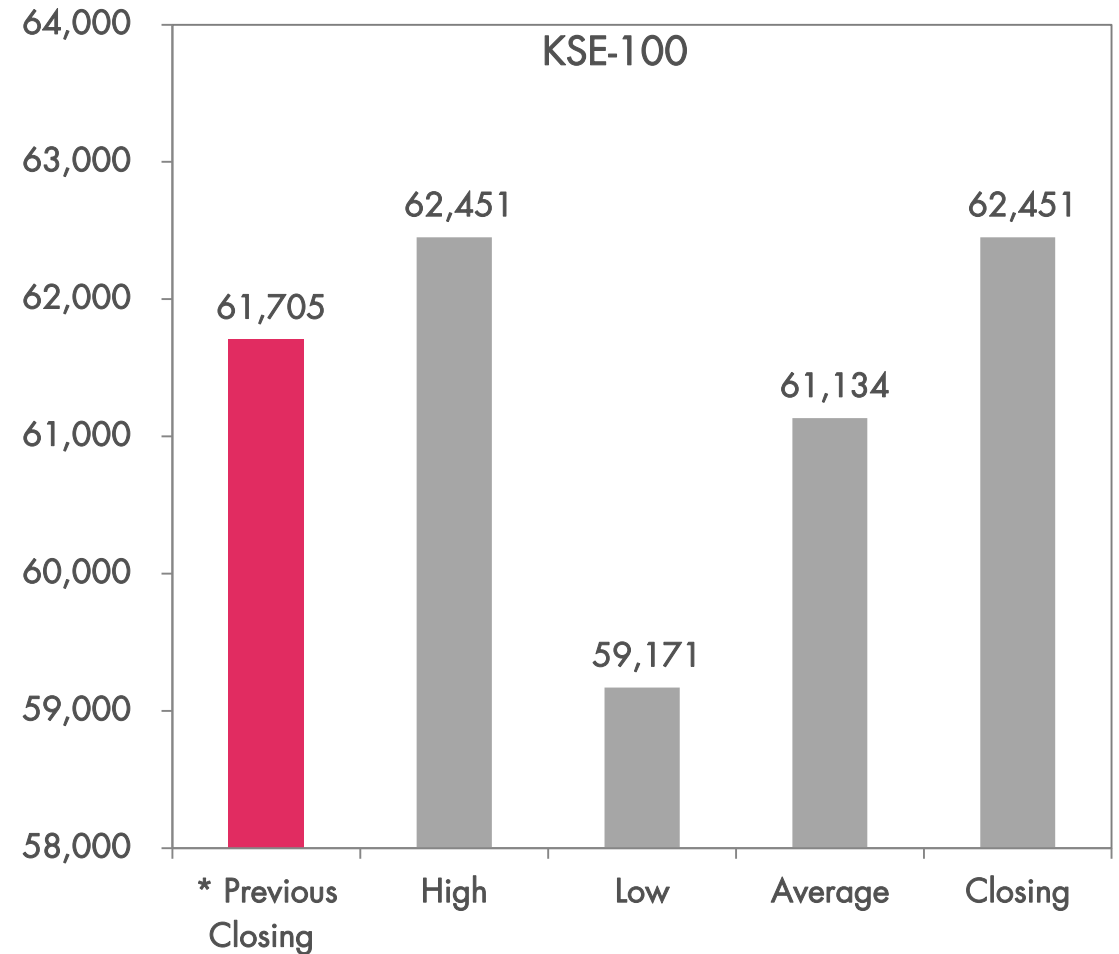
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PSX Indices

KSE100 lose 1.2% w/w

PSX Indices	Level	w/w
KSE-100	62,451	1.2%
KSE-30	20,777	1.0%
KSE-ALL	41,916	1.5%
KMI-30	104,729	1.1%
KMI-ALL	30,664	1.7%
OGTi	14,861	-0.9%
BKTi	14,958	2.5%

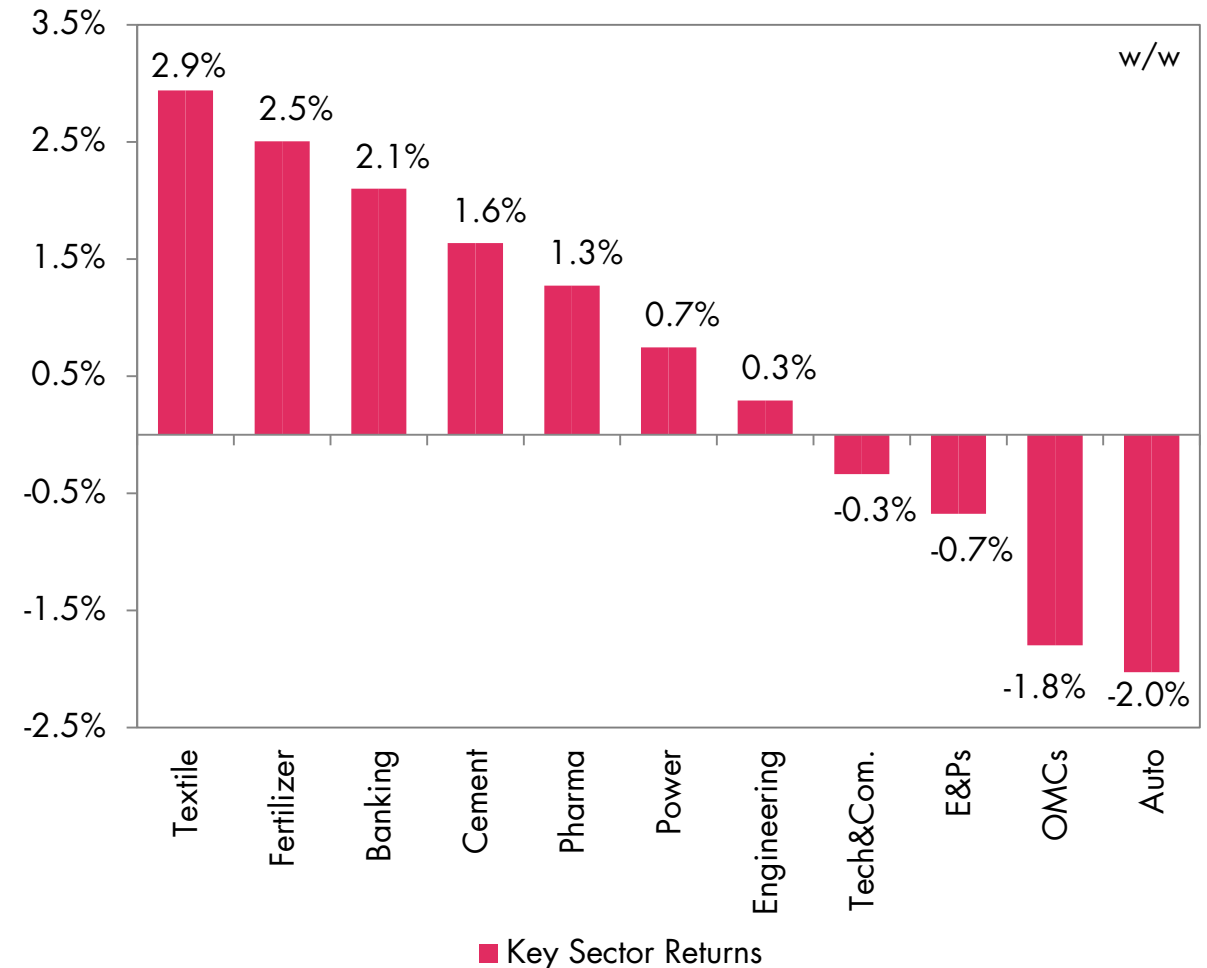
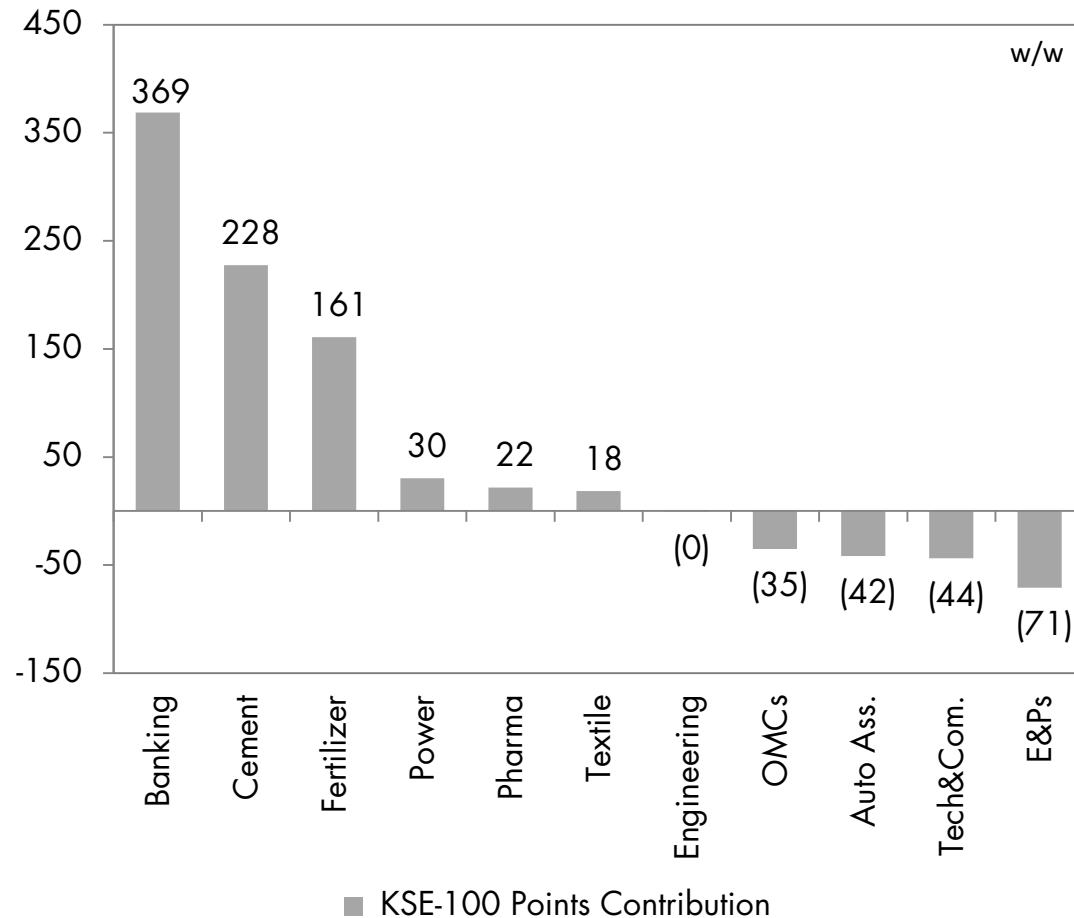


* Last week closing

Source: PSX , Next Research

Banking sector took 369 points from KSE100 Index

Autos sector lost 2.0% w/w



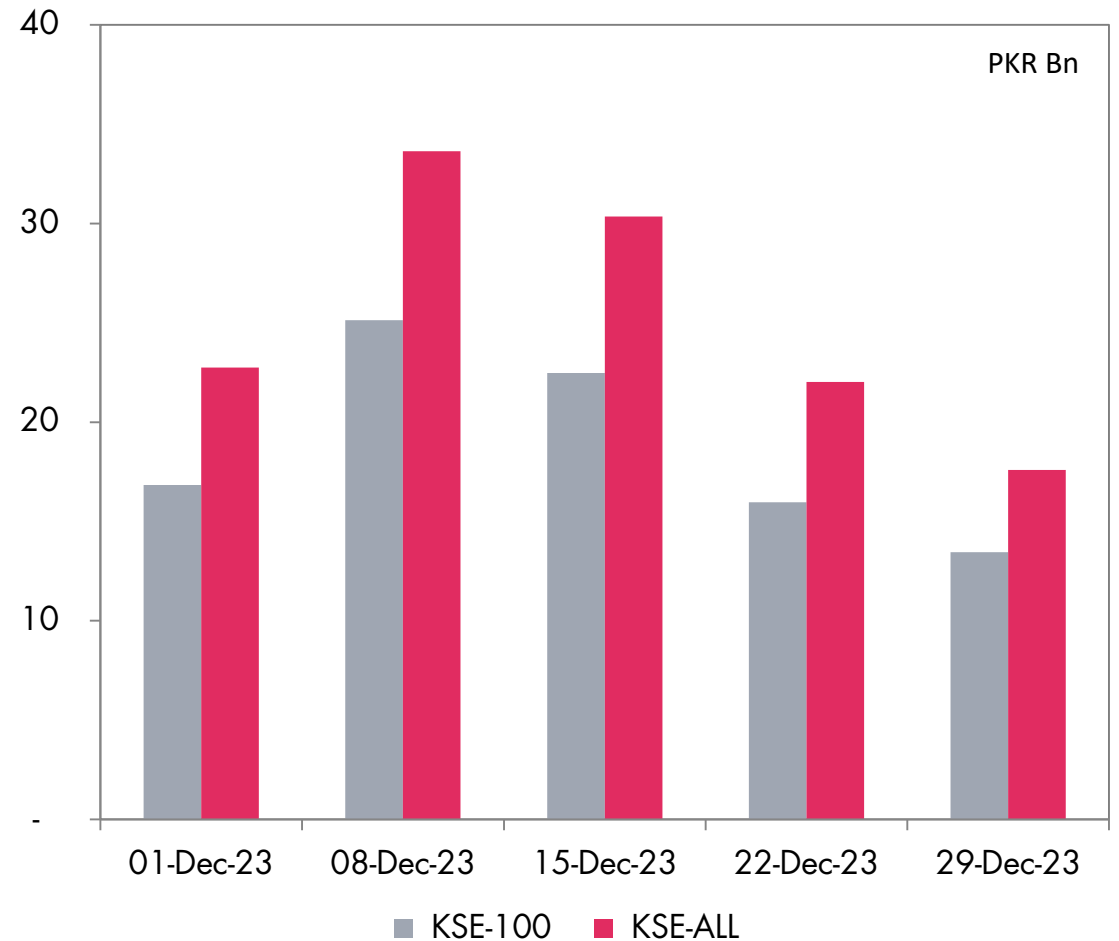
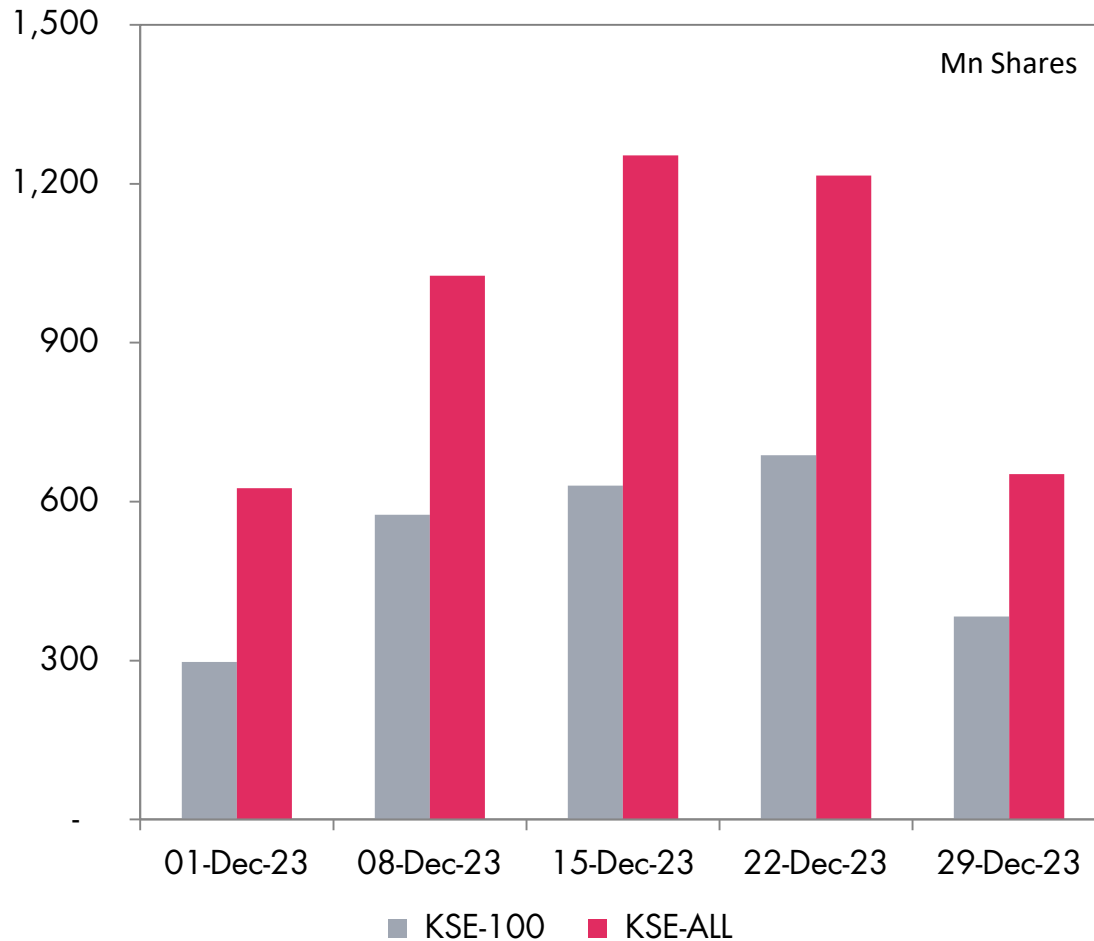
Top 10 positive contributors added 393 points to KSE100 Index

Top 10 negative contributors took 362 points from KSE100 Index

Top 10 Positive Contributors		Index Points	Top 10 Negative Contributors		Index Points
MEBL		142.74	HBL		(90.95)
UBL		105.59	PPL		(56.52)
EFERT		80.28	TRG		(42.88)
LUCK		64.12	PSO		(34.48)
MCB		60.09	POL		(33.85)
BAHL		56.20	MTL		(33.13)
KOHC		49.46	OGDC		(22.57)
HMB		47.09	PTC		(17.59)
MARI		41.85	CENERGY		(16.51)
SRVI		39.48	DAWH		(13.28)

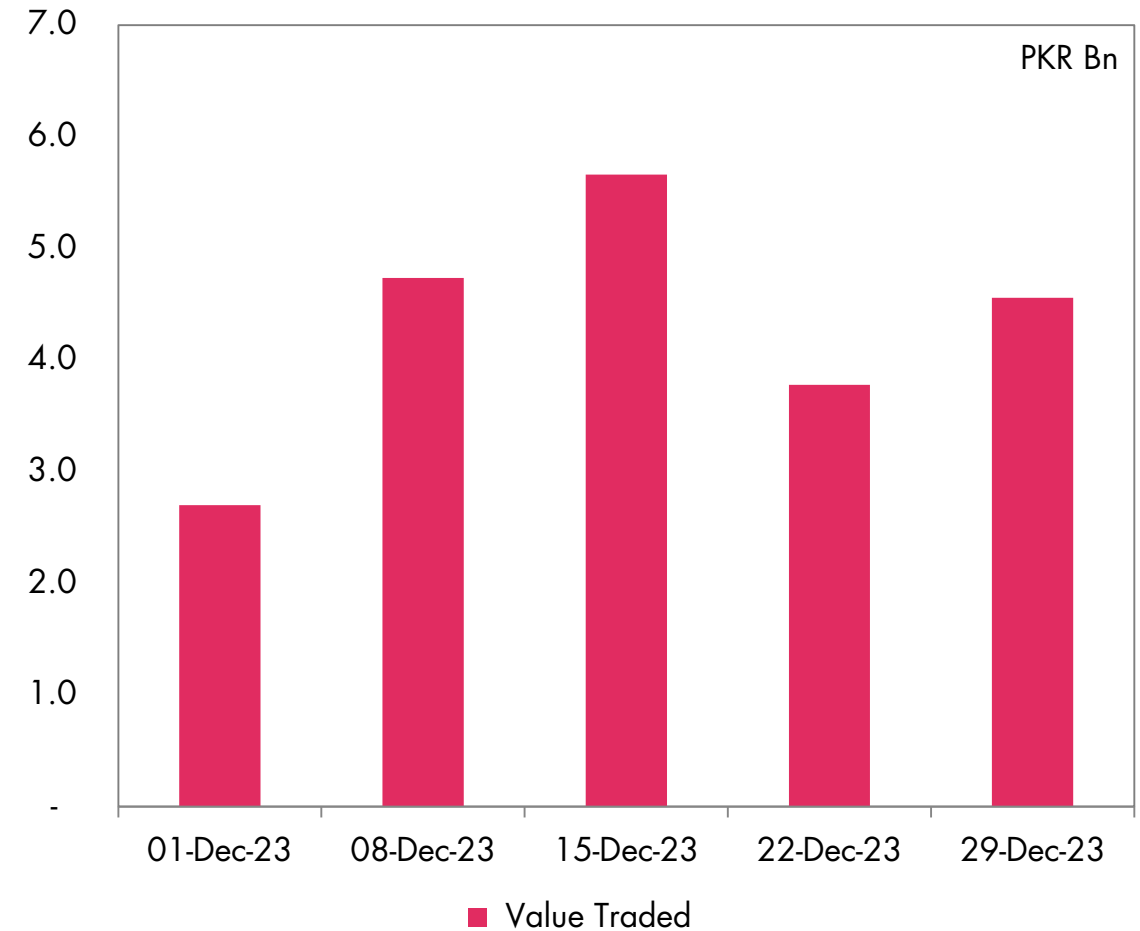
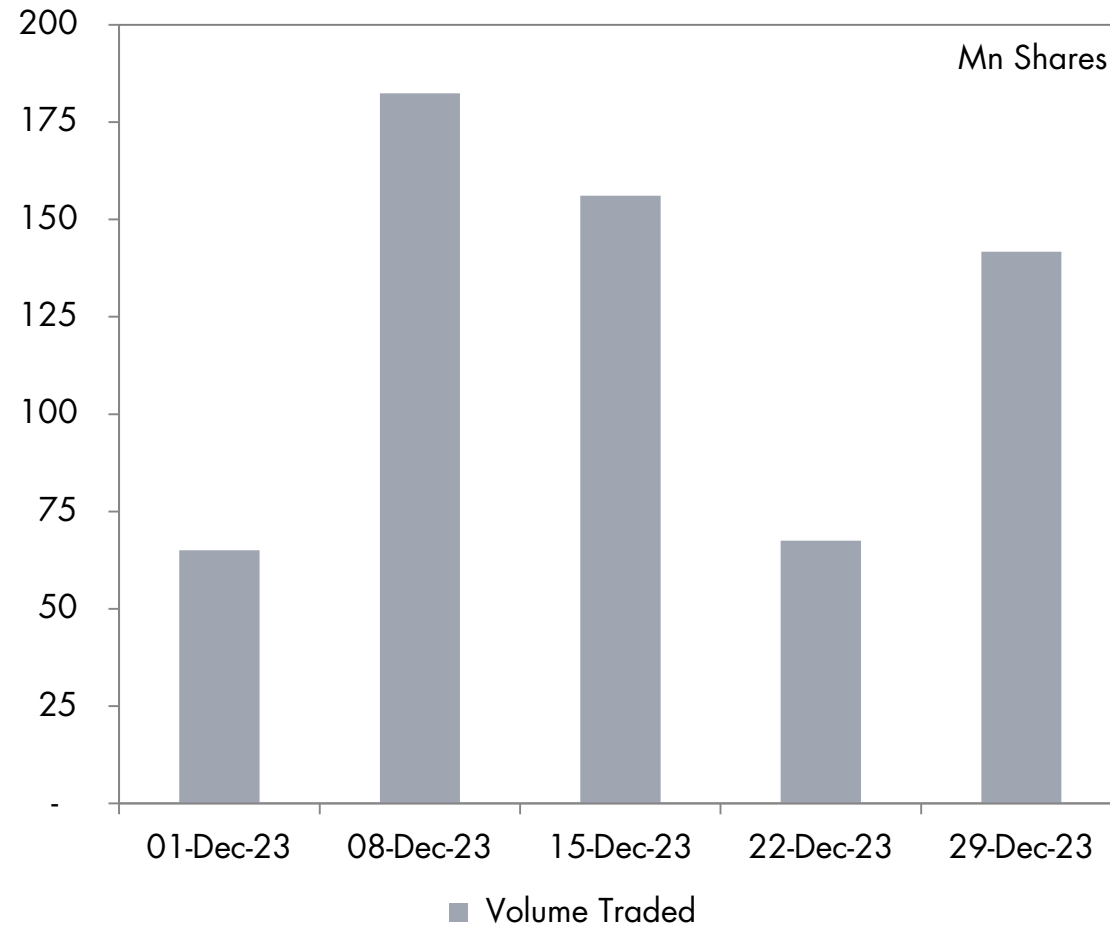
Average volume decreased 46% w/w

Average value traded decreased 20% w/w



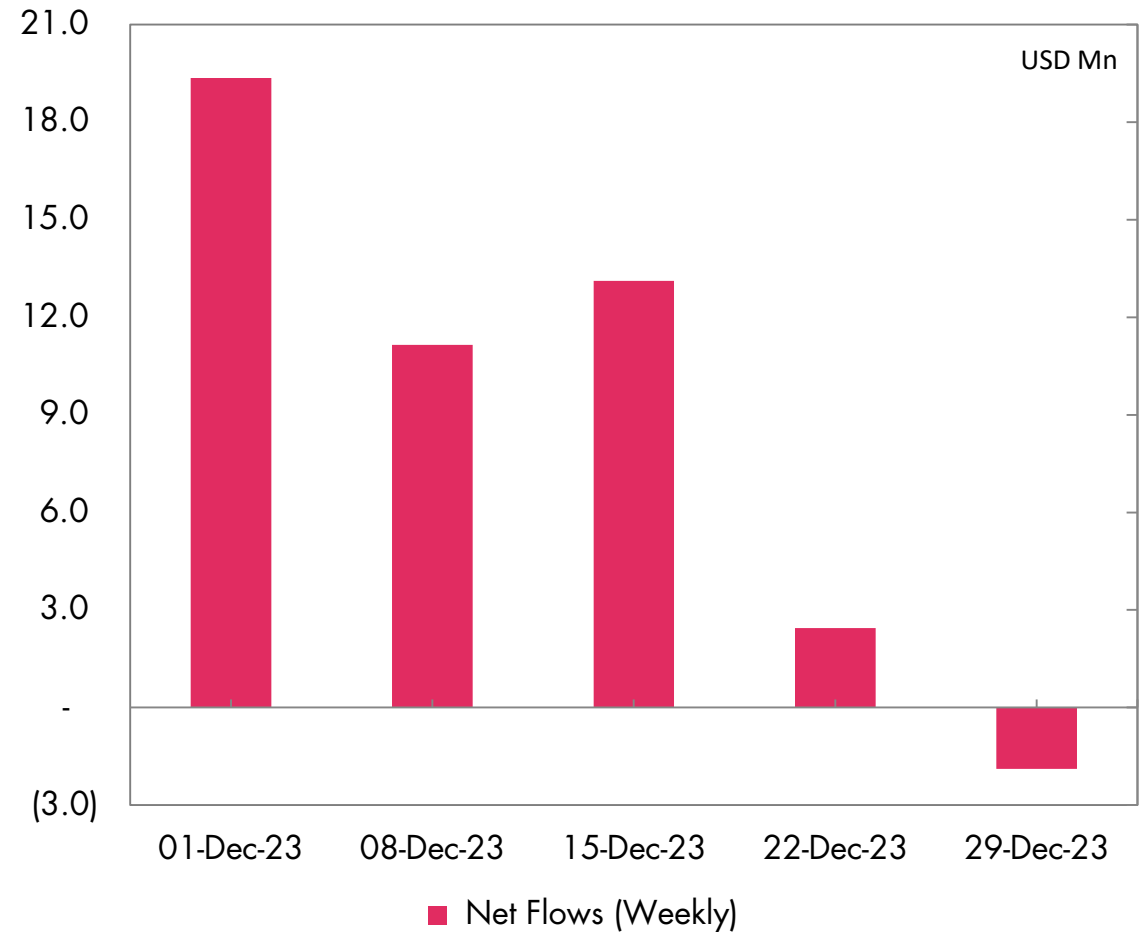
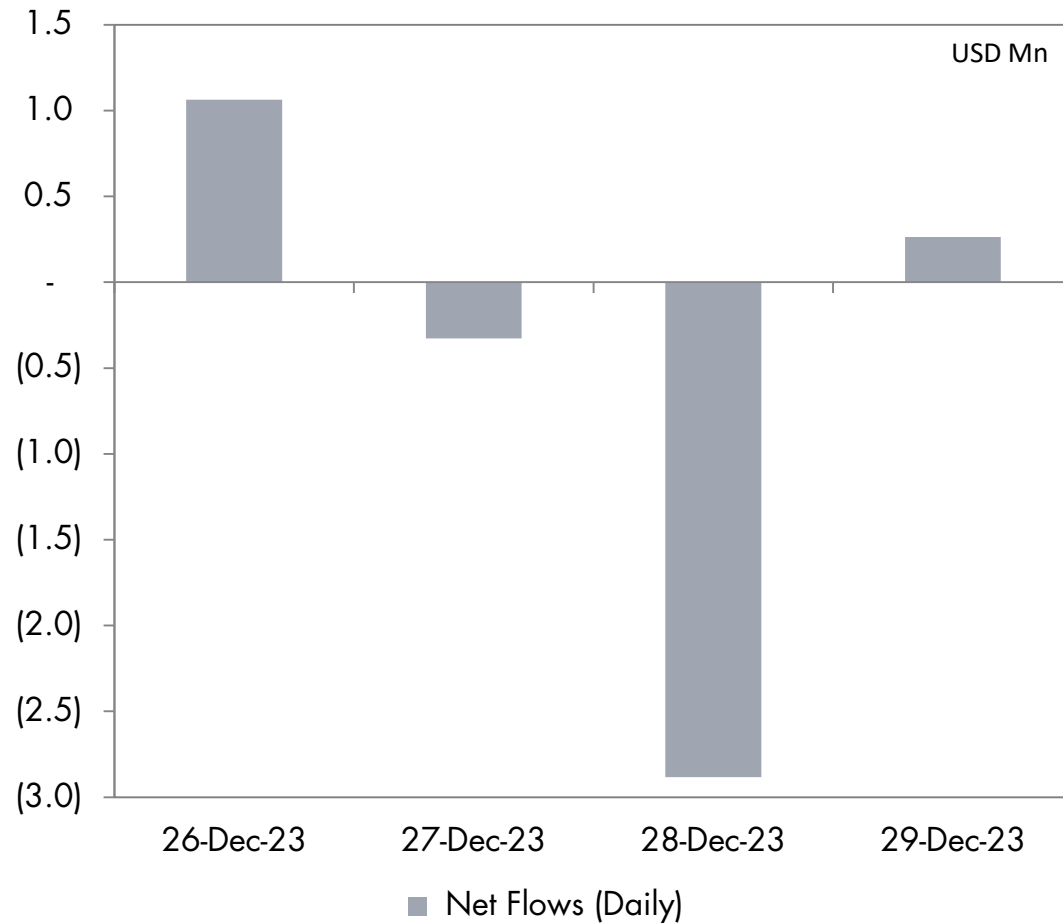
Off-market volume was 142mn shares during the week

Off-market value traded was PKR 4.6bn during the week



Foreigners were selling during the week

Foreign selling stood at USD 1.9mn during the week



Insurance were the largest net buyers

Individuals emerged as the largest net sellers

Weekly Net Flows (USD Mn)	FIPI	Individuals	Banks	Companies	M. Funds	Brokers	Others	Insurance	NBFC
All other Sectors	0.16	(5.30)	(0.63)	3.29	(0.20)	2.46	0.09	0.12	0.02
Cement	0.23	(1.74)	0.56	(0.03)	(0.11)	0.07	0.17	0.85	0.01
Commercial Banks	(1.56)	(1.49)	2.84	(0.32)	(0.04)	(0.16)	0.12	0.61	0.01
Fertilizer	0.05	0.82	(0.81)	(0.29)	0.02	(0.07)	0.00	0.29	0.00
Consumers	0.21	0.12	(0.16)	0.01	(0.18)	0.00	(0.01)	(0.00)	0.00
Oil and Gas Exploration	(0.17)	1.82	1.43	(4.45)	0.08	(0.85)	0.34	1.77	0.01
Oil and Gas Marketing	(0.34)	0.26	1.25	(0.92)	(0.37)	(0.13)	0.01	0.23	0.00
Power	(0.05)	(0.05)	(1.12)	0.16	0.64	0.15	0.03	0.21	0.03
Technology & Communication	0.07	0.81	(0.80)	0.28	(0.13)	0.12	(0.06)	(0.28)	(0.01)
Textile Composite	(0.49)	(1.75)	0.36	1.14	0.43	(0.17)	0.00	0.48	0.00
Total	(1.88)	(6.50)	2.91	(1.14)	0.15	1.43	0.70	4.27	0.07

Source: NCCPL , Next Research

IMF recipe fails to ease Pakistan's economic misery ahead of elections

- **AIIB okays \$250m for sustainable growth (Dawn):** With the approval of \$250 million by the Asian Infrastructure Investment Bank, for the Second Resilient Institutions for Sustainable Economy (RISE-II) development policy financing, the government is now in full gear to implement critical policy reforms to accelerate economic recovery and build the foundations for sustainable growth. Last week, the World Bank had approved \$350m for the second phase of the RISE project, which was followed by the Beijing-based AIIB to approve \$250m for the \$500m project.
- **Islamabad, Riyadh agree on legal framework for Saudi investment (The News):** In a major development, Pakistan and Saudi Arabia have reached an agreement for a bilateral legal framework required to pave the way for huge Saudi investment here. A source in the government said a formal agreement was expected to be signed in the near future. Authorities here see it as a big achievement.
- **IMF recipe fails to ease Pakistan's economic misery ahead of elections (The News):** With elections round the corner the expected economic turnaround has not yet taken place despite complete adherence of the last elected and the current caretaker governments to the recipe suggested by the International Monetary Fund.
- **\$500m approved to fight future pandemics (Dawn):** The Governing Board of Pandemic Fund has approved a grant of \$500 million for its second round of funding to help low- and middle-income countries scale up efforts to better prepare for future pandemics. The World Bank that hosts the fund, according to a press release, invited the interested eligible countries, regional entities and implementing entities to submit proposals through an online portal starting in late February through May 17, 2024. Pakistan is among the nine countries who are sovereign co-investors in the Pandemic Fund Governing Board which receives funding. The board also consists of nine sovereign contributing countries.
- **\$400m 'Pakistan Raises Revenue' project; WB rates implementation progress moderately satisfactory (BR):** The World Bank has rated the overall implementation progress of Pakistan Raises Revenue project of worth \$400 million moderately satisfactory, observing that some key procurements are under way.
- **Pakistan's current economic model is not working: World Bank (Dawn):** Pakistan's current economic model is not working since it has fallen behind its peers, significant progress in poverty reduction has now started to reverse, and the benefits of growth have accrued to a narrow elite, observes World Bank Country Director Najy Benhassine.
- **SBP secures \$852 million in official receipts, forex reserves hit four-month high (The News):** The central bank foreign exchange reserves rose to \$7.757 billion in the week ended Dec. 22, the highest level since August, boosted by inflows from multilateral lenders and friendly countries, official data and analysts said on Thursday. The State Bank of Pakistan (SBP) said its reserves increased by \$852 million, while the reserves of commercial banks fell by \$65 million to \$5.099 billion. The country's total reserves increased to \$12.856 billion.
- **Govt doubles bank borrowing to Rs2.9 trillion in six months amid debt, inflation (The New):** The government more than doubled its borrowing from banks in the first half of the current fiscal year, as it struggled to cope with rising debt payments and inflationary pressures, central bank data showed on Tuesday. The government borrowed Rs2.897 trillion from banks between July and mid-December, a 153 percent increase from the same period a year ago, according to data from the State Bank of Pakistan. The government borrowed Rs1.146 trillion in the same period last year.
- **Pakistan one of likely destinations for ME exports; Asian refiners to face diesel supply glut (BR):** Diesel supply in Asia is set to jump in 2024 fueled by new refineries in the Middle East and robust exports from China, and is likely to outpace the region's world-leading demand growth, analysts and trade sources said. As a result, diesel prices are expected to fall, meaning Asia's refiners face a second consecutive year of sliding profit margins for the fuel used in cars, trucks and power generators.
- **ENI confirms LNG cargo in January after initial doubt (The News):** Pakistan, which is facing a severe gas shortage that has crippled its power sector and industries, will receive a liquefied natural gas cargo from Italy's ENI SpA on Jan. 18 as scheduled, averting a potential supply disruption, government officials said.
- **Govt provides Rs200bn subsidy to power sector to curtail circular debt (The News):** The Ministry of Finance on Thursday provided a Rs 200 billion subsidy to cash bleeding power sector to erase the monster of the circular debt which had mounted to Rs 2.7 trillion by the latest available estimates. After clearance of this amount, the remaining circular debt of the power sector was expected to stand at around Rs 2.5 trillion till end of ongoing month (December 2023).
- **Foods exports surge by 37.12pc to \$2.64b in 5 months (Nation):** The food exports from Pakistan increased by 37.12 percent during the first five months of the current fiscal year as compared to the corresponding period of last year, Pakistan Bureau of Statistics (PBS) reported. Food exports during July-November (2023-24) were recorded at \$2,640.905 million as compared to the exports of \$1,925.969 million in July-November (2022-23), a surge of 37.12 percent, according to latest PBS data.
- **Number of active taxpayers reaches 5.3m mark (BR):** The number of active taxpayers (ATL) has reached 5.3 million as on December 26, 2023.

Commodities

WTI decrease 3% WoW

Commodity18	Unit	08-Dec-23	15-Dec-23	22-Dec-23	29-Dec-23
WTI	bbl	69.38	71.58	73.84	71.77
Brent	bbl	74.30	76.63	79.37	77.15
Arab Light	bbl	80.87	77.47	82.26	82.03
Coal	MT	108.50	101.25	100.00	101.25
Natural Gas	mmbtu	2.58	2.39	2.57	2.56
Polypropylene	MT	0.46	0.44	0.44	0.44
Ethanol	MT	2.16	2.16	2.16	2.16
Urea	MT	330.00	325.00	315.00	320.00
DAP	MT	562.50	567.50	570.00	577.50

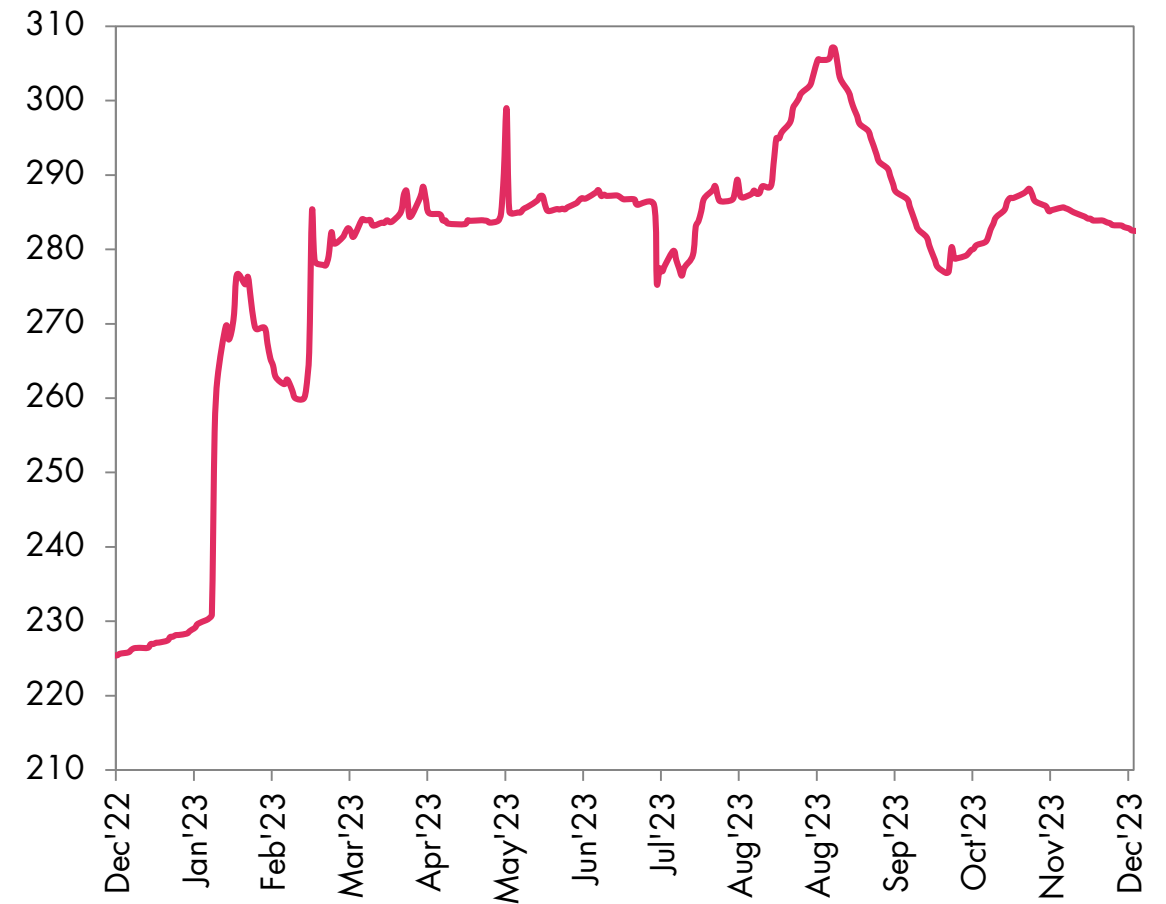
Commodity691 154.	Unit	08-Dec-23	15-Dec-23	22-Dec-23	29-Dec-23
Cotton	lb	82.72	80.81	79.08	80.95
Gold	Ounce	2,028.47	2,035.53	2,052.86	2,066.04
Silver	Ounce	23.80	24.14	27.75	23.99
Copper	lb	3.83	3.88	3.91	3.92
Iron Ore	MT	1,038.50	1,007.00	1012.50	1,038.00
Steel Scrap LME	MT	330.00	325.00	423.50	421.50
Steel Rebar LME	MT	608.00	604.5	599.50	604.00
Rubber	KG	143.90	144.60	147.90	154.20

Source: Bloomberg, Mettis, other websites, Next Research

Currencies

PKR appreciated against USD (Interbank)

Currency	01-Dec-23	08-Dec-23	15-Dec-23	22-Dec-23	29-Dec-23
PKR / USD	284.97	283.87	283.26	282.53	281.86
PKR / EUR	310.50	306.00	311.39	310.81	311.50
PKR / GBP	360.05	356.67	361.55	358.66	358.60
PKR / JPY	1.92	1.97	1.99	1.99	1.99
PKR / CAD	210.49	208.90	211.65	212.77	212.81
PKR / AUD	188.22	187.54	190.09	191.61	192.03



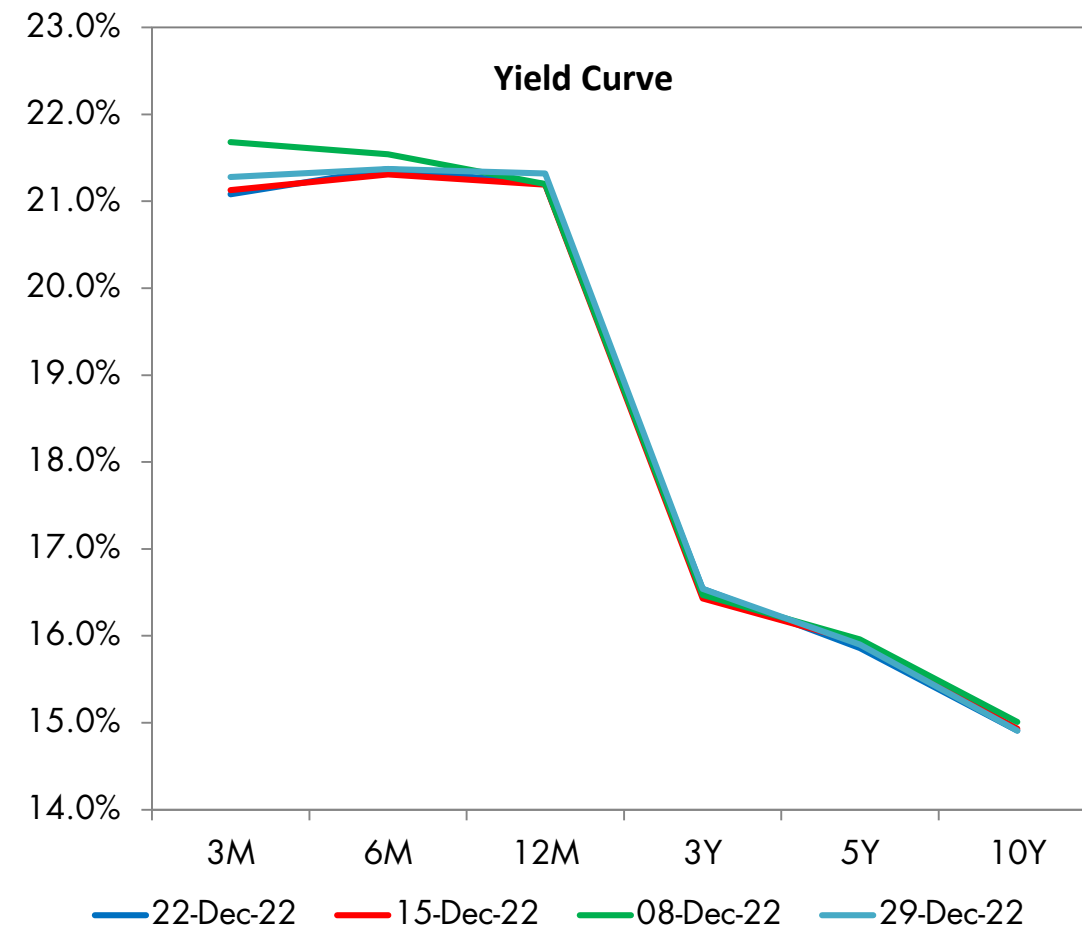
Source: SBP , Next Research

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%	13.6%	15.0%
CIC – Growth YoY	8.3%	10.5%	11.1%	12.5%
NDA – Banking Growth YoY	16.1%	17.3%	16.6%	16.3%
NFA – Banking Growth YoY	85.3%	121.5%	75.2%	35.0%
Private Sector Credit Growth YoY	-1.0%	0.3%	1.3%	-4.4%
Govt. Borrowing W/ SBP Growth YoY	-16.6%	-15.8%	6.2%	-12.9%

*Latest Number Available

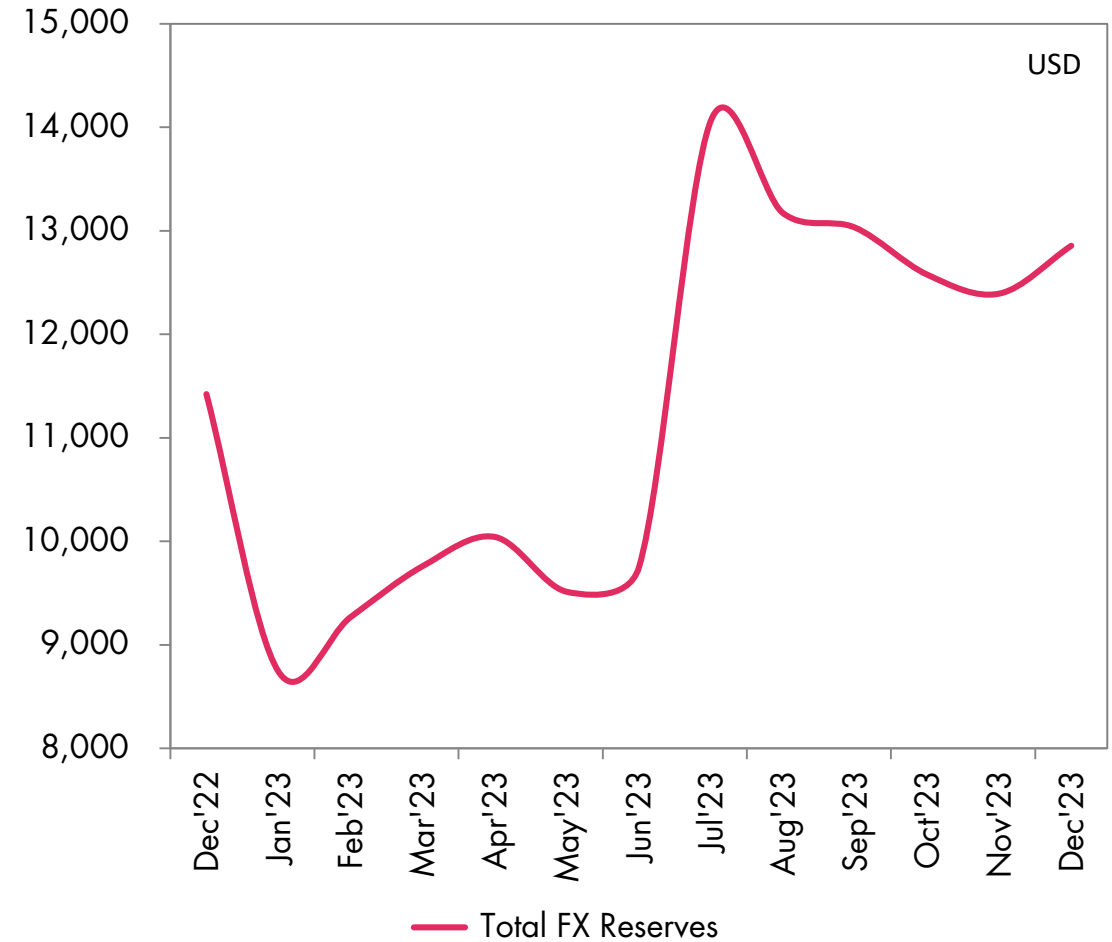


Source: SBP, PBS, Next Research

Economic Indicators

External account

USD Million	Aug-23	Sep-23	Oct-23	Nov-23
Current Account	(164)	(46)	(184)	9
Financial Account	24	268	(112)	(460)
Balance of Payment	(271)	29	(172)	(540)
FDI	142	173	122	131
Remittances	2,095	2,208	2,463	2,250
Commodities Exports – SBP	2,425	2,470	2,764	2,732
Commodities Imports – SBP	4,275	3,970	4,378	4,458
Trade Balance – SBP	(1,850)	(1,500)	(1,614)	(1,726)
Exports – PBS	2,366	2,476	2,690	2,573
Imports – PBS	4,528	3,994	4,864	4,539
Trade Balance – PBS	(2,162)	(1,518)	(2,174)	(1,966)



Source: SBP, PBS, Next Research

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