



WEEKLY REVIEW

PAKISTAN EQUITIES

January 05, 2024

Research

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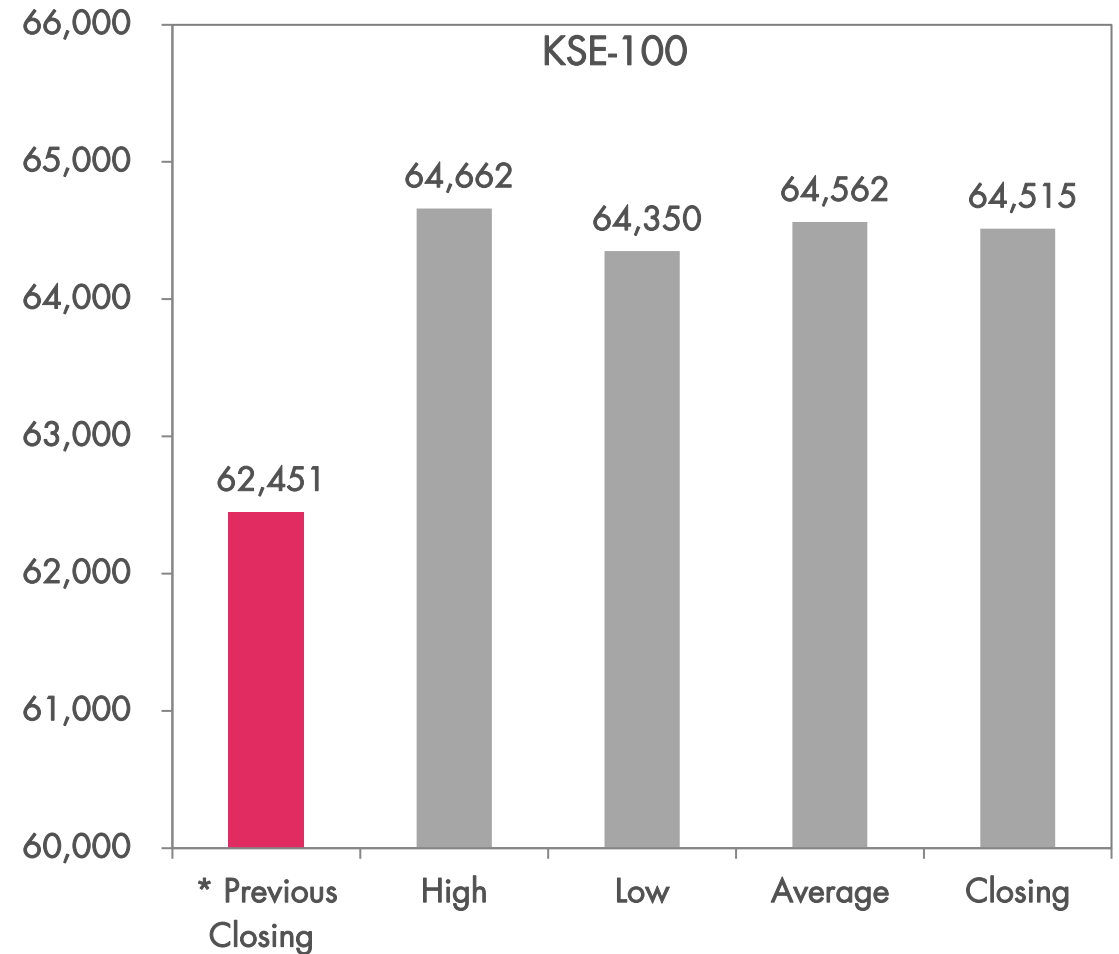
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PSX Indices

KSE100 gain 3.3% w/w

PSX Indices	Level	w/w
KSE-100	64,515	3.3%
KSE-30	21,545	3.7%
KSE-ALL	43,367	3.5%
KMI-30	108,509	3.6%
KMI-ALL	31,819	3.8%
OGTi	15,917	7.1%
BKTi	15,397	2.9%

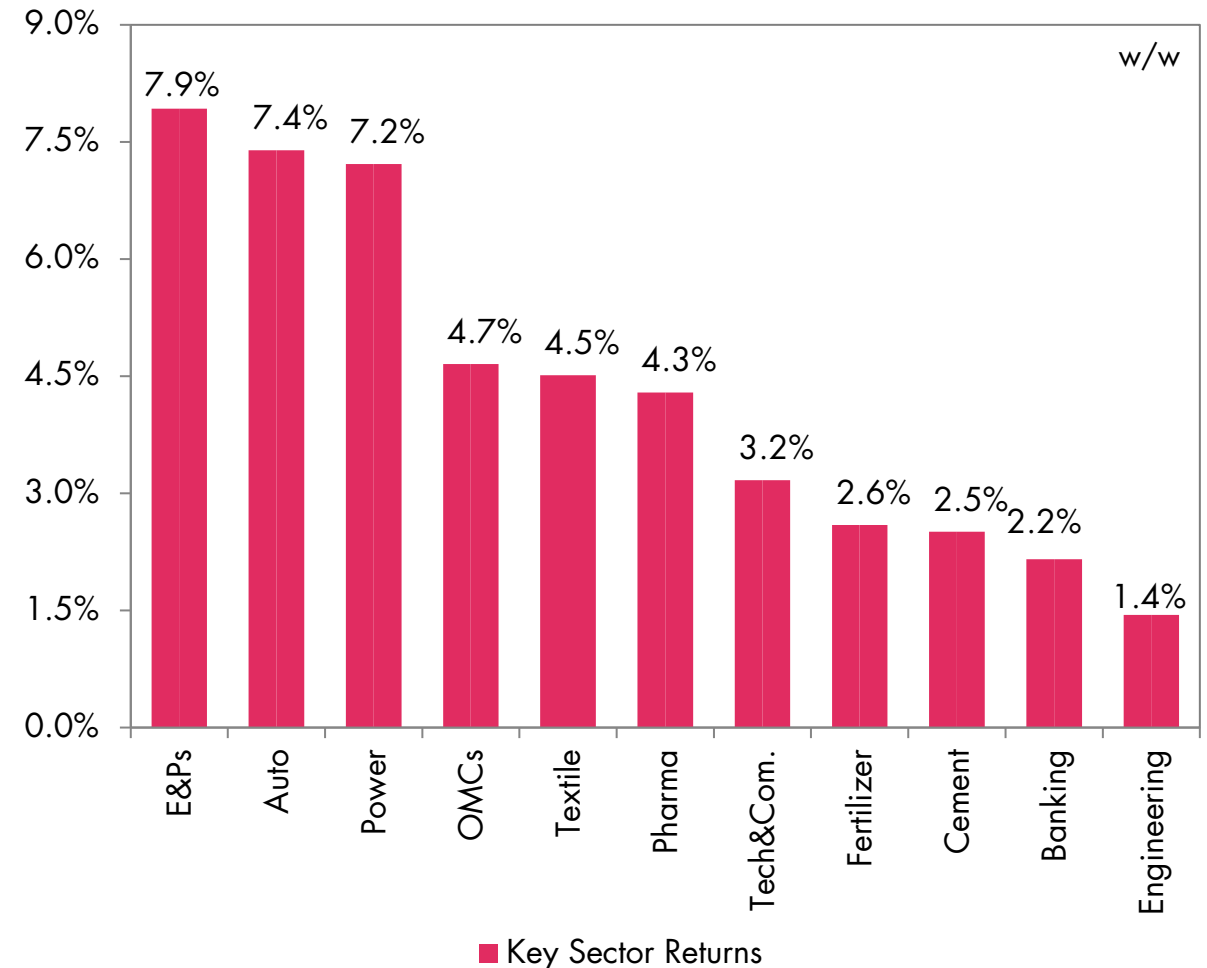
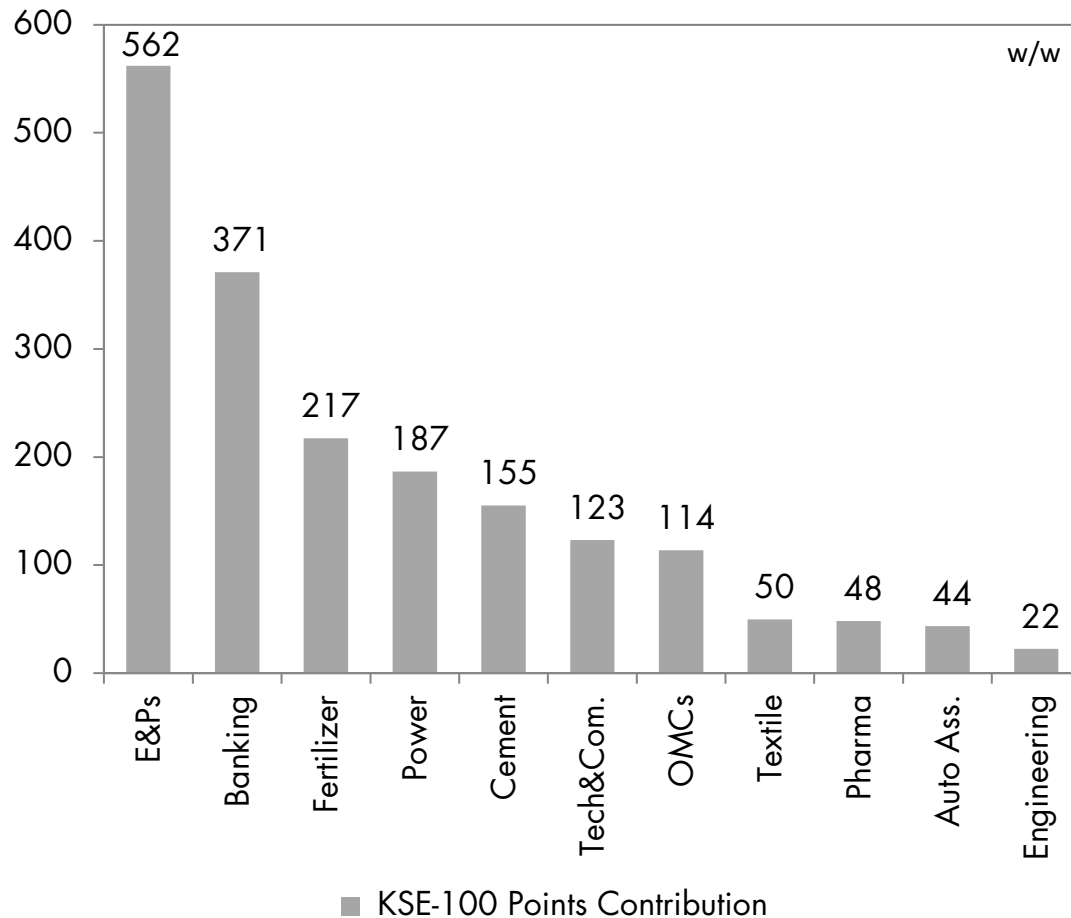


* Last week closing

Source: PSX , Next Research

E&P sector added 562 points to KSE100 Index

Engineering sector added least 1.4% w/w



Top 10 positive contributors added 729 points to KSE100 Index

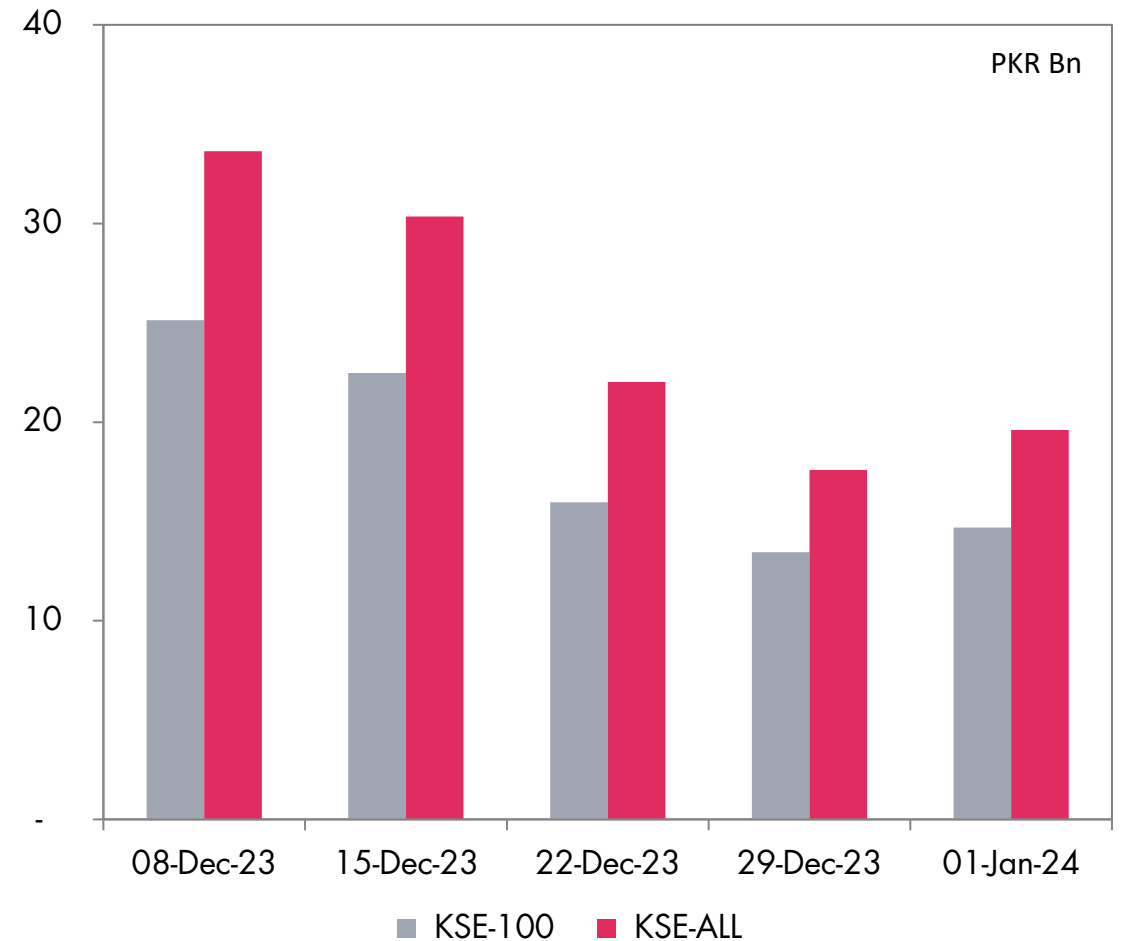
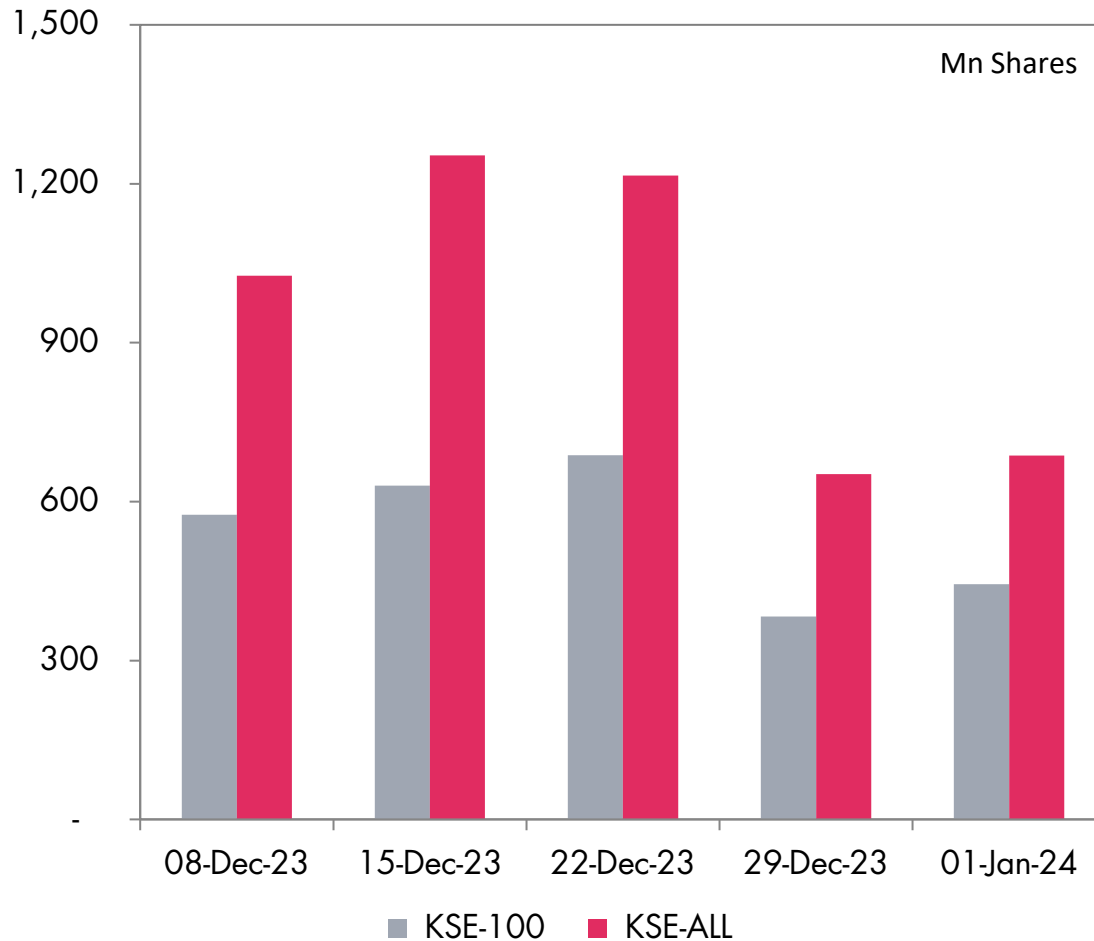
Top 10 negative contributors took 84 points from KSE100 Index

Top 10 Positive Contributors		Index Points	Top 10 Negative Contributors		Index Points
PPL		251.84	PSEL		(33.18)
OGDC		246.98	PAKT		(11.69)
HBL		117.22	PABC		(8.59)
FFC		112.74	LCI		(6.13)
HUBC		102.62	AKBL		(5.69)
EFERT		93.53	BIPL		(4.45)
UBL		86.51	PKGPP		(4.30)
KEL		72.19	PSX		(3.94)
TRG		68.95	FFBL		(3.16)
MCB		57.51	GHGL		(2.38)

Source: PSX , Next Research

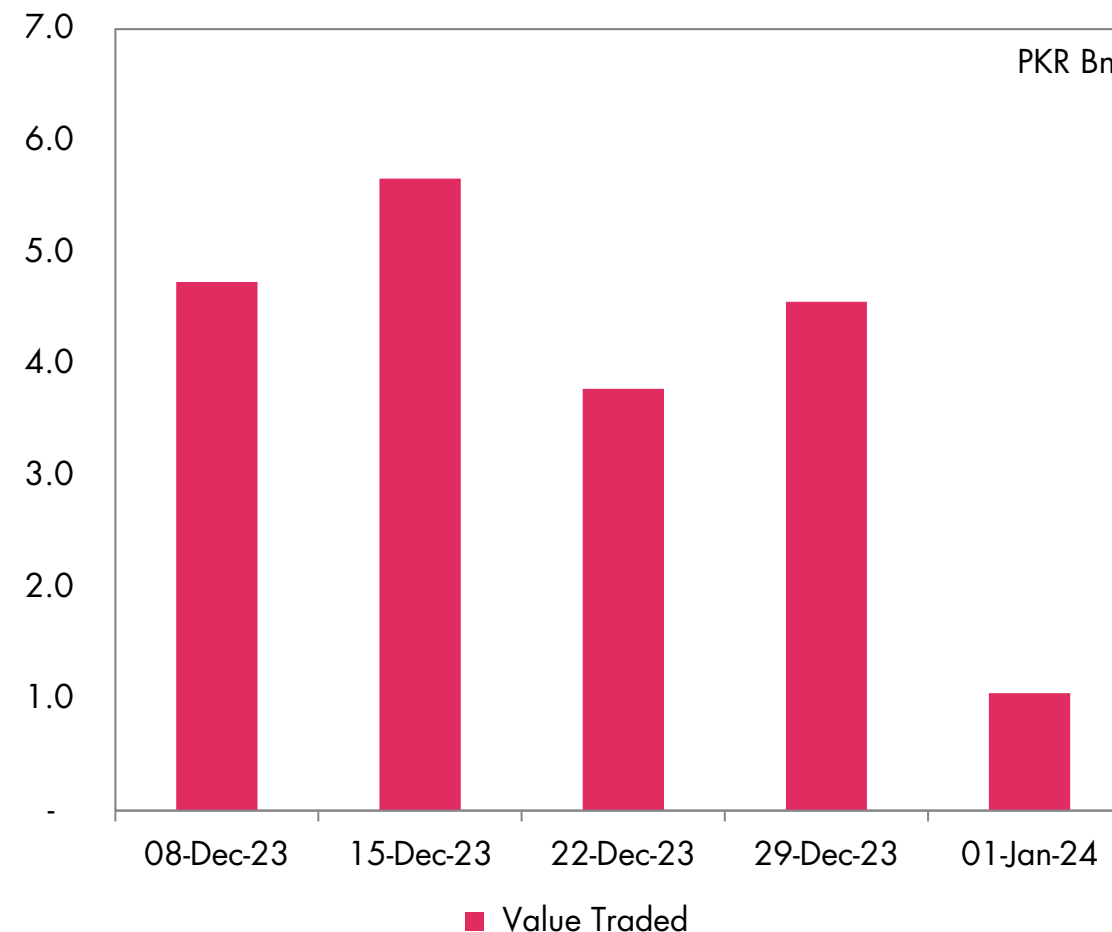
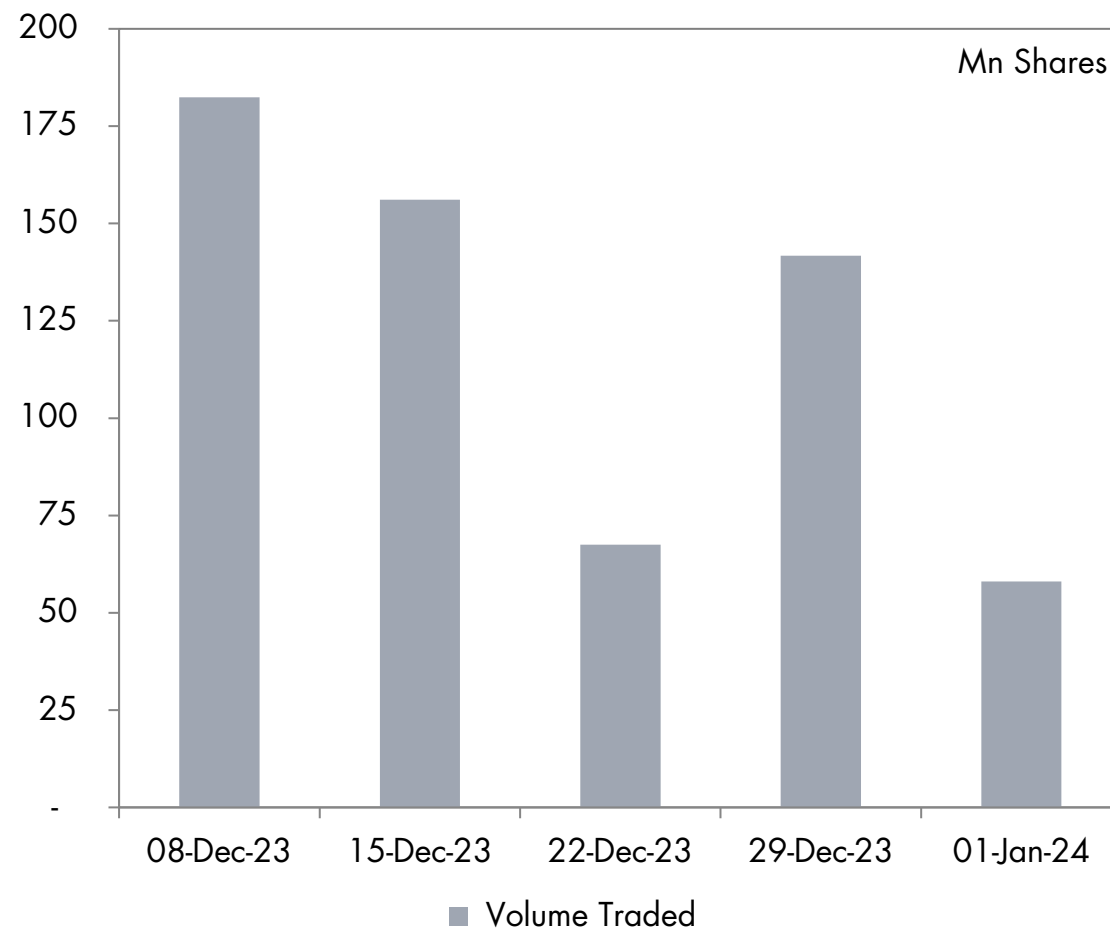
Average volume increased 5% w/w

Average value traded increased 11% w/w



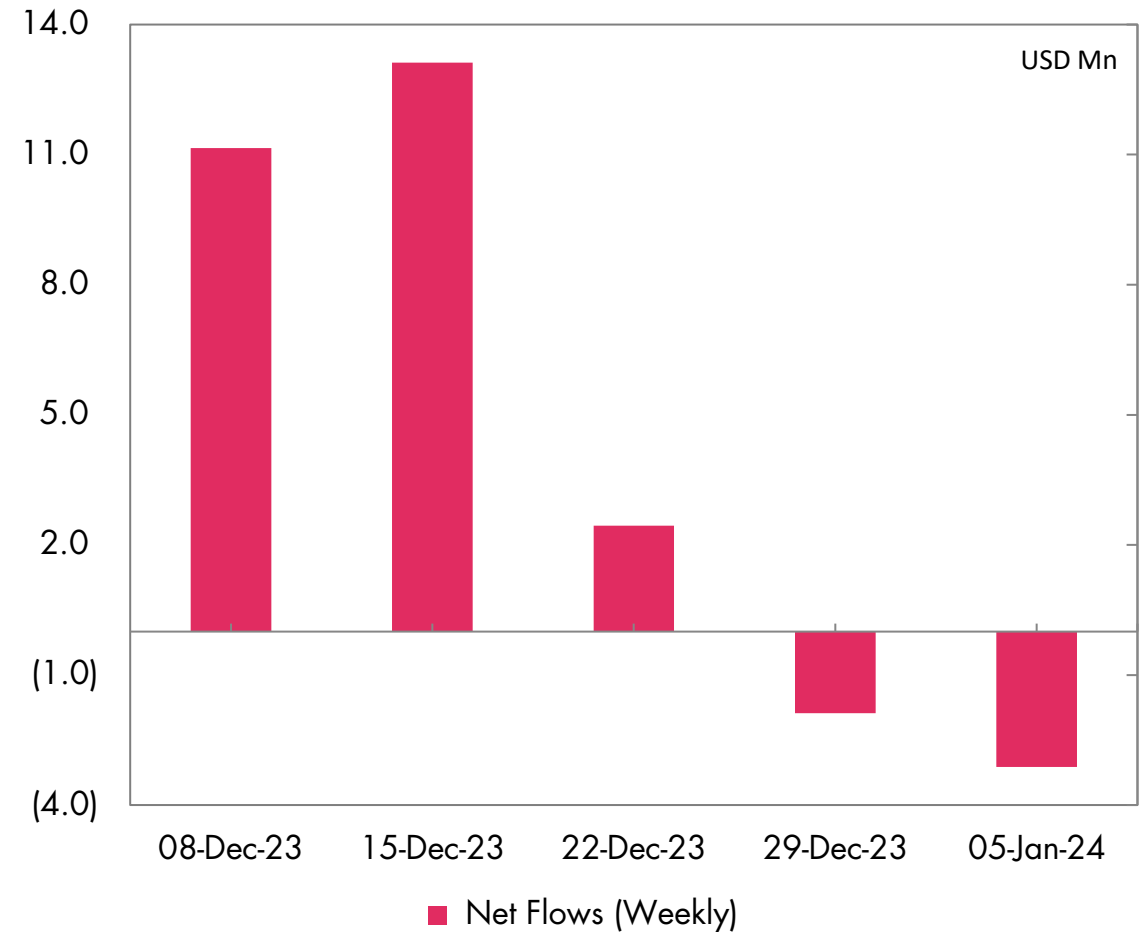
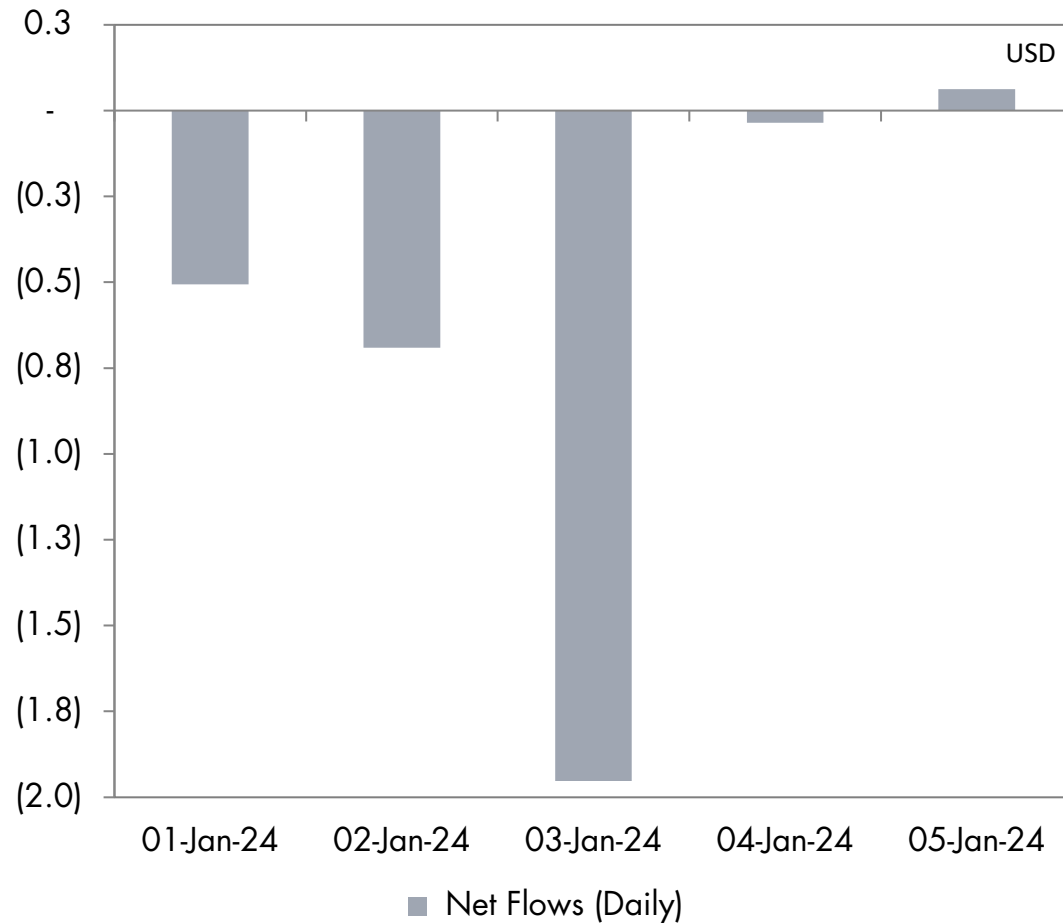
Off-market volume was 58mn shares during the week

Off-market value traded was PKR 1.1 bn during the week



Foreigners were selling during the week

Foreign selling stood at USD 3.1 mn during the week



Others 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	0.51	(0.43)	0.19	(0.45)	0.33	(0.73)	0.07	0.52	(0.00)
Cement	(0.34)	(2.97)	2.03	0.11	0.69	0.23	0.05	0.19	(0.00)
Commercial Banks	(0.99)	(2.98)	2.53	0.28	1.02	0.02	0.12	(0.00)	0.01
Fertilizer	0.78	(1.57)	0.06	0.11	0.84	(0.04)	(0.32)	0.11	0.03
Consumers	(0.01)	1.21	(0.08)	(0.14)	(0.59)	(0.30)	(0.06)	(0.03)	0.00
Oil and Gas Exploration	(1.95)	(2.23)	(1.92)	(4.28)	0.02	6.11	5.40	(1.12)	(0.02)
Oil and Gas Marketing	0.10	(0.41)	1.24	(0.81)	0.15	(0.27)	0.04	(0.04)	(0.01)
Power	(0.69)	(0.86)	0.64	(0.46)	1.51	(0.81)	0.04	0.64	(0.00)
Technology & Communication	(0.14)	(0.21)	0.32	(0.11)	0.19	0.01	(0.01)	(0.05)	0.00
Textile Composite	(0.38)	(0.24)	0.00	(0.03)	0.54	0.07	0.14	(0.10)	(0.00)
Total	(3.12)	(10.63)	5.38	(6.15)	4.64	4.28	5.48	0.11	0.00

Source: NCCPL , Next Research

IMF Board meeting on Jan 11

- **Board meeting on Jan 11: IMF to consider Pakistan's request for release of \$700m tranche (The News):** Caretaker Minister for Finance Dr Shamshad Akhtar and State Bank of Pakistan (SBP) Governor Jameel Jameel Ahmed have dully signed a Letter of Intent (LoI) and committed with the IMF to implement all agreed conditions to get the approval of the second tranche worth \$700 million. Now the IMF has confirmed that its Executive Board is scheduled to consider Pakistan's request for the completion of the first review and release of the second tranche worth \$700 million under the Standby Arrangement (SBA) programme on January 11, 2024, in its meeting going to be held in Washington DC.
- **WB, IDB, USAID to provide Pakistan over \$1b for 3 developmental projects (Nation):** The World Bank, Islamic Development Bank (IDB) and USAID will provide Pakistan over \$1 billion for three developmental projects in education and physical planning & housing sectors.
- **ADB to fund climate-resilient housing projects (Dawn):** The Asian Development Bank will assist seven countries of Central and West Asia, including Pakistan, to enhance the role of the private sector in the delivery of inclusive, accessible, adequate, affordable and climate-resilient housing ecosystems that also champion the needs of disadvantaged population groups. Approving the regional technical assistance of \$500,000, the ADB says its team will explore private sector-based solutions and interventions besides identifying potential pilot projects for implementation.
- **Upcoming general elections; ECP accepts 22,711 nomination papers, rejects 3,240 (BR):** The Election Commission of Pakistan (ECP) has received as many as 25,951 applications for the upcoming general elections of the National Assembly (NA) and four provincial assemblies' constituencies, of which, 22,711 nomination papers have been accepted and 3,240 rejected.
- **Jul-Nov FDI jumps 8.1pc to \$656.1m YoY (BR):** Net Foreign Direct Investment (FDI) in Pakistan grew by 8.1 percent during the first five months (July-November) of fiscal year 2023-24 to \$656.1 million against \$606.9 million. This was noted in the balance of payments details on the State Bank of Pakistan (SBP) website. Net FDI during the same period (July-November) of the previous fiscal year amounted to \$606.9 million.
- **Pakistan's sizzling bond rally may extend into 2024 on IMF hopes (The News):** Pakistan's dollar bonds will rally for a second year as the government is expected to secure another bailout from the International Monetary Fund, according to investors. UBS Asset Management and William Blair Investment Management see its bonds remaining attractive after almost doubling in 2023. Suleman Rafiq Maniya, an independent wealth manager in Karachi, says gains can be as much as 37 percent in the next 18 months, Bloomberg reported on Wednesday.
- **Trade deficit shrinks by 34.29pc to \$11.15 billion in six months (Nation):** Pakistan's trade deficit has shrunk by over 34.29 percent to \$11.15 billion in the first six months (July to December) of the current fiscal year as exports have started increasing.
- **Pakistan's copper export to China crosses \$1 billion mark in 2023 (Nation):** Copper and articles thereof have seen an increase in export to China from Pakistan in recent years and in the first eleven months of 2023 increased by 9%, crossed one billion dollars mark, sources said.
- **SBP reserves hit six-month high, shoot above \$8.2bn (Dawn):** The State Bank of Pakistan's (SBP) foreign exchange reserves hit an almost six-month high to \$8.221 billion after an inflow of \$464 million during the week ending on Dec 29, the central bank announced on Thursday. However, the inflow of \$853m in the preceding week helped to increase the SBP's reserves cumulatively by \$1.31bn.
- **LTO crosses Rs1trn mark in six months (BR):** The Large Taxpayers Office (LTO) has set a new benchmark for tax collection by crossing Rs 1 trillion mark in the first half of current financial year - the highest-ever in Pakistan's history. According to Commissioner Inland Revenue Girdhari Mal, the LTO collected whopping Rs 1.22 trillion in tax revenue against its July-Dec target of Rs 1.216 trillion - exceeding it by over Rs 4 billion.
- **Inflation rises to 29.6pc in December (The News):** Pakistan's inflation rate rose to 29.66 percent in December 2023, up from 29.2 percent in the previous month.
- **Petroleum sales fall 7pc in December on higher prices, lower demand (The News):** The sale of petroleum products dropped 7 percent year-on-year to 1.24 million tonnes in December, as higher prices, economic slowdown and lower demand for furnace oil weighed on the oil industry.
- **Cement exports jump 155pc, domestic sales fall 4pc in Dec (The News):** Cement exports soared by more than 155 percent in December, the third consecutive month of growth, but domestic consumption fell by nearly 4 percent, data from the industry body showed on Tuesday.
- **Urea sales stagnant in 2023 amid low stocks and high prices (The News):** Urea fertiliser sales were flat in 2023 at 6.6 million tonnes, as low inventories and high prices dampened demand in the last quarter of the year, industry data showed on Thursday. The demand in 2022 plunged following deluged farmland as a result of catastrophic floods. Urea offtake in December fell 24 percent year-on-year to 630,000 tonnes. The decline was mainly due to weak sales in the sowing and early stage of the wheat crop, which accounts for about 60 percent of the annual urea consumption in the country, analysts said.

Commodities

WTI increase 1% WoW

Commodity	Unit	15-Dec-23	22-Dec-23	29-Dec-23	05-Jan-24
WTI	bbl	71.58	73.84	71.77	72.19
Brent	bbl	76.63	79.37	77.15	77.72
Arab Light	bbl	77.47	82.26	82.03	82.03
Coal	MT	101.25	100.00	101.25	100.50
Natural Gas	mmbtu	2.39	2.57	2.56	2.82
Polypropylene	MT	0.44	0.44	0.44	0.44
Ethanol	MT	2.16	2.16	2.16	2.16
Urea	MT	325.00	315.00	320.00	317.50
DAP	MT	567.50	570.00	577.50	580.00

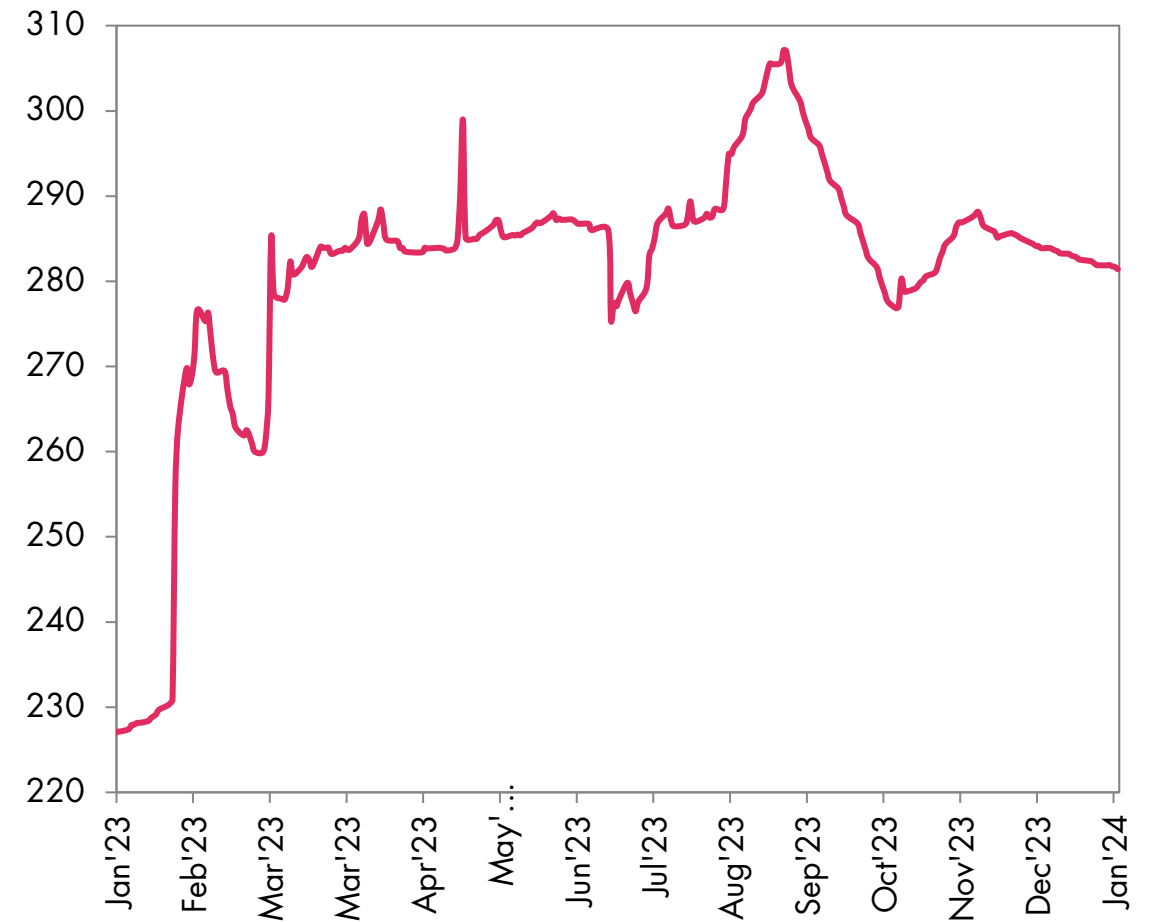
Commodity	Unit	15-Dec-23	22-Dec-23	29-Dec-23	05-Jan-24
Cotton	lb	80.81	79.08	80.95	80.12
Gold	Ounce	2,035.53	2,052.86	2,066.04	2043.22
Silver	Ounce	24.14	27.75	23.99	22.99
Copper	lb	3.88	3.91	3.92	3.84
Iron Ore	MT	1,007.00	1012.50	1,038.00	1083.50
Steel Scrap LME	MT	325.00	423.50	421.50	418.50
Steel Rebar LME	MT	604.5	599.50	604.00	596.00
Rubber	KG	144.60	147.90	154.20	153.60

Source: Bloomberg, Mettis, other websites, Next Research

Currencies

PKR appreciated against USD (Interbank)

Currency	08-Dec-23	15-Dec-23	22-Dec-23	29-Dec-23	05-Jan-24
PKR / USD	283.87	283.26	282.53	281.86	281.40
PKR / EUR	306.00	311.39	310.81	311.50	307.34
PKR / GBP	356.67	361.55	358.66	358.60	356.67
PKR / JPY	1.97	1.99	1.99	1.99	1.94
PKR / CAD	208.90	211.65	212.77	212.81	210.64
PKR / AUD	187.54	190.09	191.61	192.03	188.55



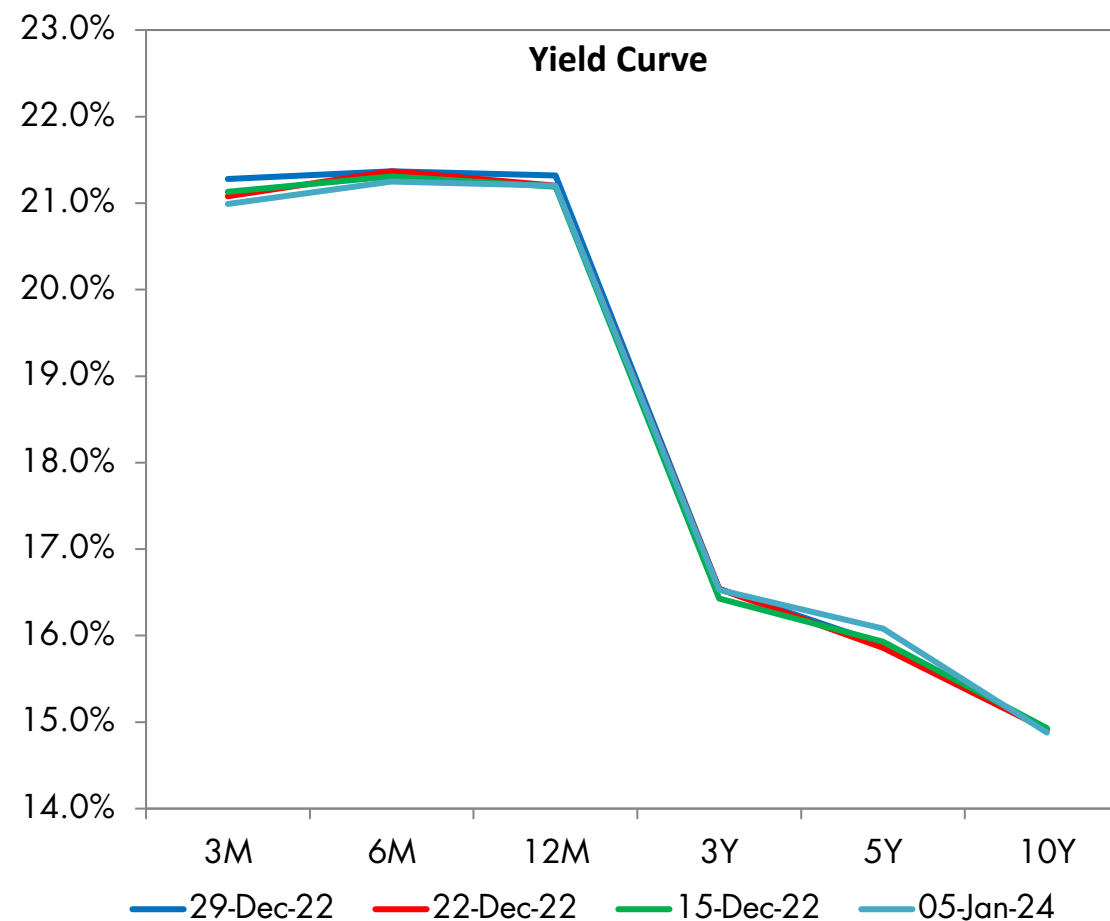
Source: SBP, Next Research

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%	31.4%
CPI	31.4%	26.9%	29.2%	29.7%
CPI – NFNE Urban	18.6%	18.5%	18.6%	18.5%
M2 – Growth YoY	12.9%	13.1%	13.6%	15.3%
CIC – Growth YoY	8.3%	10.5%	11.1%	11.4%
NDA – Banking Growth YoY	16.1%	17.3%	16.6%	15.4%
NFA – Banking Growth YoY	85.3%	121.5%	75.2%	17.7%
Private Sector Credit Growth YoY	-1.0%	0.3%	1.3%	-3.3%
Govt. Borrowing W/ SBP Growth YoY	-16.6%	-15.8%	6.2%	-22.5%

*Latest Number Available

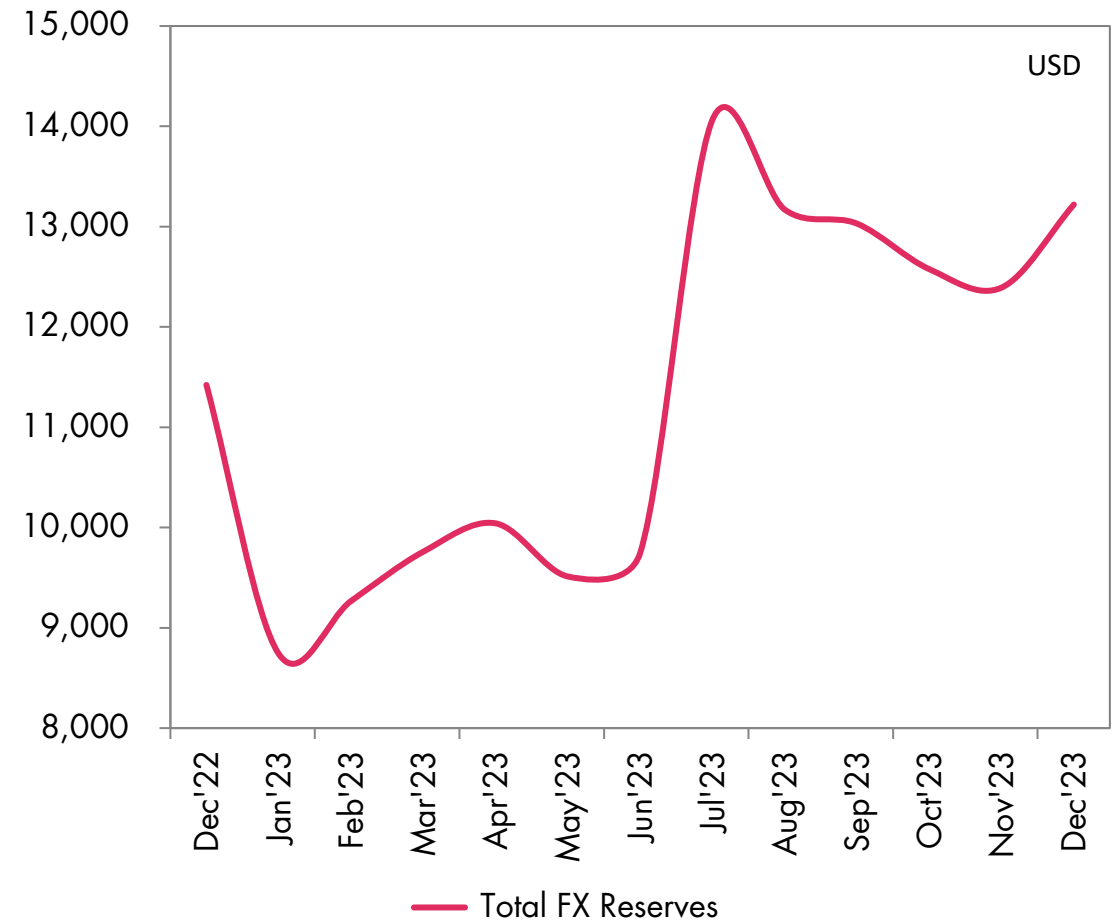


Source: SBP, PBS, Next Research

Economic Indicators

External account

USD Million	Sep-23	Oct-23	Nov-23	Dec-23
Current Account	(46)	(184)	9	n/a
Financial Account	268	(112)	(460)	n/a
Balance of Payment	29	(172)	(540)	n/a
FDI	173	122	131	n/a
Remittances	2,208	2,463	2,250	n/a
Commodities Exports – SBP	2,470	2,764	2,732	n/a
Commodities Imports – SBP	3,970	4,378	4,458	n/a
Trade Balance – SBP	(1,500)	(1,614)	(1,726)	n/a
Exports – PBS	2,476	2,690	2,573	2,812
Imports – PBS	3,994	4,864	4,539	4,514
Trade Balance – PBS	(1,518)	(2,174)	(1,966)	(1,702)



Source: SBP, PBS, Next Research

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