



WEEKLY REVIEW

PAKISTAN EQUITIES

January 12, 2024

Research

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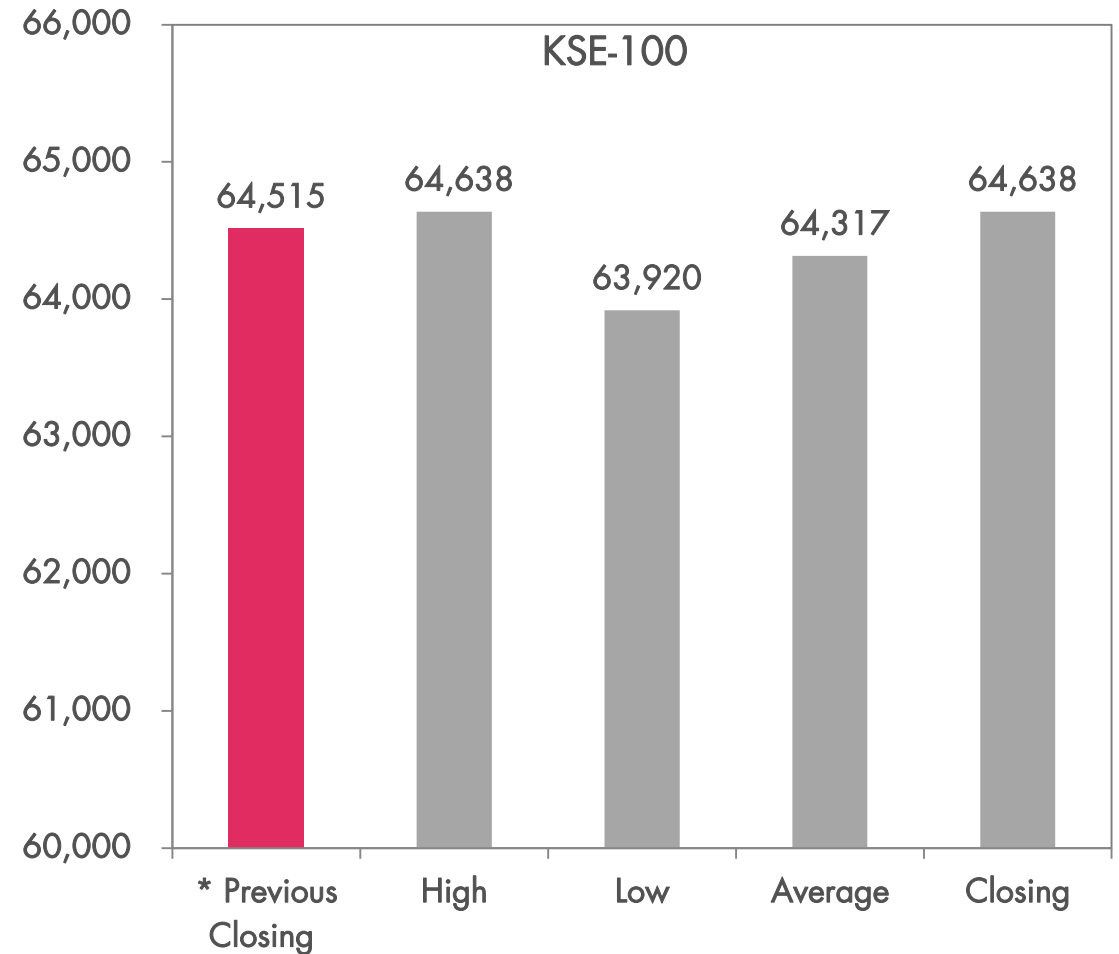
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PSX Indices

KSE100 gain 0.2% w/w

PSX Indices	Level	w/w
KSE-100	64,638	0.2%
KSE-30	21,631	0.4%
KSE-ALL	43,740	0.9%
KMI-30	109,346	0.8%
KMI-ALL	32,061	0.8%
OGTi	16,530	3.9%
BKTi	15,279	-0.8%

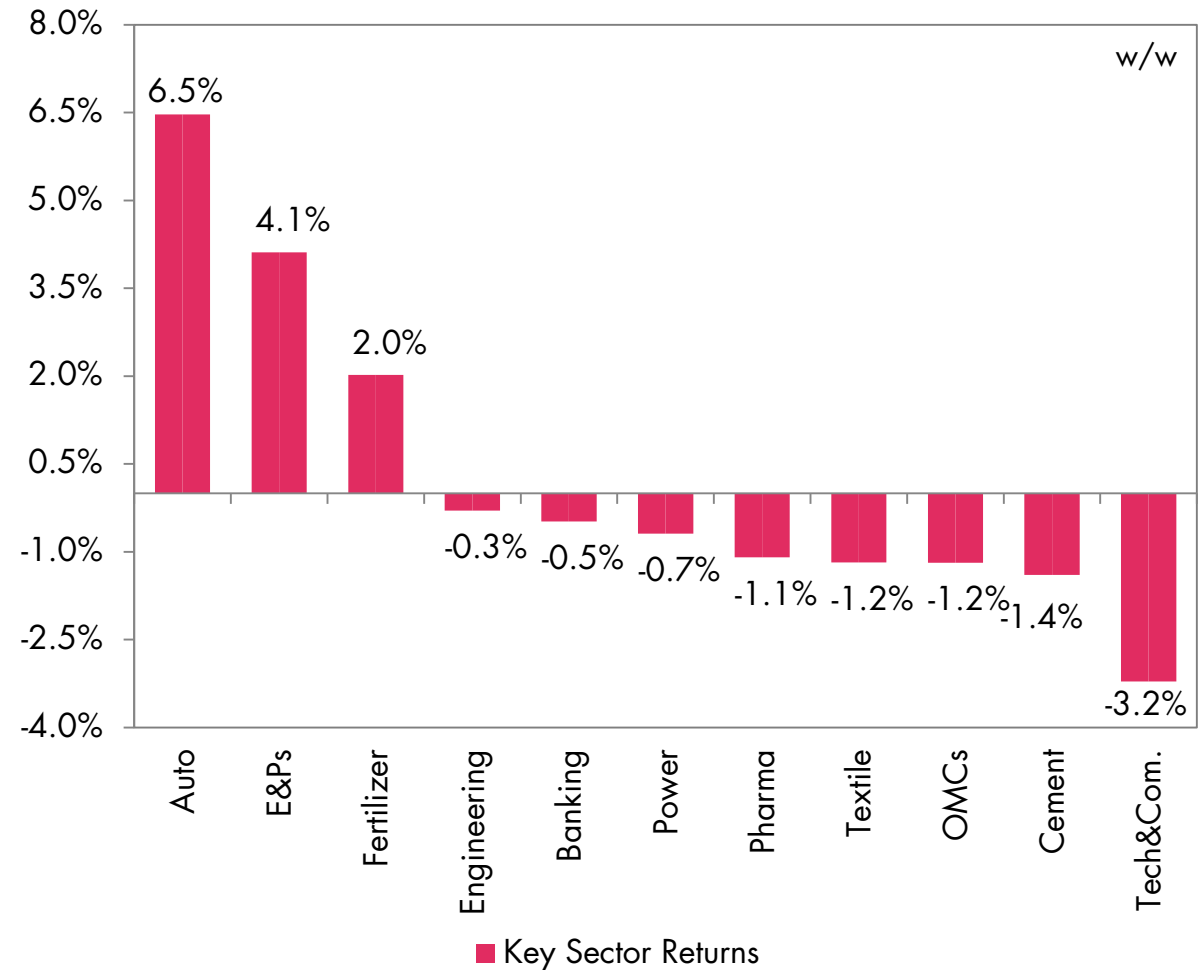
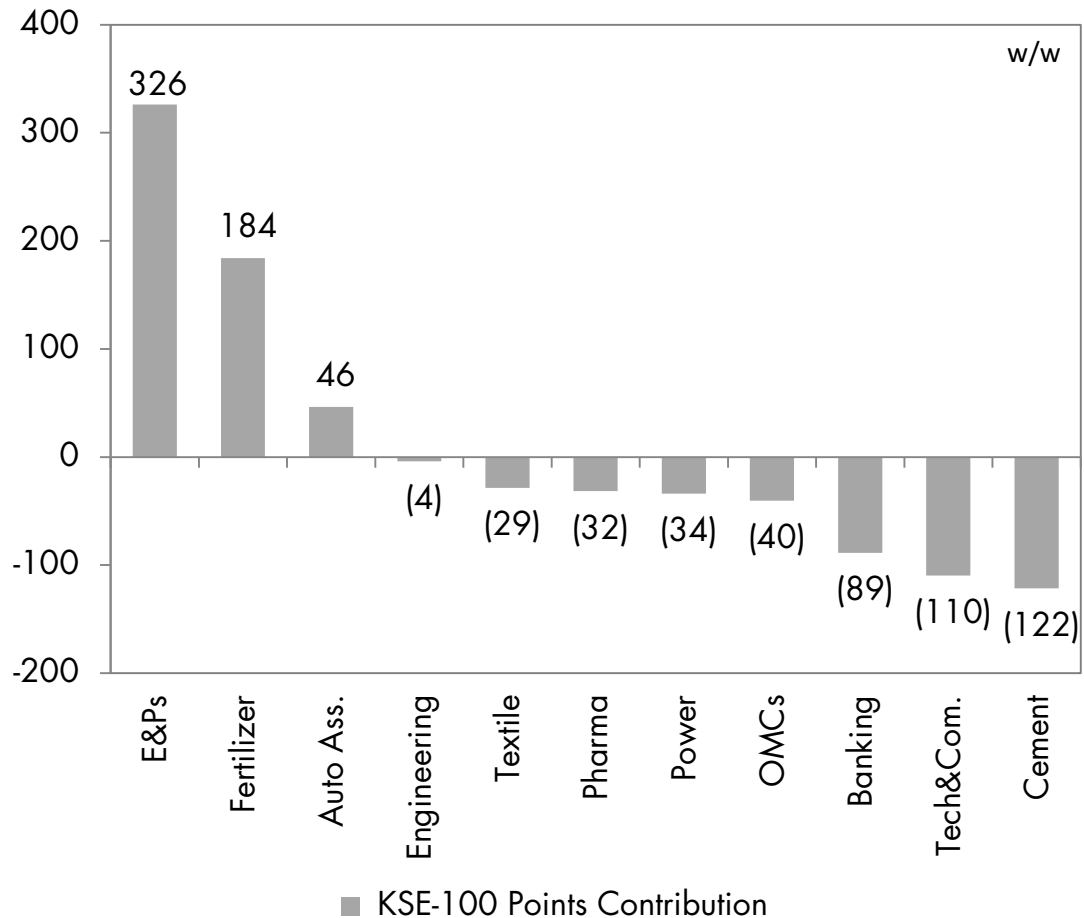


* Last week closing

Source: PSX , Next Research

E&P sector added 326 points to KSE100 Index

Tech. & Com. sector dropped 3.2% w/w



Top 10 positive contributors added 512 points to KSE100 Index

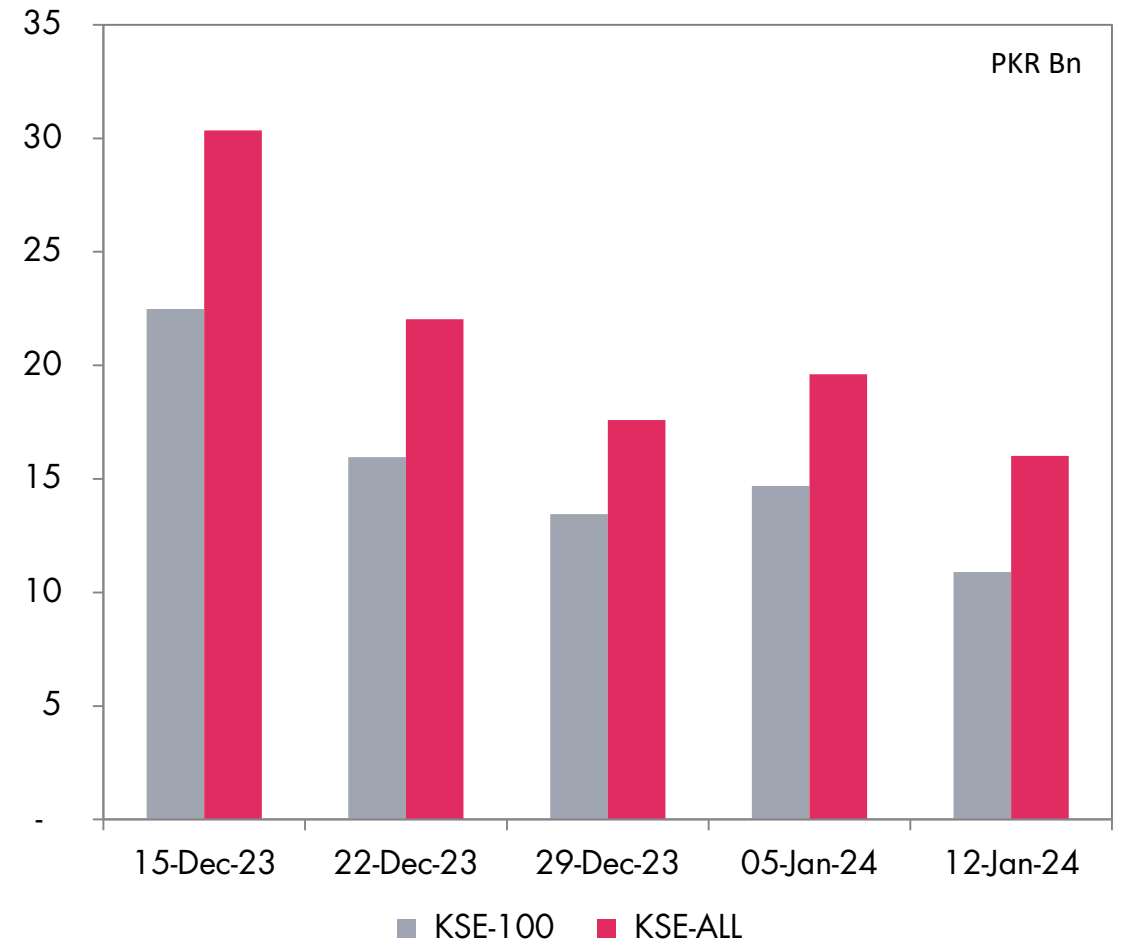
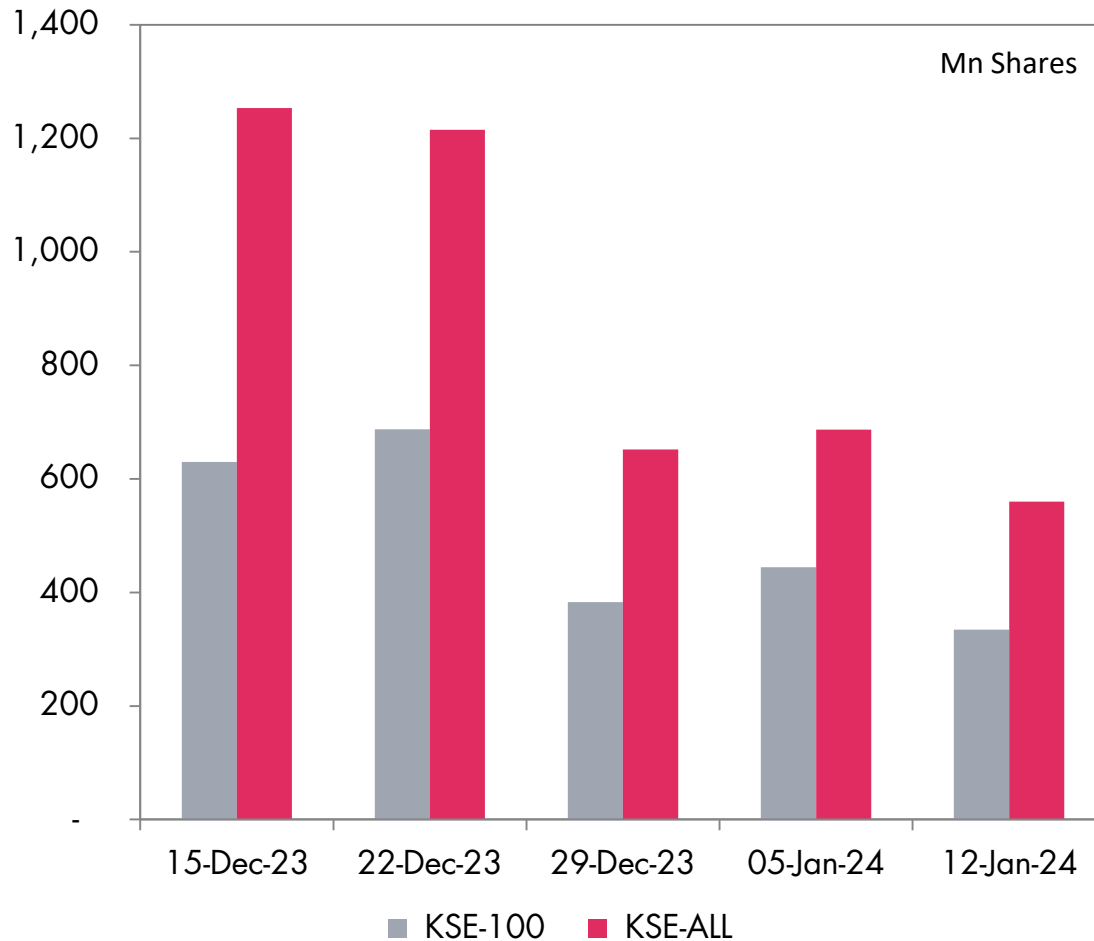
Top 10 negative contributors took 334 points from KSE100 Index

Top 10 Positive Contributors		Index Points	Top 10 Negative Contributors		Index Points
MARI		155.64	TRG		(51.88)
PPL		129.17	UBL		(51.52)
ENGRO		119.85	SYS		(42.89)
EFERT		107.61	FFBL		(32.16)
INDU		59.25	CHCC		(29.28)
OGDC		48.84	DGKC		(27.97)
DAWH		38.63	MEBL		(26.28)
IBFL		23.61	SRVI		(25.16)
PSEL		20.70	HUBC		(24.84)
NATF		19.51	MCB		(21.70)

Source: PSX , Next Research

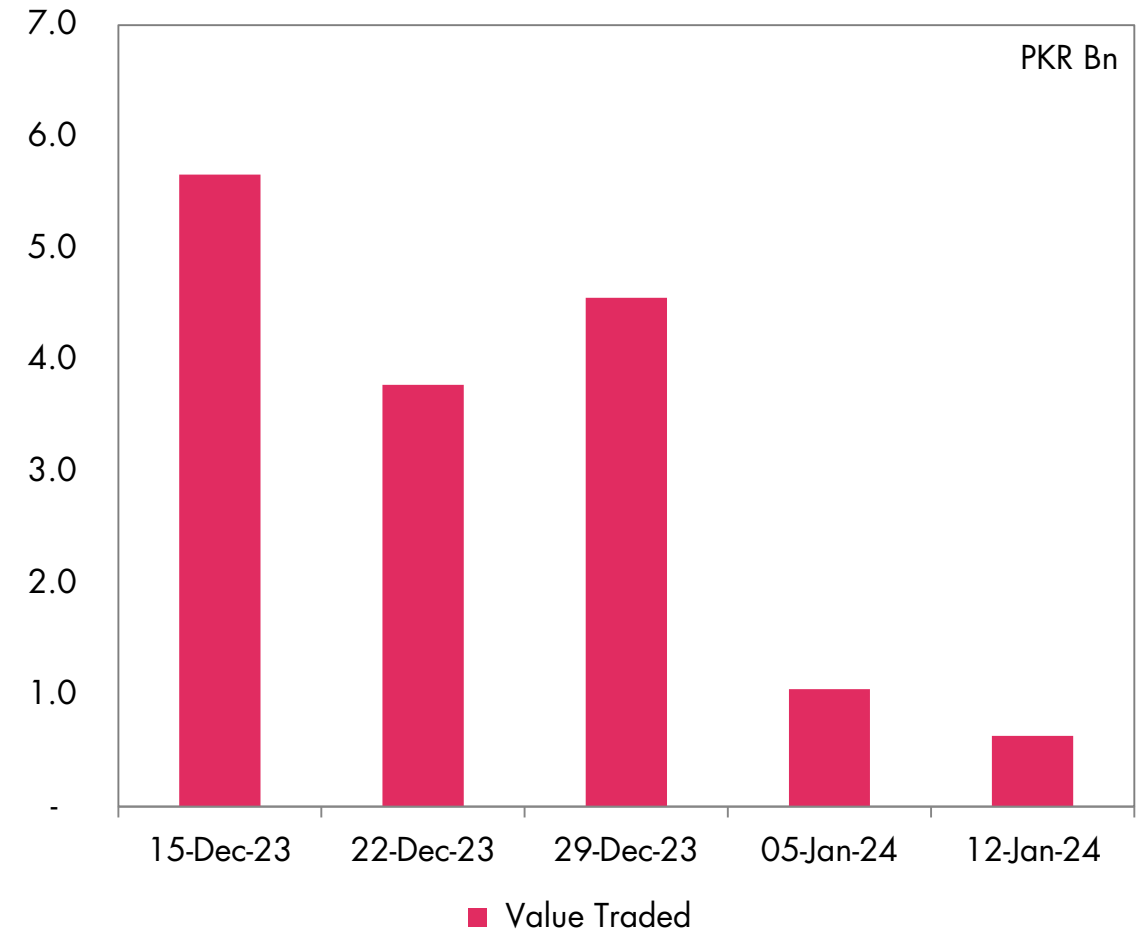
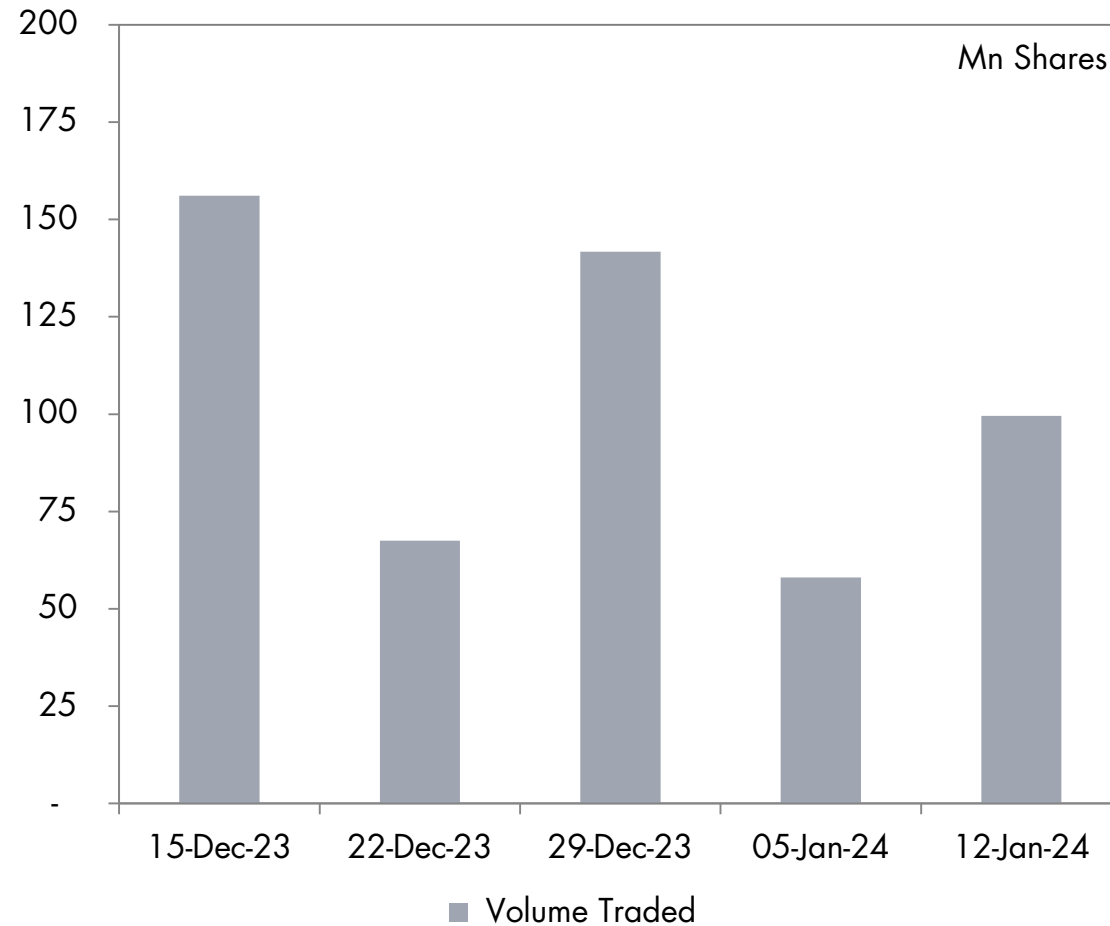
Average volume decreased 19% w/w

Average value traded decreased 18% w/w



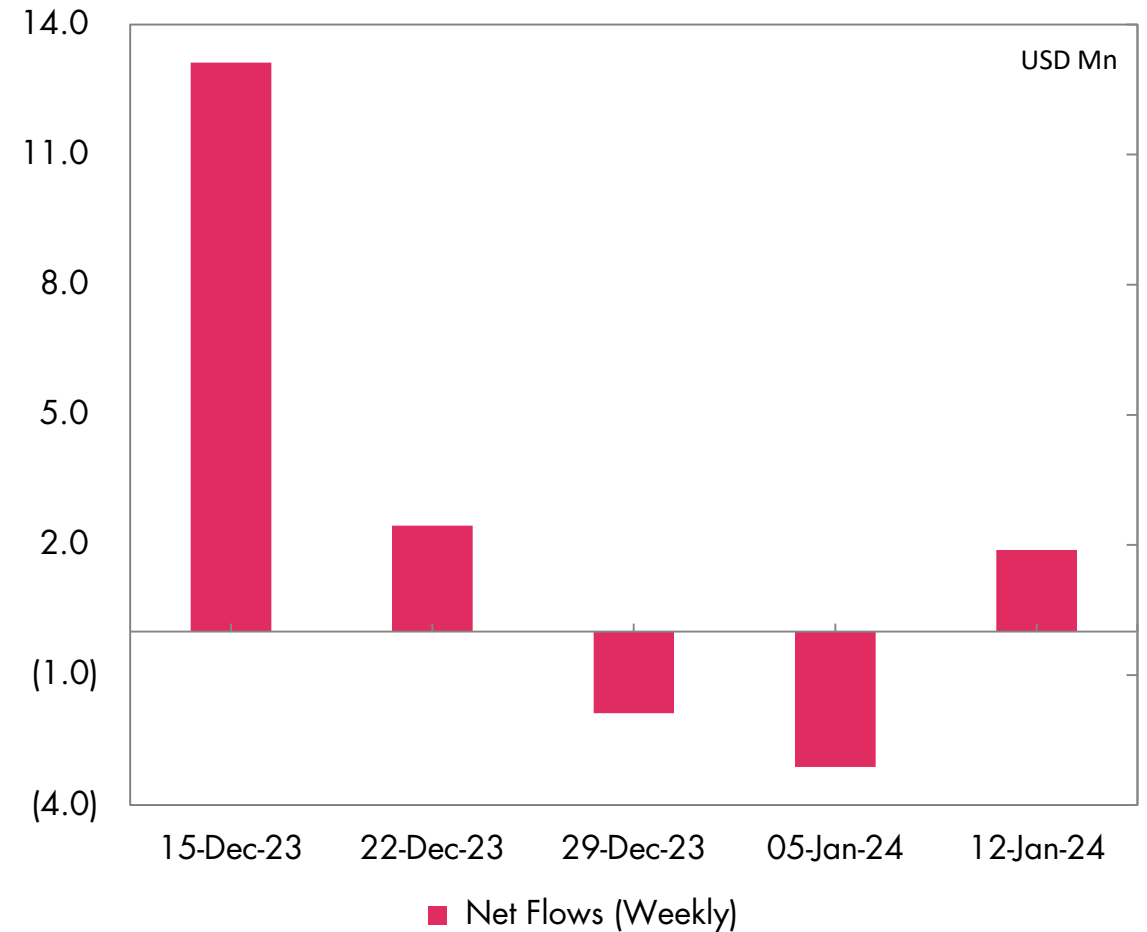
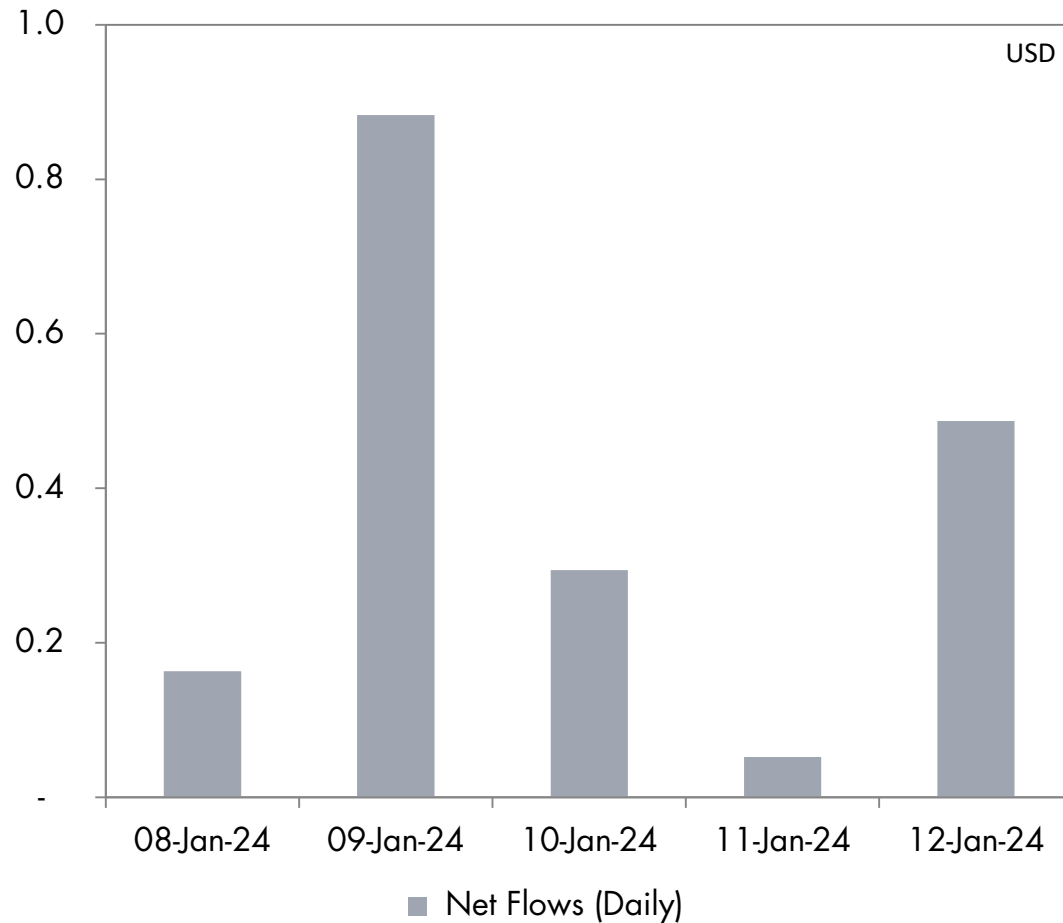
Off-market volume was 100mn shares during the week

Off-market value traded was PKR 0.6bn during the week



Foreigners were buying during the week

Foreign buying stood at USD 1.9mn during the week



Companies 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	0.80	1.48	0.14	(0.88)	(0.92)	(0.33)	(0.02)	(0.27)	0.00
Cement	0.21	(0.02)	(1.29)	0.23	0.15	0.28	0.08	0.36	0.00
Commercial Banks	(0.35)	0.35	(1.63)	0.85	0.69	(0.34)	(0.09)	0.52	0.01
Fertilizer	0.85	0.24	1.02	1.16	0.07	(3.51)	0.10	0.09	(0.00)
Consumers	0.34	(0.07)	(0.04)	(0.00)	(0.09)	(0.19)	0.03	0.02	0.00
Oil and Gas Exploration	(0.82)	0.26	(3.40)	4.91	(1.00)	0.47	(0.46)	0.04	(0.00)
Oil and Gas Marketing	0.58	0.21	(0.91)	0.10	(0.12)	(0.10)	0.01	0.22	(0.00)
Power	0.15	(1.91)	0.99	0.34	(0.05)	0.15	(0.00)	0.33	(0.00)
Technology & Communication	0.20	0.24	(0.09)	(0.26)	(0.14)	(0.10)	0.01	0.14	0.00
Textile Composite	(0.07)	(0.36)	0.28	(0.02)	0.10	(0.02)	0.08	0.01	(0.00)
Total	1.88	0.43	(4.94)	6.42	(1.30)	(3.69)	(0.26)	1.46	0.00

Source: NCCPL , Next Research

IMF board approves much-needed \$700m loan for Pakistan

- **IMF board approves much-needed \$700m loan for Pakistan (The News):** In an encouraging move, the International Monetary Fund's (IMF) Executive Board on Thursday approved a \$700 million loan tranche for Pakistan. The loan was released after the board completed its first review of Pakistan's economic reform programme supported by a standby arrangement (SBA), the Ministry of Finance said in a post on X.
- **Pakistan asks UAE for \$2bn deposit rollover (The News):** Pakistan has been negotiating with the Kingdom of Saudi Arabia (KSA) for the provision of an additional \$1 billion Saudi Oil Facility (SOF) on deferred payment for the ongoing calendar year 2024.
- **Pakistan, Saudi Arabia eye Reko Diq deal at Riyadh mineral forum (The News):** Pakistan and Saudi Arabia are expected to make progress on a potential investment deal in the Reko Diq copper and gold project during a three-day mineral forum that began on Tuesday in Riyadh, an energy ministry official said.
- **Pakistan among states to see foreign investment hit by polls-related uncertainty: WB (The News):** While keeping Pakistan's GDP growth projections unchanged at 1.7 and 2.4 percent for FY24 and FY25, the World Bank (WB) states that parliamentary elections are scheduled for 2024 in several South Asian countries, including Pakistan, and heightened uncertainty around these elections could dampen foreign investment.
- **High lending rates, inflation weigh growth outlook down (Dawn):** The World Bank on Wednesday projected Pakistan's economic outlook to remain subdued during the current fiscal year and slightly recover next year amid prolonged global economic challenges. "In Pakistan, the economic outlook for FY24 remains subdued, with growth projected at only 1.7pc.
- **Remittances rise 13.4pc to \$2.4bn in Dec on currency stability (The News):** The remittances from overseas workers rose 13.4 percent to \$2.4 billion in December, the central bank data showed on Wednesday, as a stable currency and signs of economic recovery boosted inflows through formal channels. In December, remittances to Pakistan increased 5.4 percent on a month-on-month basis. These inflows totaled \$2.2 billion in the previous month.
- **T-Bill yields drop as investors bet on rate cut (The News):** The yields on market treasury bills fell on Wednesday as investors expected the central bank to cut interest rates early next year due to an anticipated ease in inflation pressures. T-Bill auction, record participation of Rs2.8 trillion was seen with the government raising Rs283 billion as against the target of Rs100 billion and maturity of Rs122 billion.
- **KIBOR hits 10-month low as T-bill yields drop below policy rate (The News):** The six-month interbank rate fell to its lowest level in 10 months on Thursday, as treasury bill yields dropped sharply, signalling that the market expects the central bank to start cutting interest rates sooner than previously thought. The six-month Karachi interbank offered rate (KIBOR), which serves as a benchmark for corporate lending, dropped to 20.98 percent, the lowest since March 2023, according to data from the State Bank of Pakistan (SBP). On Wednesday, it was 21.31 percent.
- **Pakistan's central bank reserves decrease \$66mn, now stand at \$8.15bn (BR):** Foreign exchange reserves held by the State Bank of Pakistan (SBP) decreased by \$66 million on a weekly basis, clocking in at \$8.15 billion as of January 5, data released on Thursday showed. Total liquid foreign reserves held by the country stood at \$13.25 billion. Net foreign reserves held by commercial banks stood at \$5.10 billion. The SBP attributed the decline in the reserves to debt repayments.
- **Public debt grows 4.2pc to Rs63.39tr in July-Nov amid fiscal challenges (The News):** The government debt rose 4.2 percent to Rs63.390 trillion in the first five months of the current fiscal year, the central bank data showed on Friday, as the government faced rising spending needs and insufficient foreign inflows. The central government debt rose by 24.4 percent year-on-year and 1 percent month-on-month in November, the State Bank of Pakistan (SBP) said in its monthly report. In October, the debt stood at Rs62.482 trillion.
- **Govt, KE sign deals to resolve longstanding issues (The News):** The caretaker federal government and Karachi Electric (KE) Friday reached a much-needed milestone, provisioning various agreements aimed at ensuring energy security for Karachi. The agreements, aiming to address longstanding disputes between the government and KE, will ensure formalising and securing of a stable power supply from the National Grid to Karachi, up to the interconnection capacity.
- **ECC okays jacking up of local urea prices (The News):** While approving additional funding of Rs250 million for the Intelligence Bureau (IB), the Economic Coordination Committee of the Cabinet (ECC) has granted its assent for jacking up the price of different urea/fertilizer bags in the range of Rs159 to Rs171 per bag.
- **PC approves sale of 51pc stake in PIA, advances legal segregation plan (PT):** The Privatisation Commission (PC) in its recent board meeting, chaired by Privatisation Minister Fawad Hasan Fawad, has given the go-ahead for the transaction structure to sell a minimum of 51 percent stake in Pakistan International Airlines (PIA), as reported.
- **Banks' deposits increase by 23% YoY to Rs27.7tr in December (Mettis):** The total deposits held by scheduled banks have moved up by 23.2% YoY to Rs27.68 trillion in December 2023 compared to Rs22.47tr in December 2022.
- **GSP+ helps double Pakistan exports to EU: envoy (Dawn):** Ambassador of the European Union Raina Kionka has said that the GSP+ status for Pakistan has been rolled over without any changes to the rules of framework so everything was going to stay the same up to 2027.

Commodities

WTI decrease 0.2% WoW

Commodity	Unit	22-Dec-23	29-Dec-23	05-Jan-24	12-Jan-24
WTI	bbl	73.84	71.77	72.19	72.02
Brent	bbl	79.37	77.15	77.72	78.50
Arab Light	bbl	82.26	82.03	82.03	78.65
Coal	MT	100.00	101.25	100.50	95.90
Natural Gas	mmbtu	2.57	2.56	2.82	3.09
Polypropylene	MT	0.44	0.44	0.44	0.45
Ethanol	MT	2.16	2.16	2.16	2.16
Urea	MT	315.00	320.00	317.50	318.50
DAP	MT	570.00	577.50	580.00	592.50

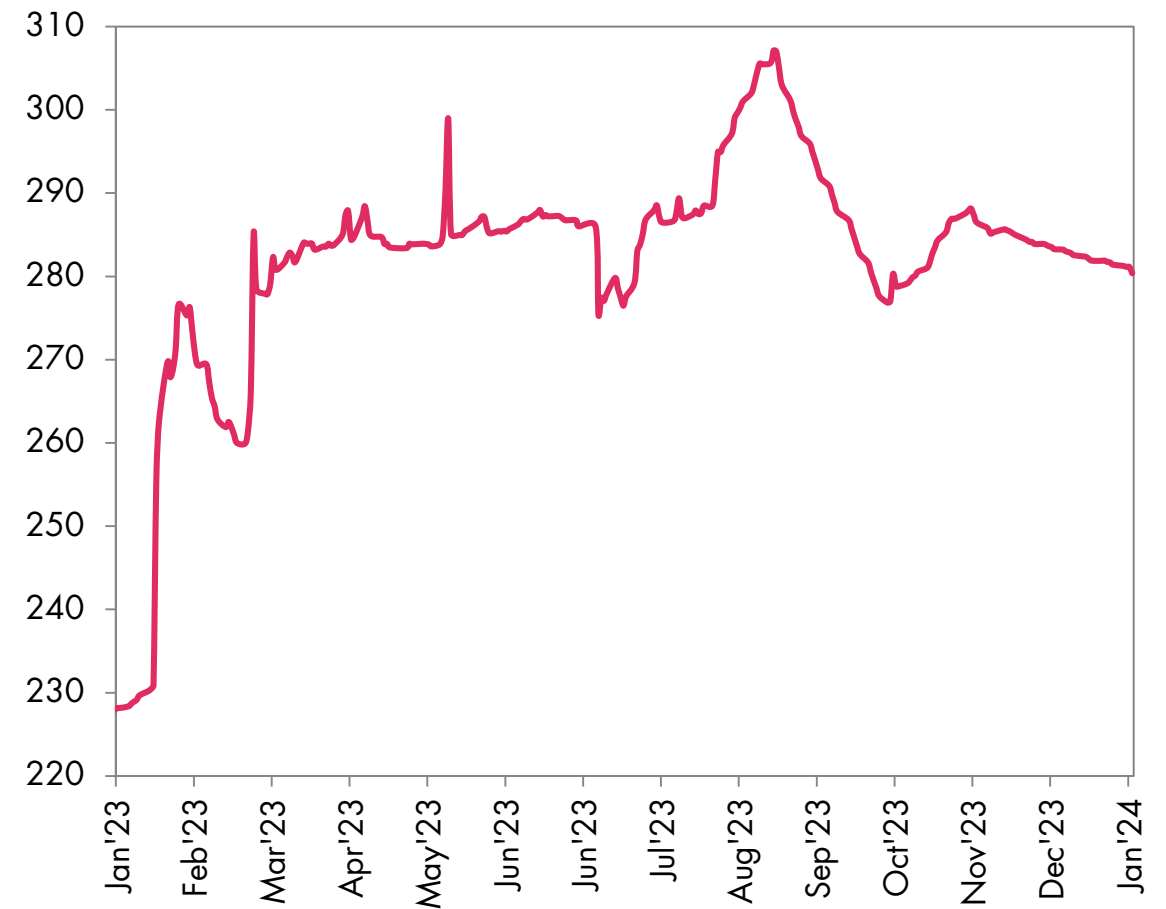
Commodity	Unit	22-Dec-23	29-Dec-23	05-Jan-24	12-Jan-24
Cotton	lb	79.08	80.95	80.12	81.36
Gold	Ounce	2,052.86	2,066.04	2043.22	2,028.09
Silver	Ounce	27.75	23.99	22.99	22.75
Copper	lb	3.91	3.92	3.84	3.78
Iron Ore	MT	1012.50	1,038.00	1083.50	1,067.50
Steel Scrap LME	MT	423.50	421.50	418.50	417.00
Steel Rebar LME	MT	599.50	604.00	596.00	602.50
Rubber	KG	147.90	154.20	153.60	152.90

Source: Bloomberg, Mettis, other websites, Next Research

Currencies

PKR appreciated against USD (Interbank)

Currency	15-Dec-23	22-Dec-23	29-Dec-23	05-Jan-24	12-Jan-24
PKR / USD	283.26	282.53	281.86	281.40	280.36
PKR / EUR	311.39	310.81	311.50	307.34	307.85
PKR / GBP	361.55	358.66	358.60	356.67	358.18
PKR / JPY	1.99	1.99	1.99	1.94	1.93
PKR / CAD	211.65	212.77	212.81	210.64	209.98
PKR / AUD	190.09	191.61	192.03	188.55	188.11



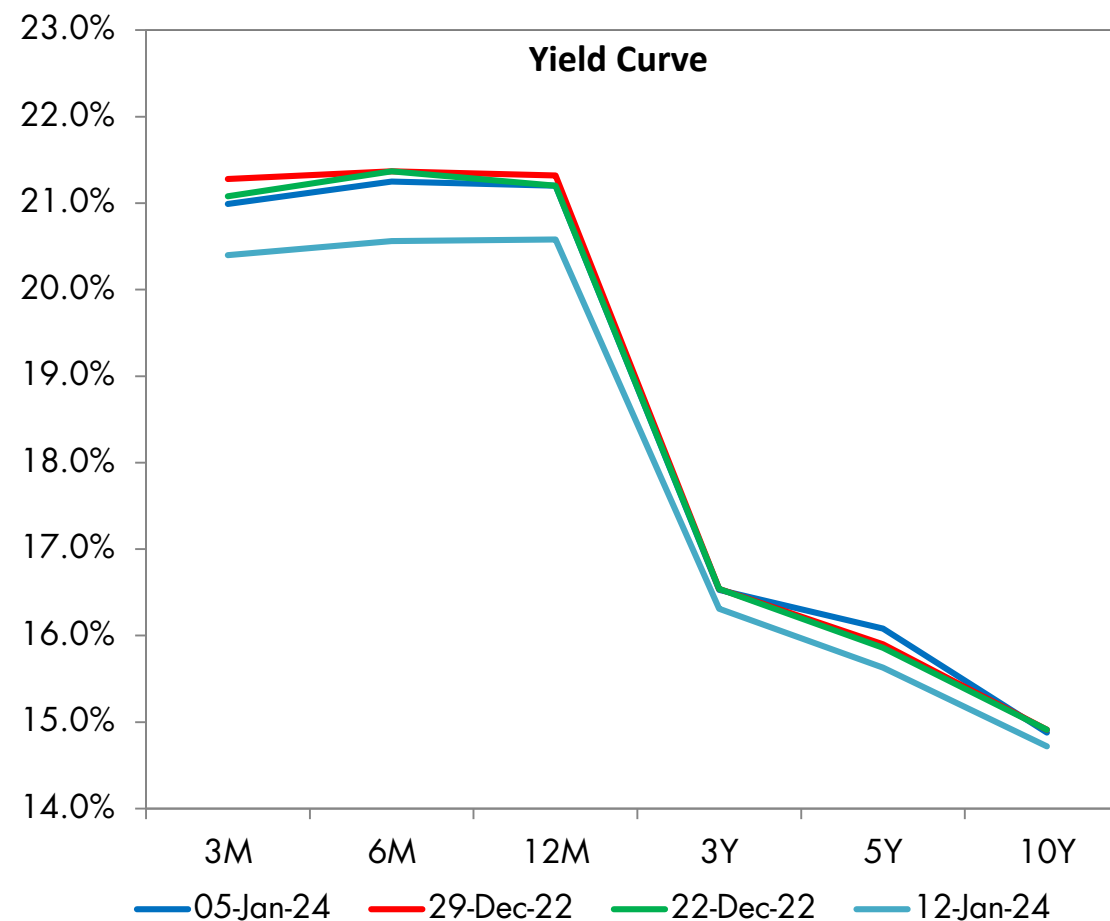
Source: SBP , Next Research

Economic Indicators

Monetary aggregates

	Oct-23	Nov-23	Dec-23	Jan-24*
Discount Rate	23.0%	23.0%	23.0%	23.0%
Policy Rate	22.0%	22.0%	22.0%	22.0%
6M KIBOR	22.0%	21.5%	21.5%	20.9%
CPI	26.9%	29.2%	29.7%	n/a
CPI – NFNE Urban	18.5%	18.6%	18.5%	n/a
M2 – Growth YoY	13.1%	13.6%	17.8%	n/a
CIC – Growth YoY	10.5%	11.1%	9.4%	n/a
NDA – Banking Growth YoY	17.3%	16.6%	17.4%	n/a
NFA – Banking Growth YoY	121.5%	75.2%	11.3%	n/a
Private Sector Credit Growth YoY	0.3%	1.3%	0.0%	n/a
Govt. Borrowing W/ SBP Growth YoY	-15.8%	6.2%	-35.4%	n/a

*Latest Number Available

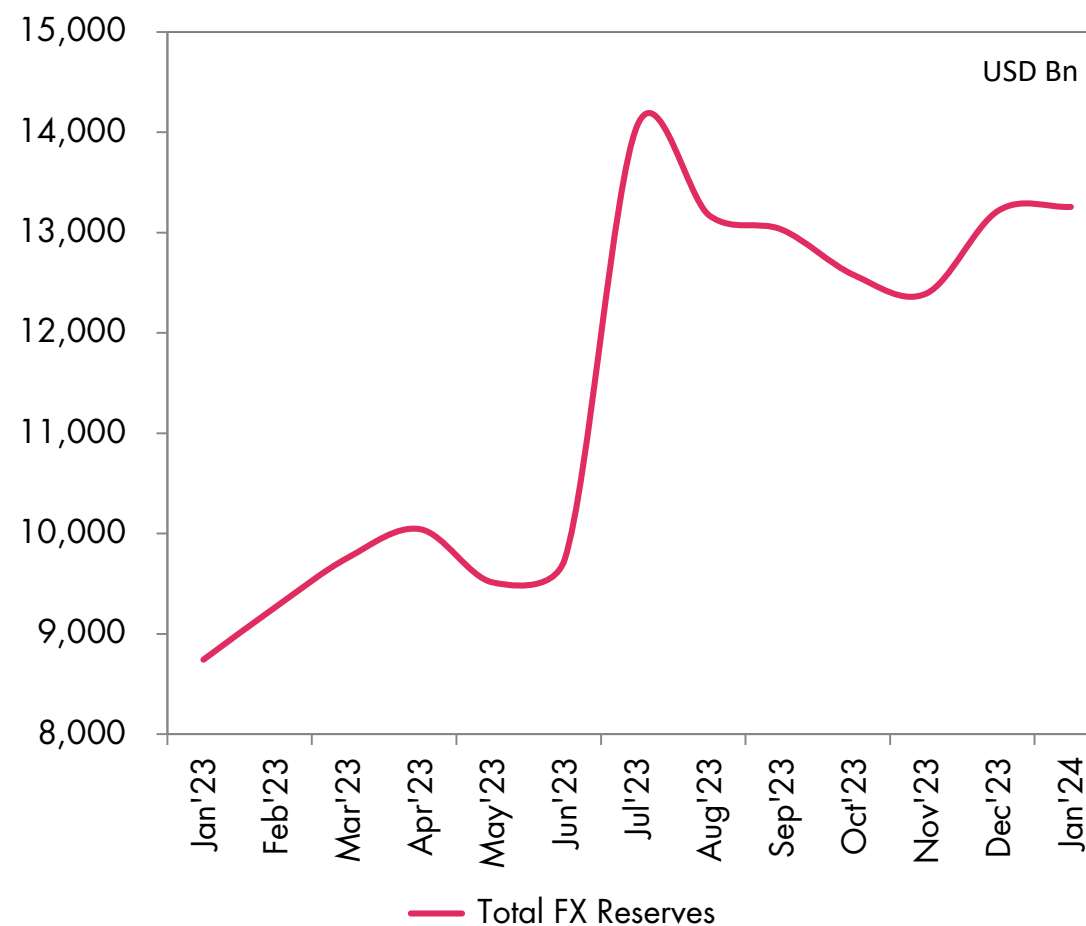


Source: SBP, PBS, Next Research

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	2,259	2,381
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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