



WEEKLY REVIEW

PAKISTAN EQUITIES

January 19, 2024

Research

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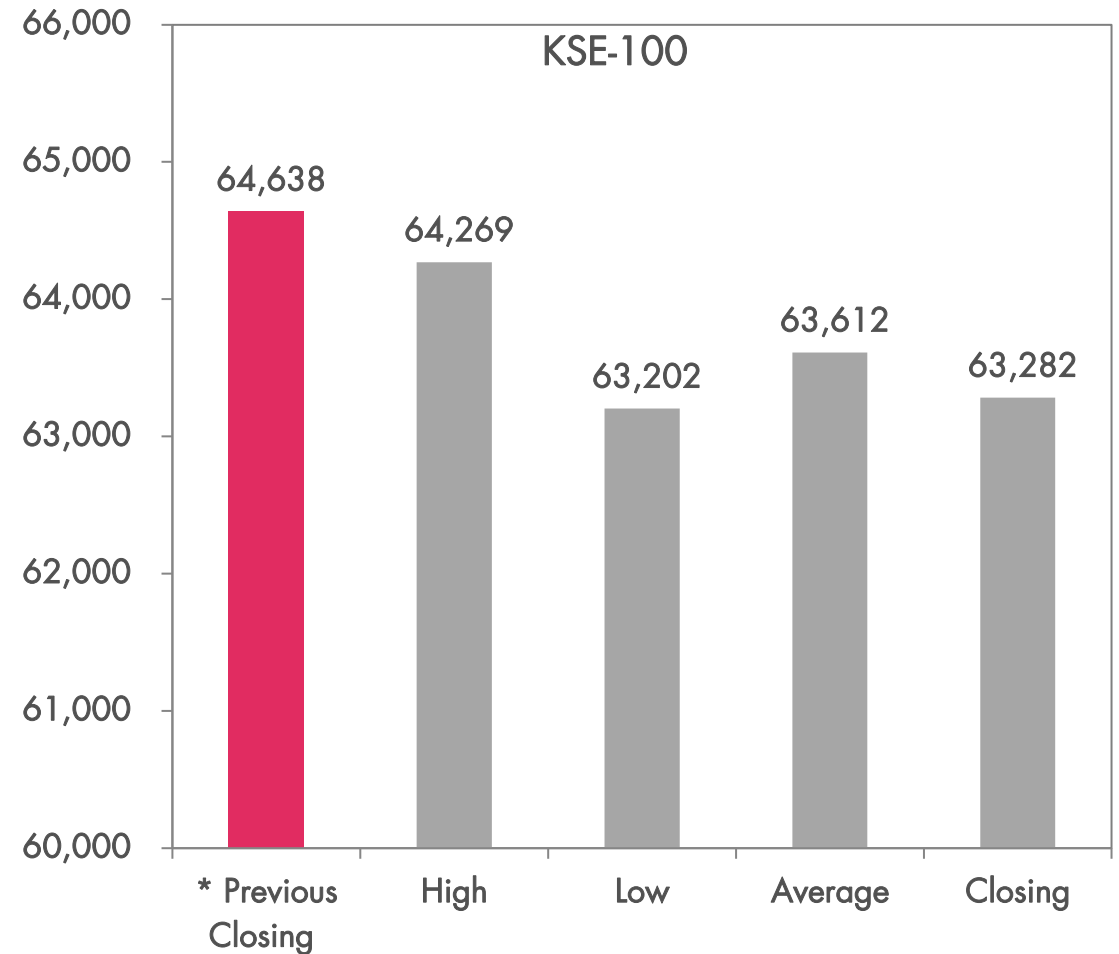
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PSX Indices

KSE100 lose 2.1% w/w

| PSX Indices | Level | w/w |
|-------------|---------|-------|
| KSE-100 | 63,282 | -2.1% |
| KSE-30 | 21,275 | -1.6% |
| KSE-ALL | 42,859 | -2.0% |
| KMI-30 | 106,569 | -2.5% |
| KMI-ALL | 31,120 | -2.9% |
| OGTi | 16,113 | -2.5% |
| BKTi | 15,237 | -0.3% |

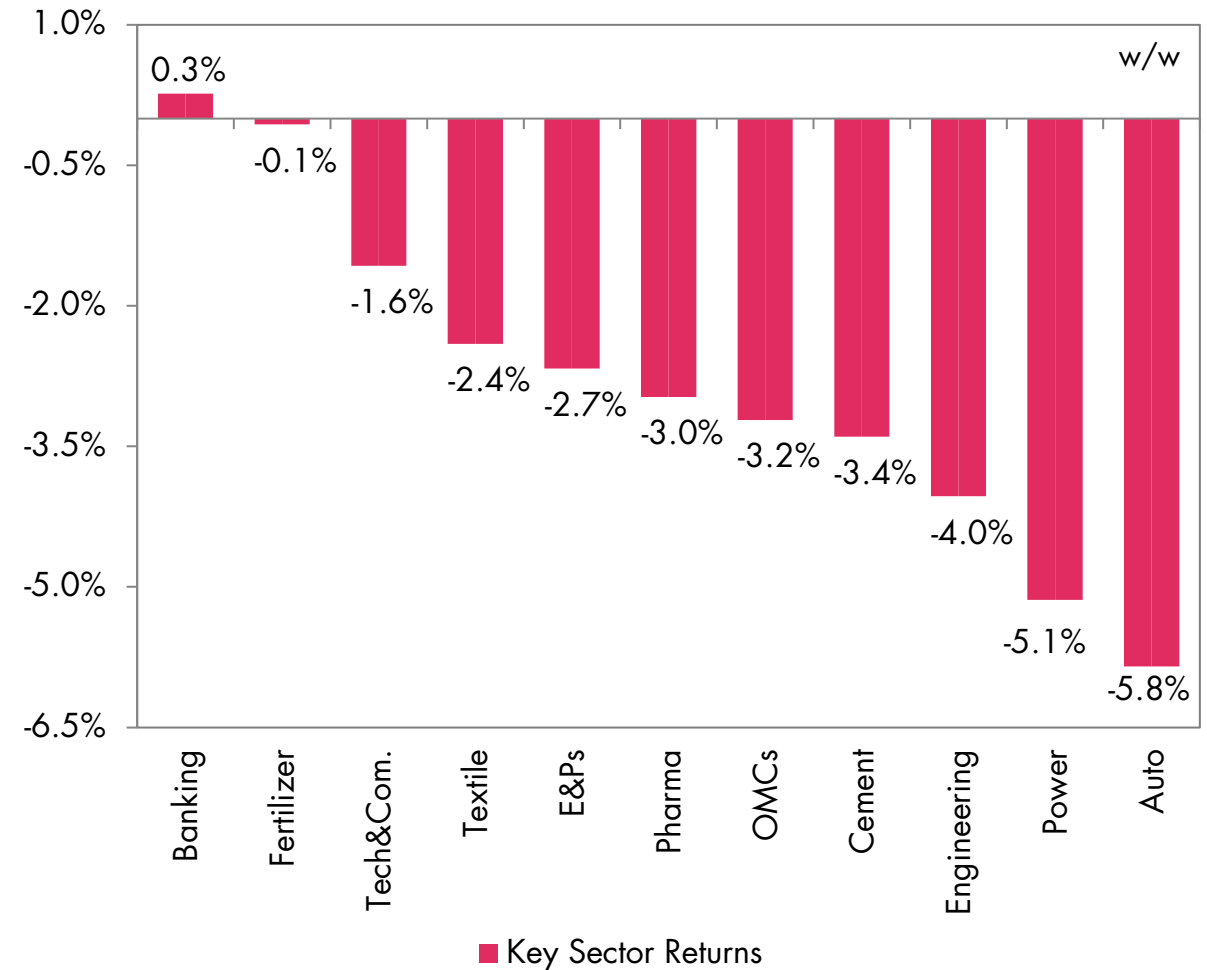
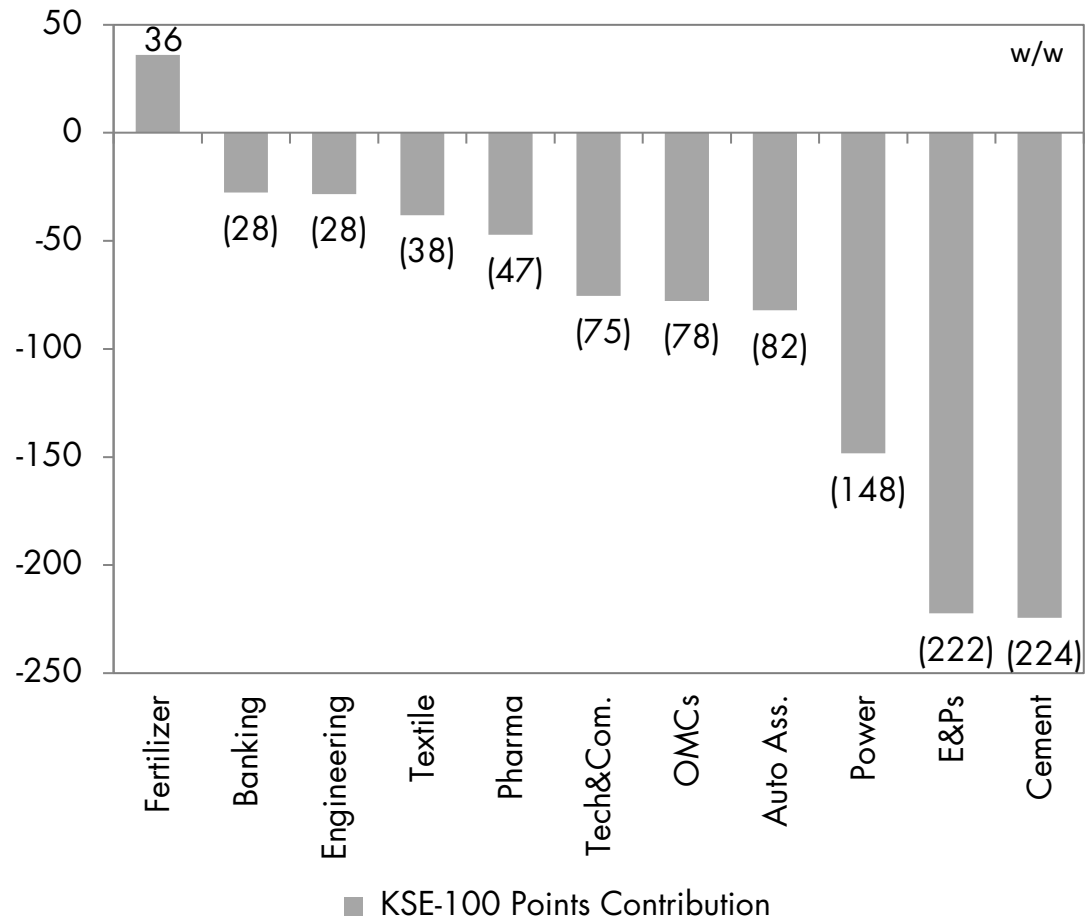


* Last week closing

Source: PSX , Next Research

Fertilizer sector added 36 points to KSE100 Index

Auto sector dropped 5.8% w/w



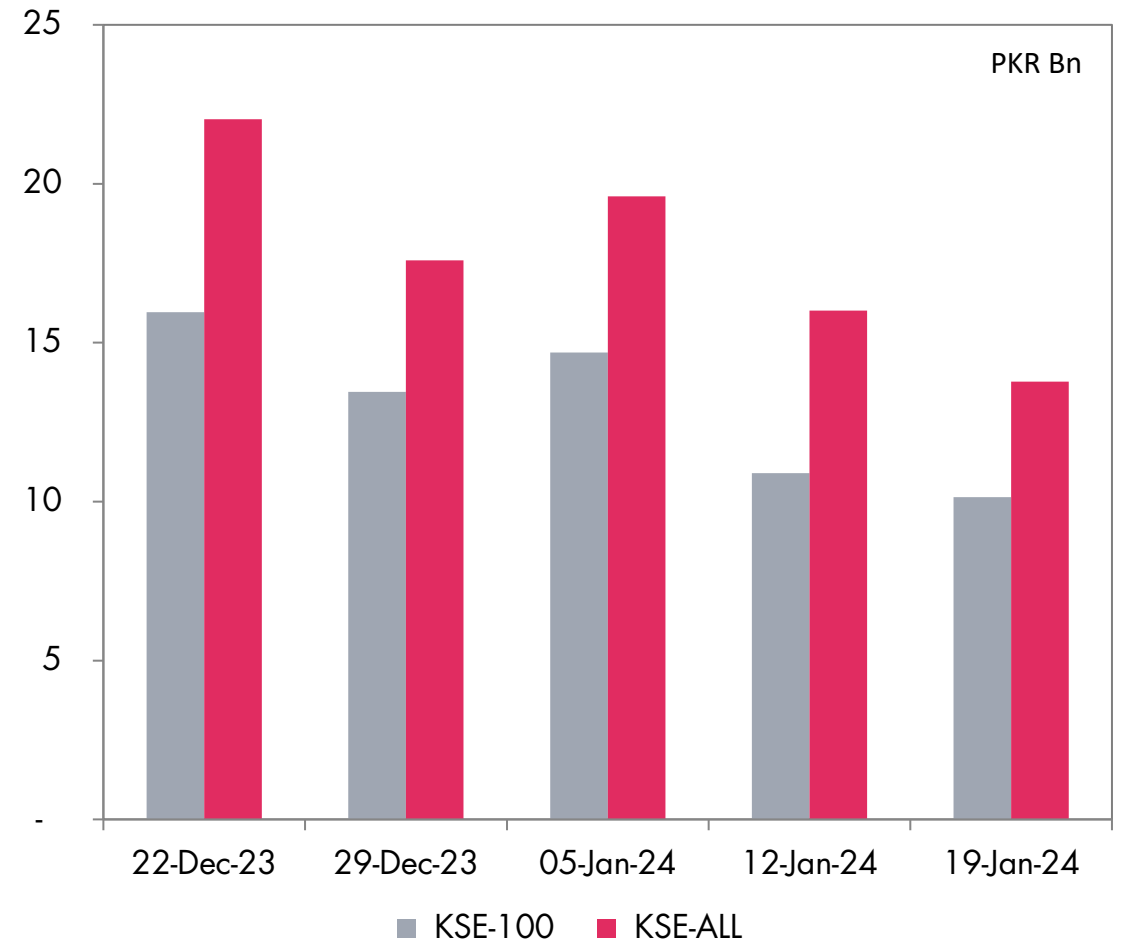
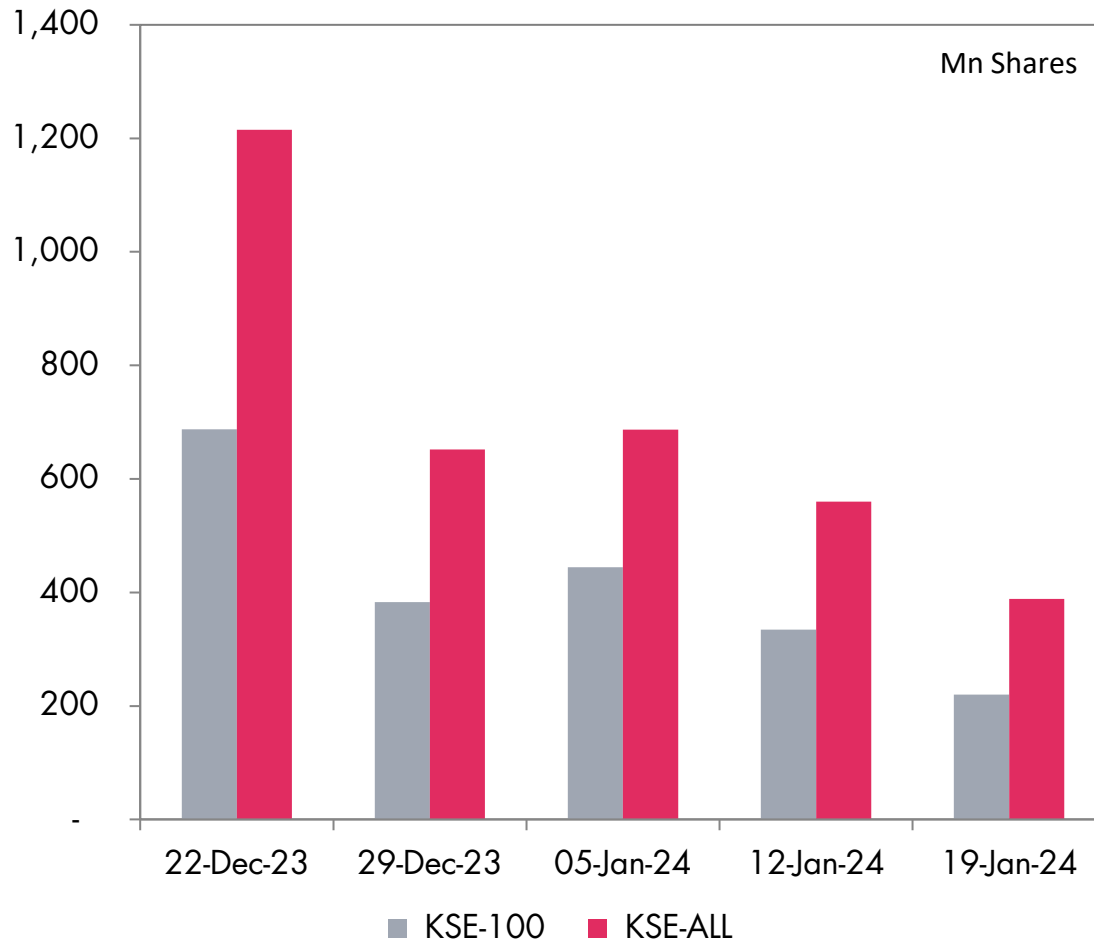
Top 10 positive contributors added 241 points to KSE100 Index

Top 10 negative contributors took 872 points from KSE100 Index

| Top 10 Positive Contributors | | Index Points | Top 10 Negative Contributors | | Index Points |
|------------------------------|--|--------------|------------------------------|--|--------------|
| ENGRO | | 103.60 | PPL | | (233.66) |
| MEBL | | 53.84 | LUCK | | (103.07) |
| MARI | | 45.47 | HUBC | | (99.88) |
| UBL | | 38.50 | MTL | | (90.81) |
| POL | | 30.96 | HBL | | (68.46) |
| MCB | | 26.95 | OGDC | | (65.07) |
| PTC | | 21.43 | PSEL | | (59.32) |
| INDU | | 8.74 | SYS | | (51.78) |
| HINOON | | 8.12 | SNGP | | (50.56) |
| HMB | | 7.58 | KEL | | (49.50) |

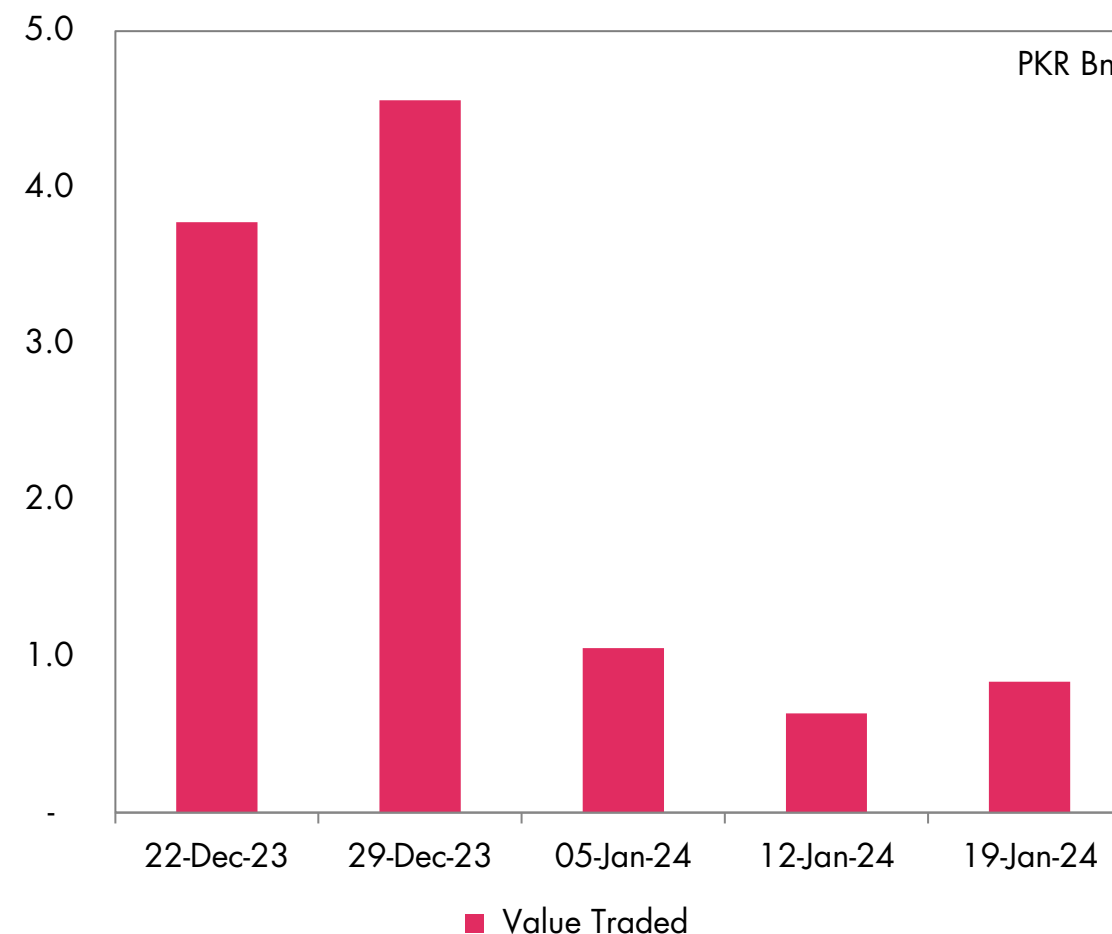
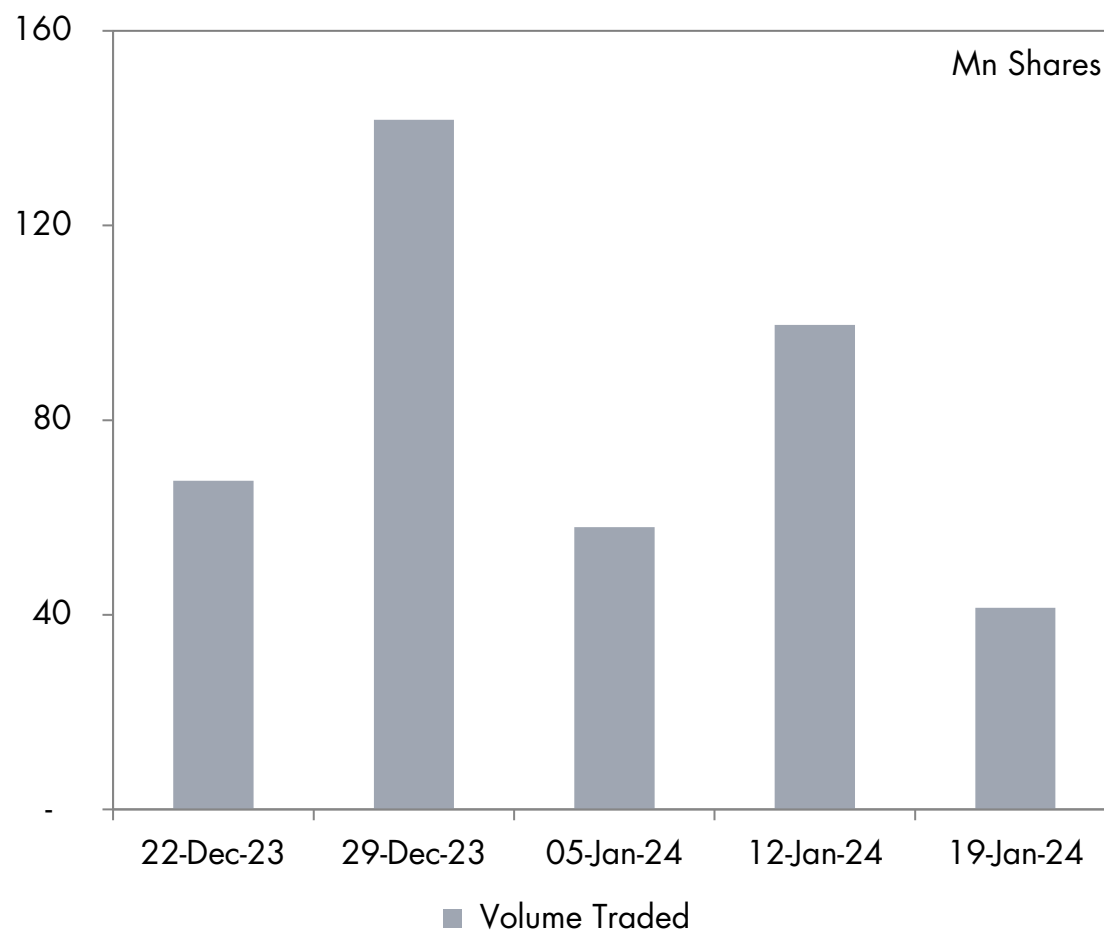
Average volume decreased 31% w/w

Average value traded decreased 14% w/w



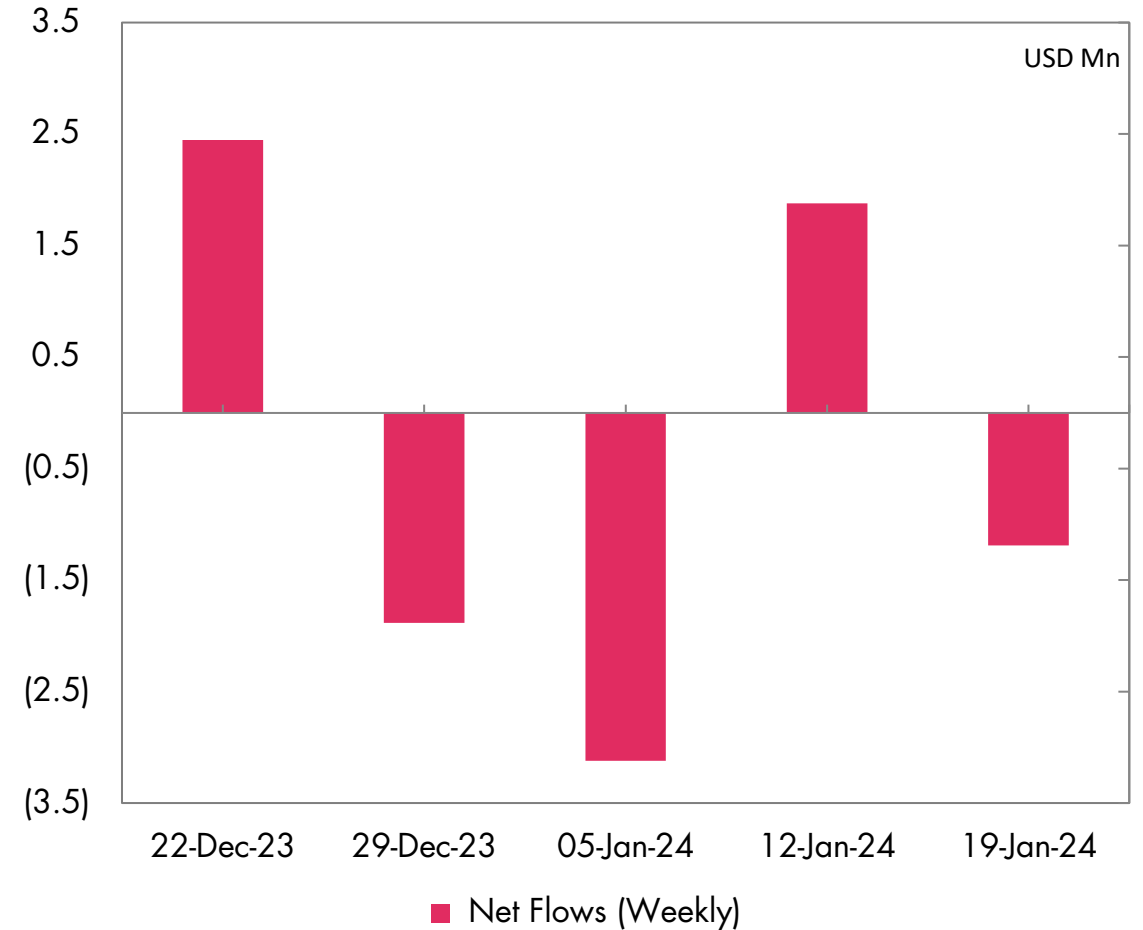
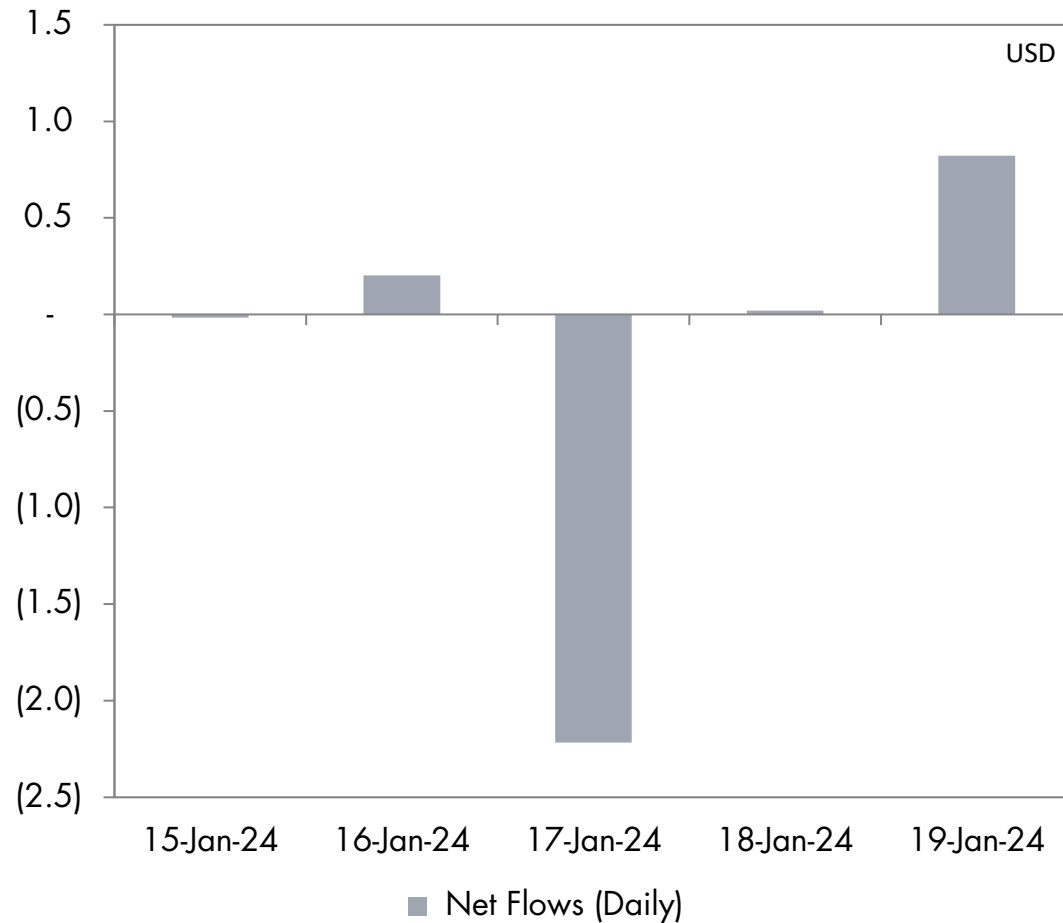
Off-market volume was 41 mn shares during the week

Off-market value traded was PKR 0.8bn during the week



Foreigners were selling during the week

Foreign selling stood at USD 1.2mn during the week



Insurance were the largest net buyers

Mutual Funds emerged as the largest net sellers

| Weekly Net Flows (USD Mn) | FIPI | Individuals | Banks | Companies | M. Funds | Brokers | Others | Insurance | NBFC |
|----------------------------|--------|-------------|--------|-----------|----------|---------|--------|-----------|--------|
| All other Sectors | (0.20) | 0.46 | 0.71 | (1.80) | (1.19) | (0.46) | 0.22 | 2.25 | 0.01 |
| Cement | (0.62) | (0.66) | 0.19 | 0.67 | (0.26) | (0.24) | 0.05 | 0.86 | 0.01 |
| Commercial Banks | (2.63) | (0.02) | (0.61) | 0.95 | (0.49) | (0.03) | (1.56) | 4.36 | 0.01 |
| Fertilizer | 0.99 | (1.44) | (1.44) | 0.47 | (0.40) | (0.20) | (0.63) | 2.65 | (0.00) |
| Consumers | 1.40 | (0.35) | (0.31) | (0.04) | (0.20) | 0.19 | (0.23) | (0.47) | (0.00) |
| Oil and Gas Exploration | (1.40) | 0.77 | (0.72) | 0.94 | (2.09) | (0.56) | (0.18) | 3.23 | 0.01 |
| Oil and Gas Marketing | 0.71 | 1.21 | (0.29) | 0.35 | (0.18) | 0.16 | (0.02) | (1.95) | 0.01 |
| Power | (0.29) | 0.77 | (1.13) | 0.31 | (0.04) | 0.02 | (0.00) | 0.35 | 0.00 |
| Technology & Communication | 0.86 | (0.43) | (0.09) | (0.03) | (0.34) | (0.14) | 0.01 | 0.17 | (0.00) |
| Textile Composite | (0.01) | 0.03 | 0.01 | 0.01 | (0.04) | (0.02) | 0.00 | 0.01 | 0.00 |
| Total | (1.19) | 0.33 | (3.67) | 1.79 | (5.22) | (1.26) | (2.29) | 11.48 | 0.04 |

Source: NCCPL , Next Research

Pakistan receives \$700m tranche from IMF as UAE rolls over \$2b loan

- **Pakistan receives \$700m tranche from IMF as UAE rolls over \$2b loan (ET):** Pakistan on Thursday received \$700 million from the International Monetary Fund (IMF) as part of its bailout programme, the State Bank of Pakistan (SBP) confirmed in a statement. According to SBP, it received Special Drawing Rights (SDR) 528 million —equivalent to \$705.6 million in value —from the IMF following the successful completion of the first review by the global lender's executive board under the Stand-By Arrangement (SBA).
- **Pakistan, Dubai ink over \$3bn investment pact in diverse fields (The News):** Two inter-governmental framework agreements worth over \$3 billion have been signed between Pakistan and Dubai to cooperate in diverse field including cooperation in railways, economic zones, and infrastructure development. The bilateral cooperation covers the development of a dedicated freight corridor, multi-modal logistics park, and freight terminals, an official statement said.
- **Current account surplus of \$397 million in December reverses six-month deficit streak (The News):** The country posted a current account surplus of \$397 million in December, reversing six months of deficits, as a rise in exports and remittances and a fall in imports helped narrow the trade gap, the central bank data showed on Wednesday. The surplus, which compares with deficits of \$15 million in November and \$365 million in December 2022, was the first since June 2023, when the country recorded a surplus of \$28 million.
- **FDI jumps 35pc in first half of FY2024, power sector lags (The News):** Pakistan's foreign direct investment (FDI) rose 35 percent to \$863 million in the first six months of the 2023/24 fiscal year, driven by a surge in December and strong inflows from Hong Kong and the Netherlands, central bank data showed on Wednesday. The FDI inflows totaled \$211 million in December, up from \$33.1 million in the same month a year earlier, reflecting a 540 percent increase.
- **\$3.62m Japanese grant to fight polio (Dawn):** The Japanese government has announced \$3.62 million grant to procure essential oral polio vaccines as part of its continued support for polio eradication efforts in Pakistan. Pakistan will use the funds to procure more than 21m doses of vaccines to support polio campaigns in 2024.
- **Bond yields fall as fuel price cut fuels rate cut hopes (The News):** Pakistan Investment Bonds (PIBs) yields fell on Tuesday as investors bet on an early rate cut, after the government slashed fuel prices that could ease inflation pressures, analysts and traders said.
- **RDA accounts attract \$7.2bn from overseas Pakistanis (The News):** The country received gross inflows of \$7.195 billion from Pakistanis living abroad through the Roshan Digital Accounts (RDAs) between September 2020 and December 2023, data from the central bank showed on Monday. These inflows stood at \$7.035 billion at the end of November.
- **Lenders extend just \$5.9bn in first half (Dawn):** Pakistani authorities were able to materialise about \$5.97 billion in foreign loans in the first half of 2023-24, almost one-third of the annual budget estimate amid limited borrowing avenues in the wake of poor credit rating and adverse conditions in the global financial markets despite the support of the International Monetary Fund.
- **SBP's forex reserves fall on debt payments, but IMF and UAE offer relief (The News):** The foreign exchange reserves held by the central bank fell by \$127 million to \$8.027 billion in the week ending January 12 due to the repayment of foreign debt, the State Bank of Pakistan (SBP) said on Thursday. The country's total reserves decreased by \$112 million to \$13.145 billion. However, the reserves of commercial banks rose by \$16 million to \$5.118 billion. The SBP's reserves are enough to cover nearly two months (1.96) of imports.
- **Flare-up at borders may destabilise exchange rate (Dawn):** Tensions with Iran and Afghanistan could lead to uncertainty in the country and destabilise the exchange rate, as the demand for dollars will rise, said currency dealers in Karachi.
- **SAP funding: SIFC rules no more doling out of funds to lawmakers (The News):** Ahead of general elections, the Special Investment Facilitation Council (SIFC) has approved the capping of all projects of Prime Minister's initiatives at current levels and stopping further authorization of Sustainable Development Goals (SDGs) Achievement Program (SAP).
- **Power output drops 8.2pc in December, fuel cost rises (The News):** The power generation fell 8.2 percent year-on-year to 7,726 gigawatt hours (GWh) in December 2023, as lower nuclear and solar output offset higher coal and liquefied natural gas (LNG) production, industry data showed on Tuesday. The country generated 8,417 GWh (11,313 MW) electricity in same period of 2022.
- **Circular debt reaches Rs5.73tr (ET):** Despite constant increases in electricity and gas prices, Pakistan's energy sector circular debt has spiralled alarmingly to a record Rs5.73 trillion—an amount Rs1.5 trillion more than what the International Monetary Fund had been informed of two months ago.
- **IT exports surge 23pc y/y to record \$303m in December (The News):** The Information technology (IT) exports surged to a record high of \$303 million in December, up 17 percent month-on-month and 23 percent year-on-year, industry data showed on Wednesday.
- **KPT chief grills shipping firms for 'undue charges' (Dawn):** Karachi Port Trust (KPT) Chairman Syed Syedain Raza Zaidi has said the authority will go very tough against the highhandedness of shipping companies for terribly looting the business community by overcharging under various headers without any justification.

Commodities

WTI increase 3% WoW

| Commodity | Unit | 29-Dec-23 | 05-Jan-24 | 12-Jan-24 | 19-Jan-24 |
|---------------|-------|-----------|-----------|-----------|-----------|
| WTI | bbl | 71.77 | 72.19 | 72.02 | 73.95 |
| Brent | bbl | 77.15 | 77.72 | 78.50 | 78.96 |
| Arab Light | bbl | 82.03 | 82.03 | 78.65 | 78.60 |
| Coal | MT | 101.25 | 100.50 | 95.90 | 96.05 |
| Natural Gas | mmbtu | 2.56 | 2.82 | 3.09 | 2.70 |
| Polypropylene | MT | 0.44 | 0.44 | 0.45 | 0.45 |
| Ethanol | MT | 2.16 | 2.16 | 2.16 | 2.16 |
| Urea | MT | 320.00 | 317.50 | 318.50 | 326.00 |
| DAP | MT | 577.50 | 580.00 | 592.50 | 590.00 |

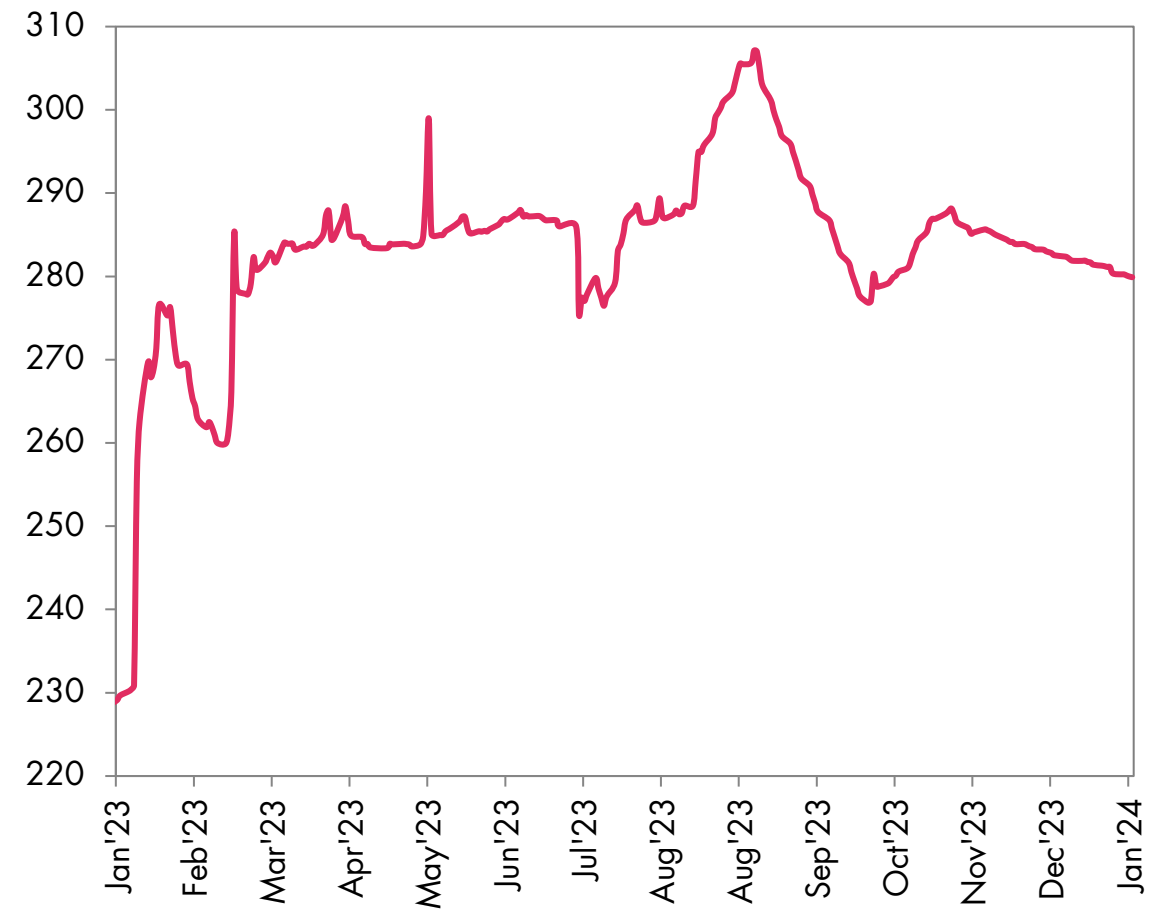
| Commodity | Unit | 29-Dec-23 | 05-Jan-24 | 12-Jan-24 | 19-Jan-24 |
|-----------------|-------|-----------|-----------|-----------|-----------|
| Cotton | lb | 80.95 | 80.12 | 81.36 | 82.51 |
| Gold | Ounce | 2,066.04 | 2043.22 | 2,028.09 | 2,022.67 |
| Silver | Ounce | 23.99 | 22.99 | 22.75 | 22.74 |
| Copper | lb | 3.92 | 3.84 | 3.78 | 3.75 |
| Iron Ore | MT | 1,038.00 | 1083.50 | 1,067.50 | 1,008.50 |
| Steel Scrap LME | MT | 421.50 | 418.50 | 417.00 | 415.00 |
| Steel Rebar LME | MT | 604.00 | 596.00 | 602.50 | 605.50 |
| Rubber | KG | 154.20 | 153.60 | 152.90 | 154.00 |

Source: Bloomberg, Mettis, other websites, Next Research

Currencies

PKR appreciated against USD (Interbank)

| Currency | 22-Dec-23 | 29-Dec-23 | 05-Jan-24 | 12-Jan-24 | 19-Jan-24 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| PKR / USD | 282.53 | 281.86 | 281.40 | 280.36 | 279.90 |
| PKR / EUR | 310.81 | 311.50 | 307.34 | 307.85 | 304.47 |
| PKR / GBP | 358.66 | 358.60 | 356.67 | 358.18 | 354.94 |
| PKR / JPY | 1.99 | 1.99 | 1.94 | 1.93 | 1.89 |
| PKR / CAD | 212.77 | 212.81 | 210.64 | 209.98 | 207.50 |
| PKR / AUD | 191.61 | 192.03 | 188.55 | 188.11 | 184.14 |

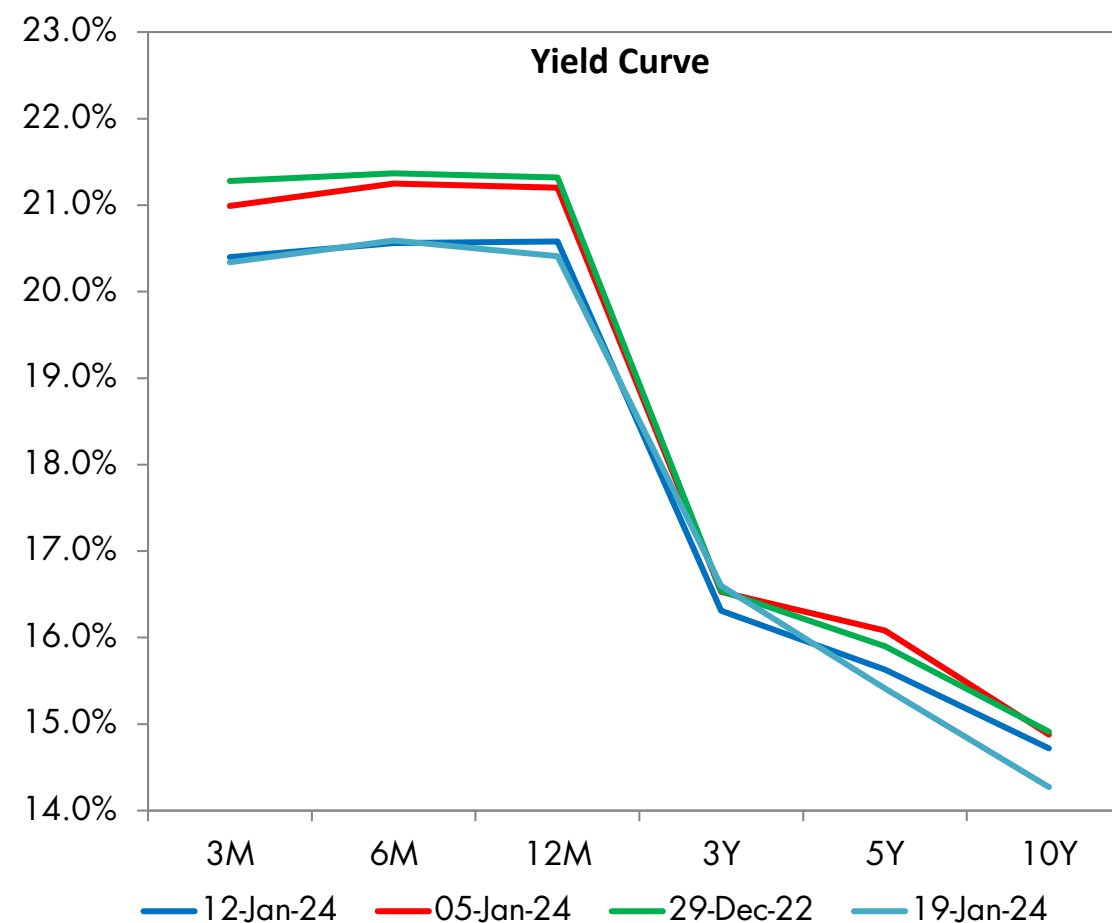


Source: SBP , Next Research

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% | 20.7% |
| 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% | 17.1% |
| CIC – Growth YoY | 10.5% | 11.1% | 9.9% | 9.3% |
| NDA – Banking Growth YoY | 17.3% | 16.6% | 17.4% | 13.2% |
| NFA – Banking Growth YoY | 121.5% | 75.2% | 11.7% | -25.2% |
| Private Sector Credit Growth YoY | 0.3% | 1.3% | 0.1% | -2.0% |
| Govt. Borrowing W/ SBP Growth YoY | -15.8% | 6.2% | -37.4% | -15.1% |



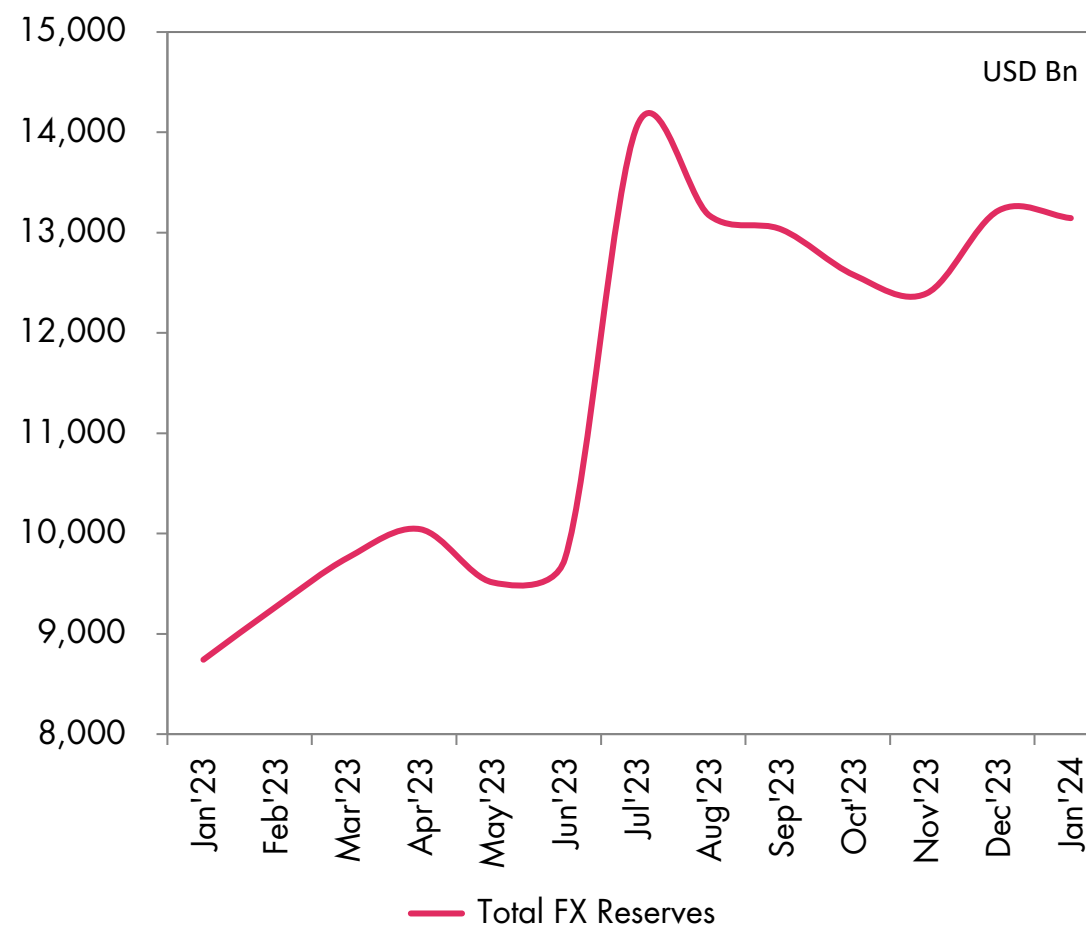
*Latest Number Available

Source: SBP, PBS, Next Research

Economic Indicators

External account

| USD Million | Sep-23 | Oct-23 | Nov-23 | Dec-23 |
|---------------------------|---------|---------|---------|---------|
| Current Account | (136) | (184) | (15) | 397 |
| Financial Account | 308 | (112) | (361) | 1,163 |
| Balance of Payment | 29 | (172) | (540) | 1,479 |
| FDI | 172 | 122 | 131 | 211 |
| Remittances | 2,208 | 2,463 | 2,259 | 2,381 |
| Commodities Exports – SBP | 2,466 | 2,764 | 2,724 | 2,799 |
| Commodities Imports – SBP | 3,953 | 4,378 | 4,442 | 4,092 |
| Trade Balance – SBP | (1,487) | (1,614) | (1,718) | (1,293) |
| 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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