



WEEKLY REVIEW

PAKISTAN EQUITIES

February 2, 2024

Research

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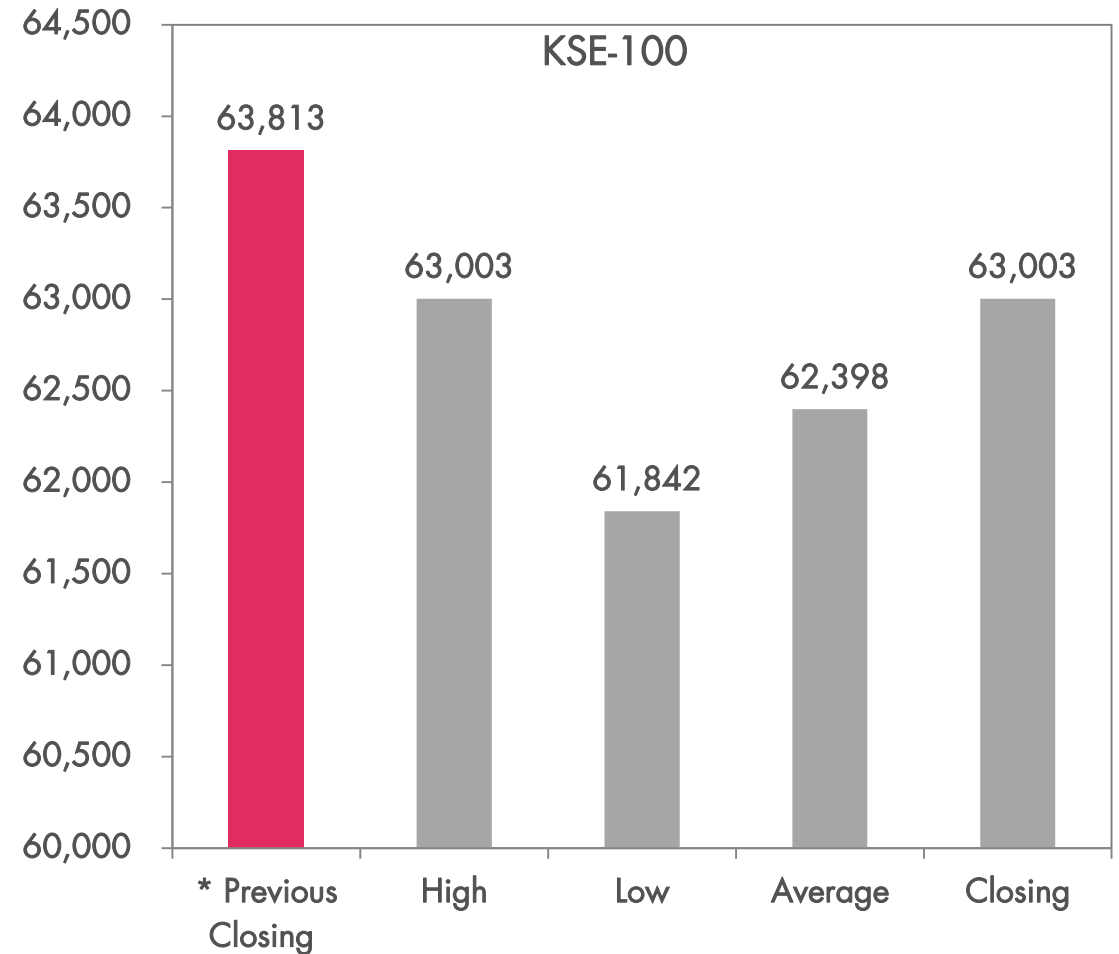
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PSX Indices

KSE100 lose 1.3% w/w

PSX Indices	Level	w/w
KSE-100	63,003	-1.3%
KSE-30	21,328	-1.0%
KSE-ALL	42,577	-1.5%
KMI-30	106,363	-1.6%
KMI-ALL	30,953	-1.9%
OGTi	16,468	-1.5%
BKTi	15,539	0.1%

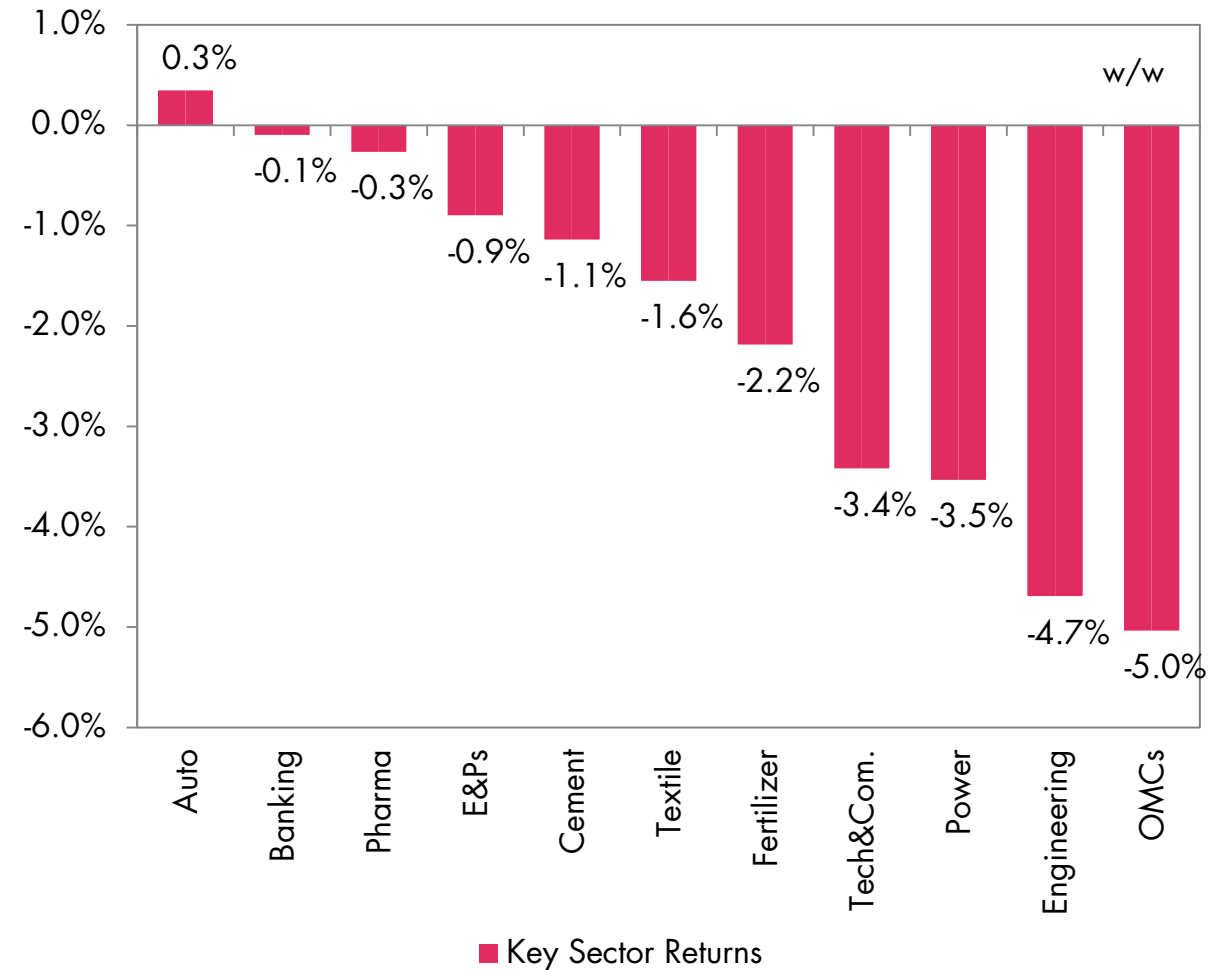
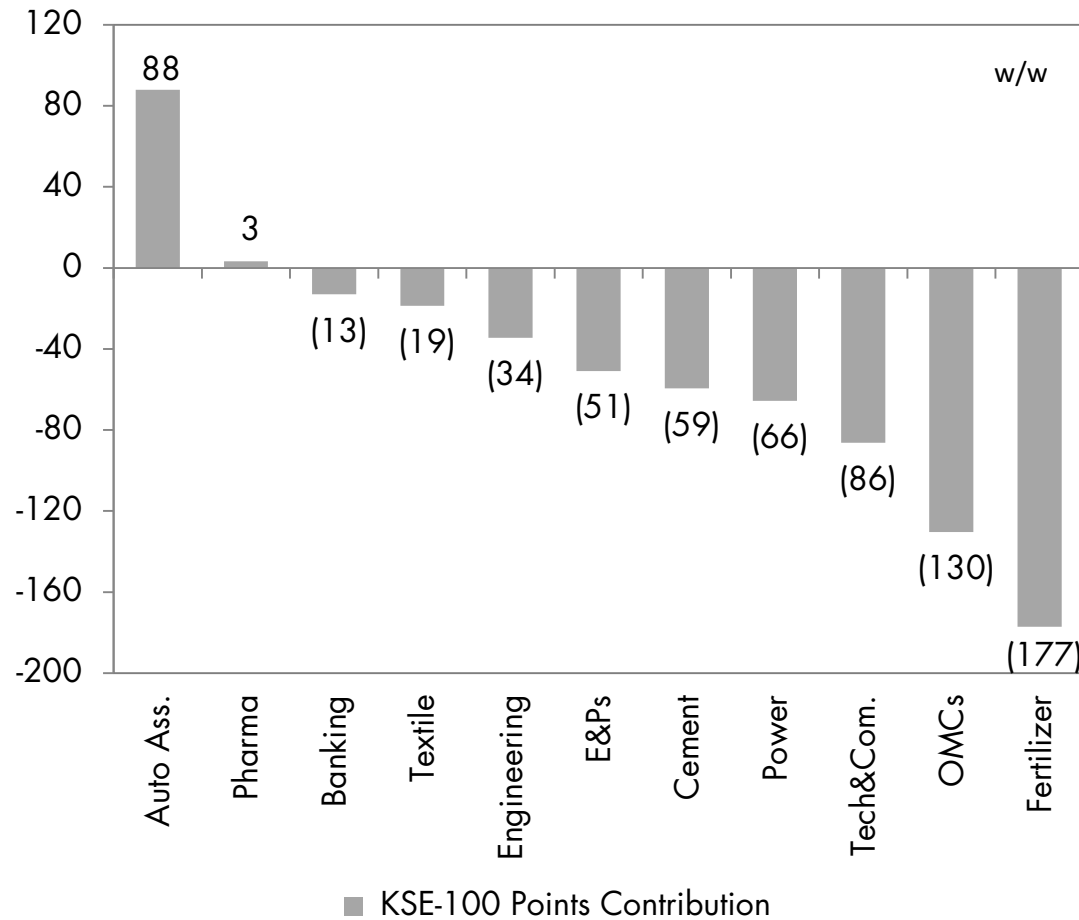


* Last week closing

Source: PSX , Next Research

Auto sector added 88 points to KSE100 Index

OMCs sector dropped 5.0% w/w



Top 10 positive contributors added 301 points to KSE100 Index

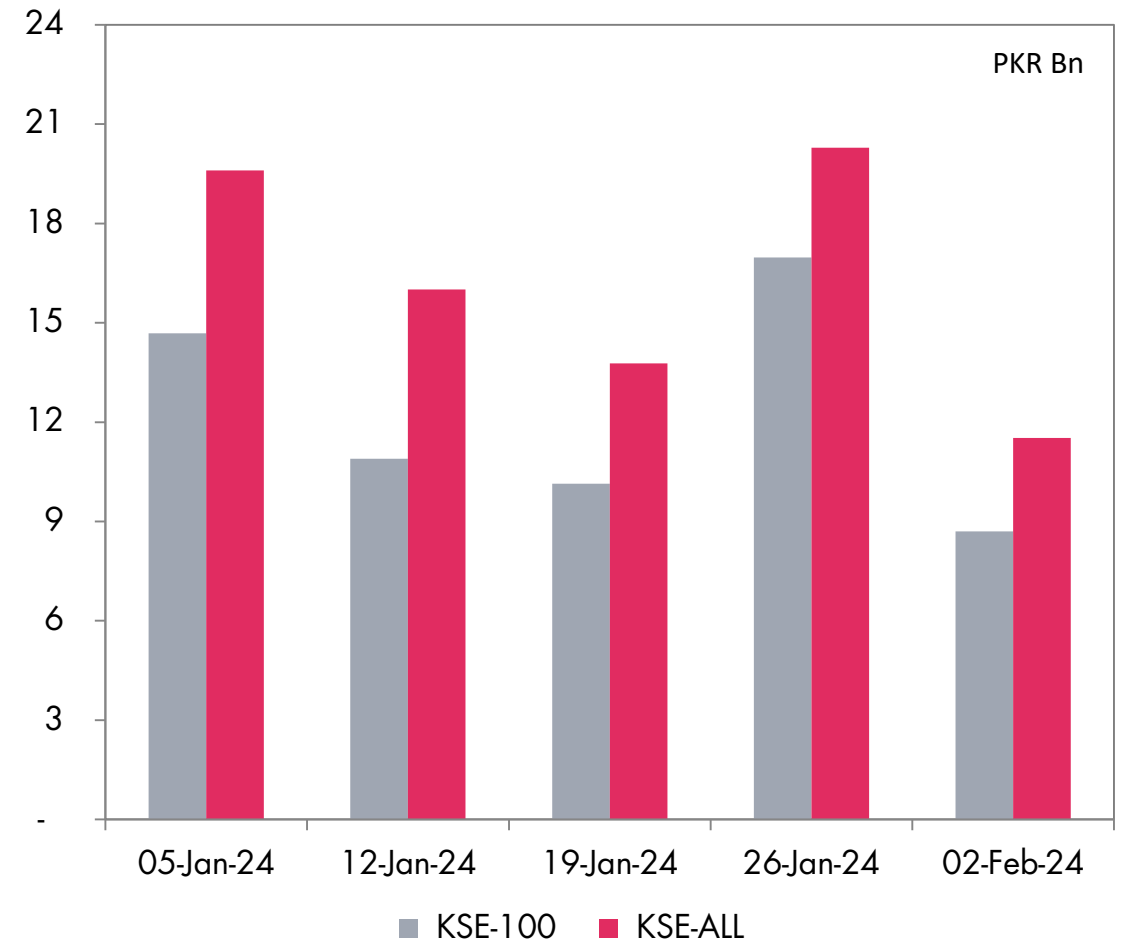
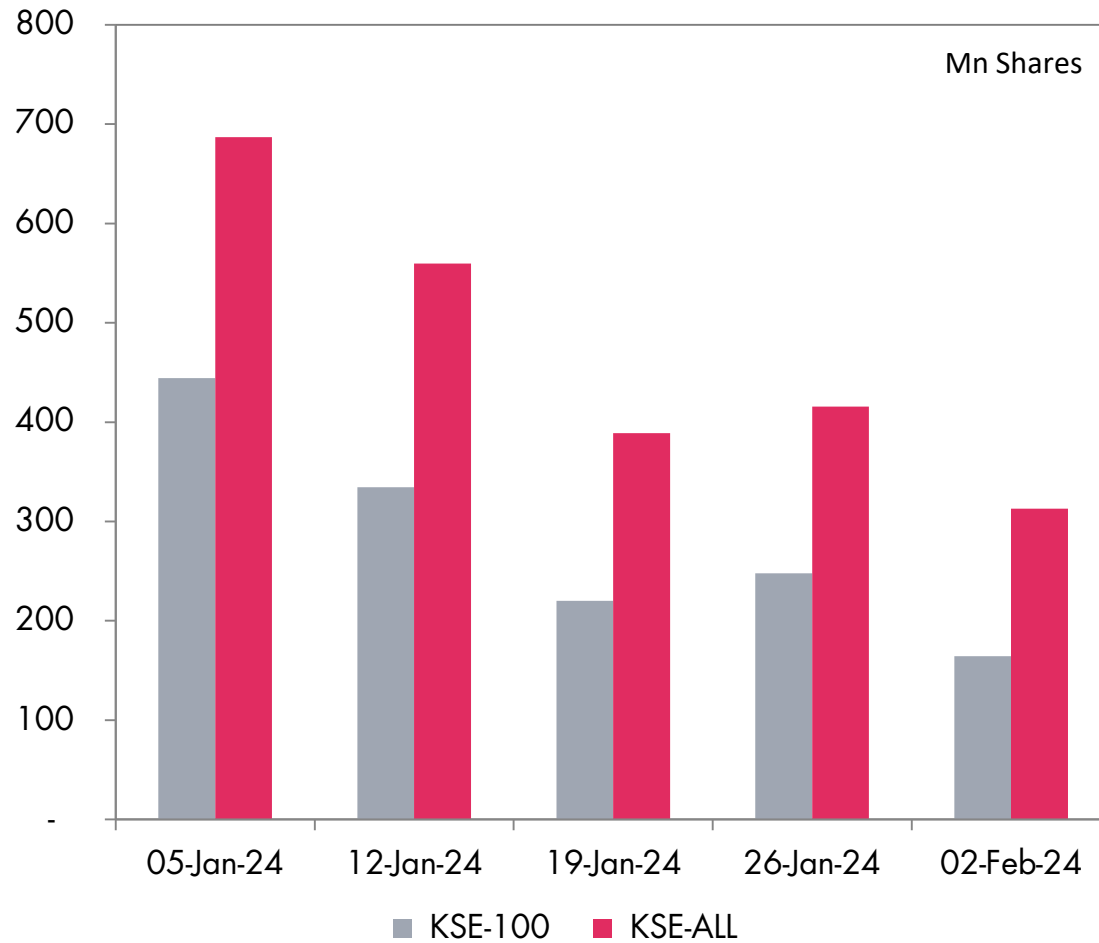
Top 10 negative contributors took 633 points from KSE100 Index

Top 10 Positive Contributors		Index Points	Top 10 Negative Contributors		Index Points
OGDC		122.16	COLG		(105.23)
MTL		79.81	MARI		(93.62)
MCB		77.68	PPL		(80.39)
BAFL		21.76	EFERT		(76.92)
AKBL		8.32	PSO		(63.52)
INDU		8.09	ENGRO		(48.89)
PAEL		7.30	TRG		(45.20)
AICL		6.57	SNGP		(41.44)
BAHL		5.73	KEL		(39.40)
GLAXO		5.58	HLB		(37.95)

Source: PSX , Next Research

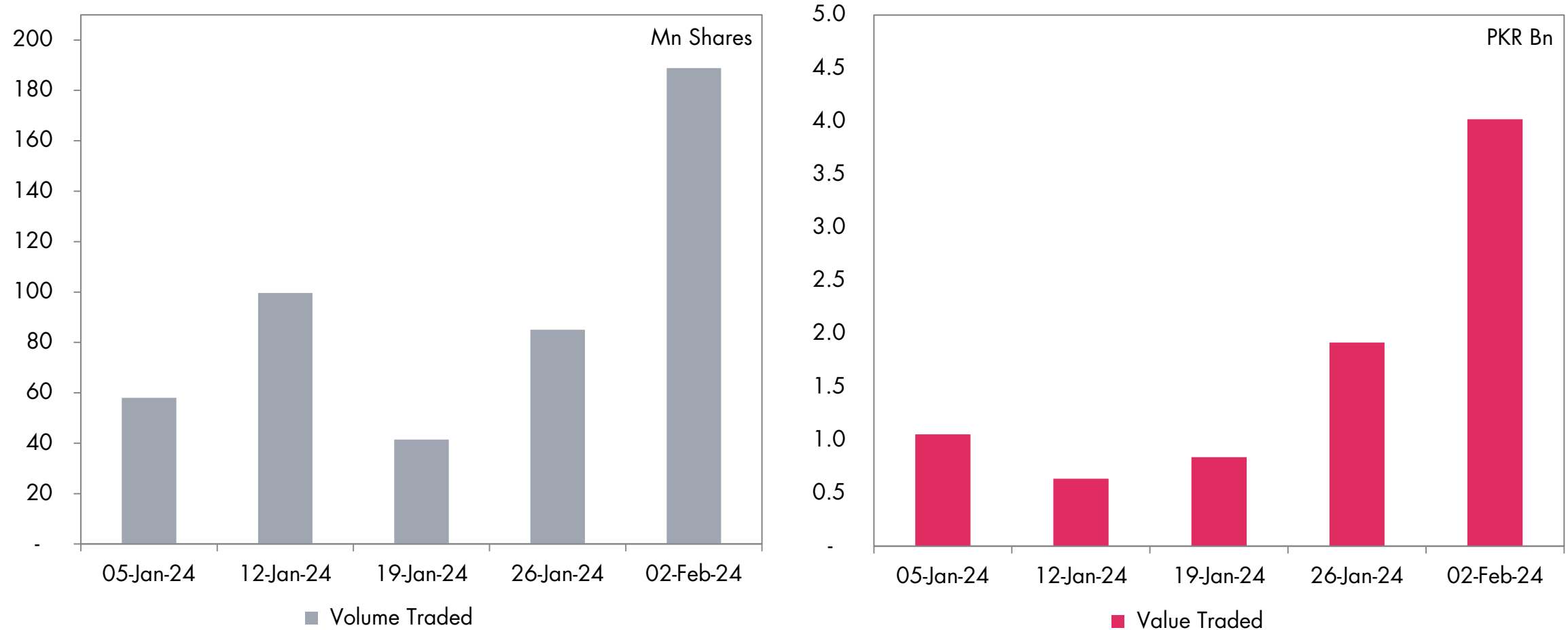
Average volume decreased 25% w/w

Average value traded decreased 43% w/w



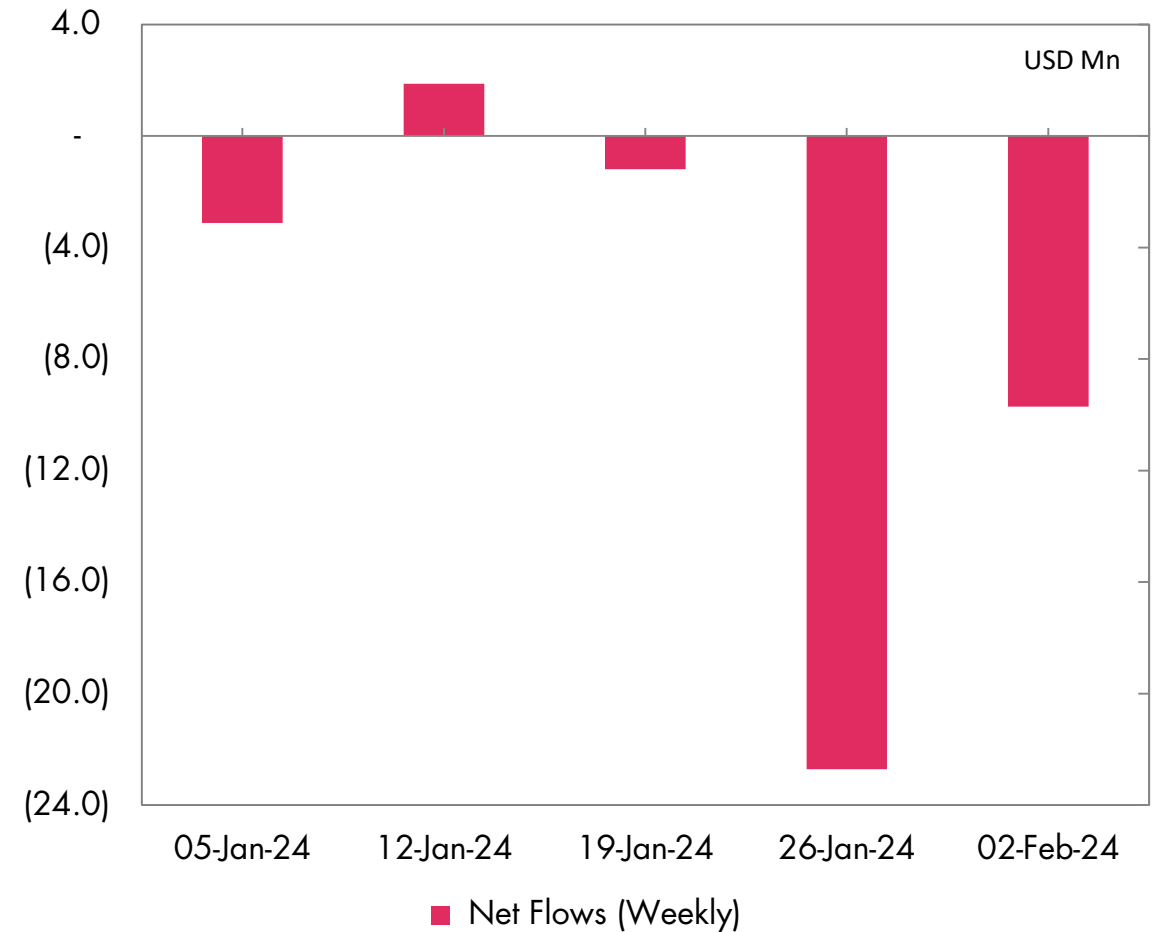
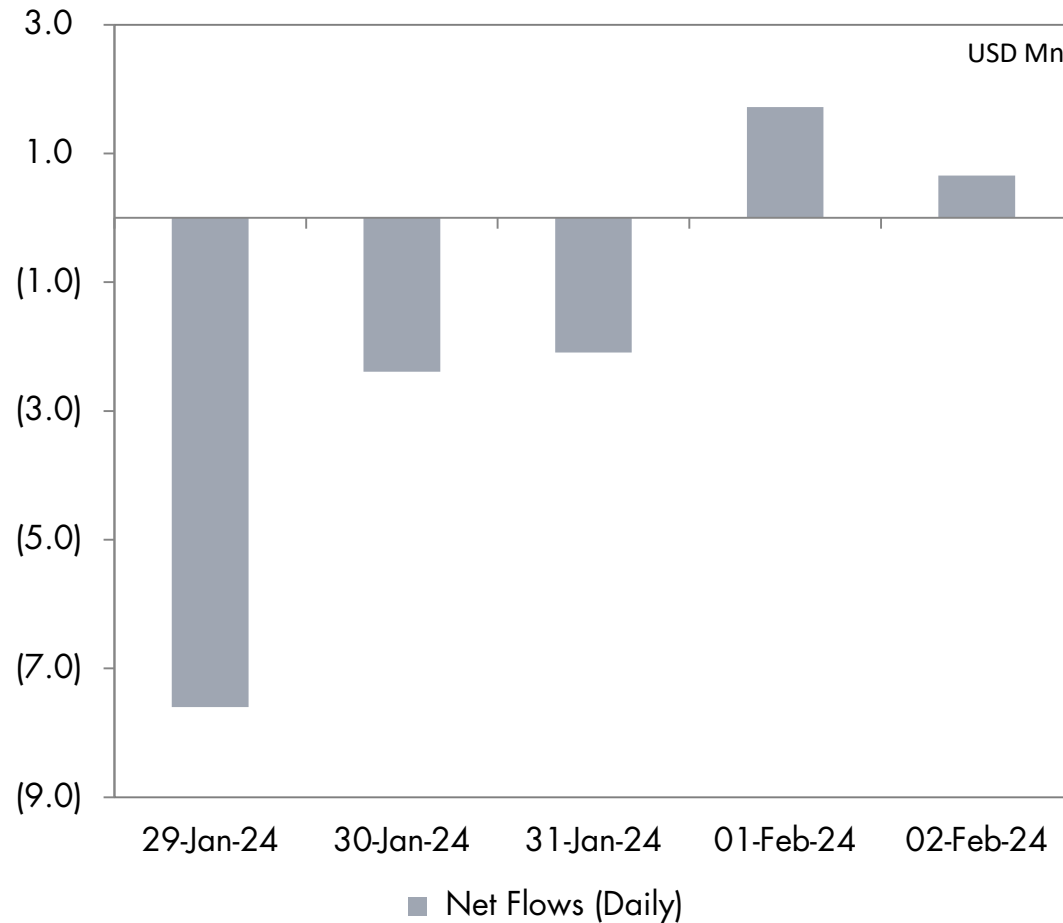
Off-market volume was 196mn shares during the week

Off-market value traded was PKR 4.0bn during the week



Foreigners were selling during the week

Foreign selling stood at USD 9.7mn 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	(1.14)	(0.75)	(1.38)	0.85	(0.20)	(0.00)	0.19	2.41	0.02
Cement	(2.19)	(0.70)	0.07	0.28	0.52	0.04	(0.03)	2.01	(0.00)
Commercial Banks	(2.71)	0.77	1.46	(0.09)	(0.71)	0.68	0.38	0.21	0.00
Fertilizer	0.53	0.08	(0.95)	0.03	0.46	0.08	(0.25)	0.02	(0.01)
Consumers	0.07	0.42	0.03	(0.33)	0.02	(1.90)	1.71	0.00	(0.00)
Oil and Gas Exploration	(0.52)	(1.47)	0.98	0.20	(1.29)	1.51	(0.78)	1.38	(0.00)
Oil and Gas Marketing	(1.14)	(0.19)	0.76	0.07	(0.30)	0.57	0.02	0.20	0.00
Power	(1.58)	1.45	(0.46)	0.28	0.28	(0.11)	(0.03)	0.17	0.00
Technology & Communication	(1.60)	0.79	0.06	0.05	0.26	0.10	0.03	0.32	0.00
Textile Composite	0.58	(0.53)	0.12	(0.54)	(0.06)	0.19	(0.00)	0.25	0.00
Total	(9.71)	(0.12)	0.33	0.80	(1.05)	1.51	1.24	6.98	0.01

Source: NCCPL , Next Research

IMF lowers Pakistan's growth forecast to 2pc

- **IMF lowers Pakistan's growth forecast to 2pc (Dawn):** Despite an improved global outlook, the International Monetary Fund (IMF) on Tuesday lowered Pakistan's economic growth forecast to two per cent for the current fiscal year, down 0.5 percentage points from its October estimate of 2.5pc.
- **Pakistan to secure significant funding with 5 new EU grant agreements (Mettis):** The European Union (EU) Ambassador to Pakistan, Riina Kionka, and Dr. Kazim Niaz, Secretary of the Ministry of Economic Affairs, signed five new EU grant agreements signifying a substantial commitment of nearly €100 million (equivalent to over Rs30 billion).
- **Trader's Guide to Pakistan Elections Ahead of Crucial IMF Deal (Bloomberg):** Pakistan is gearing up for two key events in quick succession: a general election and the expiry of an International Monetary Fund bailout program. The election winner will be tasked with striking a new deal with the IMF, which investors say is crucial to the nation's outlook.
- **SBP expects another \$5bn rollover, debt in check, growth ahead (Mettis):** Riding the wave of positive news in the economic arena, the State Bank of Pakistan (SBP) is now banking on another \$5 billion rollover from friendly countries. Despite an anticipated \$10bn external outflow, the bank is left holding the bag with a net repayable amount of \$5bn for the rest of FY24.
- **Violence undermines poll process: US (Dawn):** The US State Department emphasised on Wednesday that violence at election rallies undermines the electoral process in Pakistan. Strongly condemning Tuesday's bomb explosion at a PTI rally in Sibi that killed 10 people, the State Department said that incidents like this "undermine the electoral process".
- **Foreign investors cash out \$567.7m from Pakistan in six months (The News):** The repatriation of profits and dividends by foreign investors in the country rose 161 percent to \$567.7 million in the first half of the current fiscal year, the central bank data showed on Friday.
- **Exports hit 17-month high in January (Dawn):** Merchandise exports grew for the fifth consecutive month in January, reaching a 17-month high, indicating a recovery of export-led industrial growth. In absolute terms, export proceeds in January totalled \$2.78 billion, up 27 per cent from \$2.19bn the previous year, according to data from the Ministry of Commerce released on Thursday.
- **Govt cuts profit rates on savings schemes (Dawn):** Ahead of the monetary policy announcement by the State Bank of Pakistan (SBP) next week, the government on Friday slashed by a small margin profit rates on most of the national savings' instruments including those in the so-called Sharia-compliant papers with immediate effect.
- **SBP reserves fall \$54m (Dawn):** The foreign exchange reserves held by the State Bank of Pakistan (SBP) declined by \$54 million to \$8.216 billion during the week ended on Jan 26, announced the central bank on Thursday.
- **Kibor gains pace, chasing 22pc (Dawn):** The benchmark Karachi Interbank Offered Rate (Kibor) has started crawling up after the State Bank of Pakistan (SBP) left its policy rate steady at an unprecedented 22 per cent in its last monetary review on Jan 29, said market sources.
- **Inflation, surging expenditures persist: MoF (Dawn):** While painting an otherwise rosy economic picture at the fag-end of its rule, the caretaker government on Wednesday conceded the persisting inflationary trends and rising pressures on current expenditure mainly due to the policies of the government and the State Bank of Pakistan, respectively, continue to remain critical challenges, needing prudent policies of the next government to strengthen economic activities.
- **SBP eases import payment rules, sets delay fine (The News):** The State Bank of Pakistan (SBP) has eased the rules for import advance payments, allowing authorized dealers to make full payments in advance without prior approval, subject to due diligence and anti-money laundering measures.
- **Oil, gas E&P firms allowed to sell 35pc of gas to third party instead of Sui companies (Nation):** The caretaker government has allowed the oil and gas exploration and production (E&P) companies to sell 35 percent of their gas to third party instead of state owned Sui companies.
- **Tight Gas Policy 2024: Pakistan offers investors \$7.5 wellhead price for tight gas discovery (The News):** The federal government has introduced the Tight Gas (Exploration & Production) Policy 2024, focusing on an innovative pricing strategy to encourage efforts in exploring and producing unconventional hydrocarbon reserves.
- **PTCL launches first neutral internet exchange powered by DE-CIX (BR):** The Pakistan Telecommunication Company Limited (PTCL) launched the first neutral internet exchange in Pakistan powered by DE-CIX. Dr Saif announced that agreement has been reached with China to start routing their Internet traffic through Pakistan — making Pakistan a regional hub for connectivity. This will earn Pakistan huge revenue for Internet transit traffic.

Commodities

WTI decrease 5% WoW

Commodity	Unit	12-Jan-24	19-Jan-24	26-Jan-24	2-Feb-24
WTI	bbl	72.02	73.95	77.36	73.82
Brent	bbl	78.50	78.96	82.34	78.70
Arab Light	bbl	78.65	78.60	81.14	81.40
Coal	MT	95.90	96.05	95.15	93.50
Natural Gas	mmbtu	3.09	2.70	2.57	2.05
Polypropylene	MT	0.45	0.45	0.47	0.49
Ethanol	MT	2.16	2.16	2.16	2.16
Urea	MT	318.50	326.00	333.50	380.00
DAP	MT	592.50	590.00	595.00	582.50

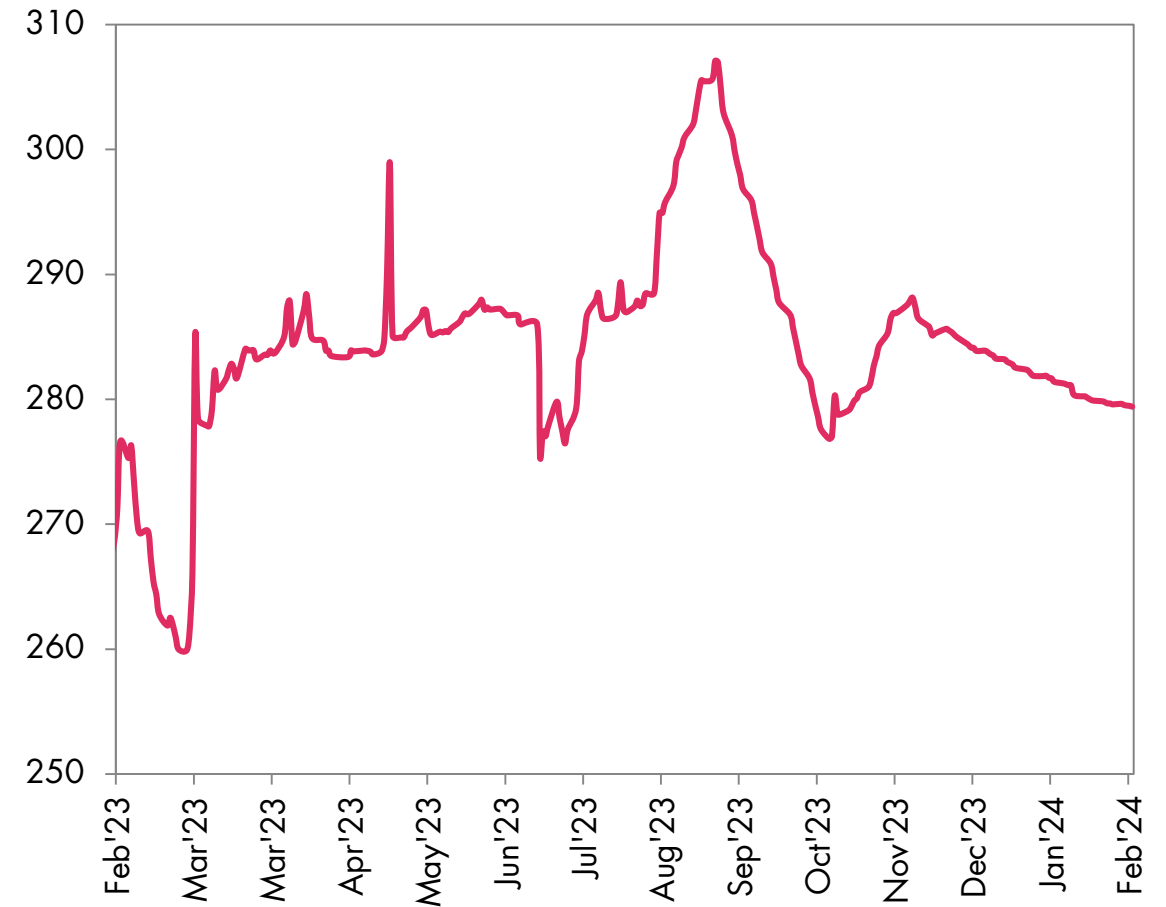
Commodity	Unit	12-Jan-24	19-Jan-24	26-Jan-24	2-Feb-24
Cotton	lb	81.36	82.51	85.76	86.49
Gold	Ounce	2,028.09	2,022.67	2019.12	2,071.10
Silver	Ounce	22.75	22.74	22.91	23.24
Copper	lb	3.78	3.75	3.87	3.85
Iron Ore	MT	1,067.50	1,008.50	1065.00	1,054.00
Steel Scrap LME	MT	417.00	415.00	421.00	419.50
Steel Rebar LME	MT	602.50	605.50	610.00	619.50
Rubber	KG	152.90	154.00	155.20	105.70

Source: Bloomberg, Mettis, other websites, Next Research

Currencies

PKR appreciated against USD (Interbank)

Currency	05-Jan-24	12-Jan-24	19-Jan-24	26-Jan-24	2-Feb-24
PKR / USD	281.40	280.36	279.90	279.59	279.41
PKR / EUR	307.34	307.85	304.47	302.46	304.10
PKR / GBP	356.67	358.18	354.94	354.62	356.46
PKR / JPY	1.94	1.93	1.89	1.89	1.91
PKR / CAD	210.64	209.98	207.50	207.50	208.94
PKR / AUD	188.55	188.11	184.14	184.30	184.24



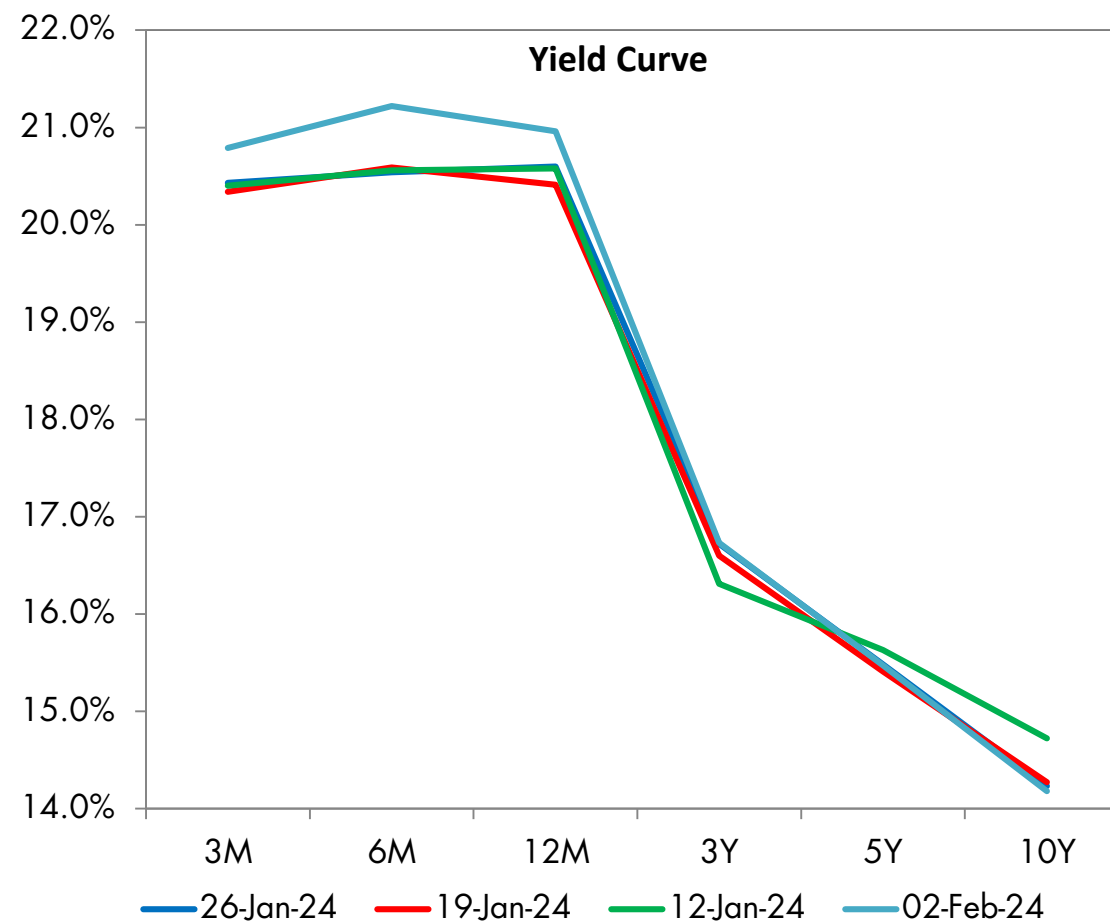
Source: SBP , Next Research

Economic Indicators

Monetary aggregates

	Nov-23	Dec-23	Jan-24	Feb-24*
Discount Rate	23.0%	23.0%	23.0%	23.0%
Policy Rate	22.0%	22.0%	22.0%	22.0%
6M KIBOR	21.5%	21.5%	21.0%	21.1%
CPI	29.2%	29.7%	28.3%	n/a
CPI – NFNE Urban	18.6%	18.5%	17.8%	n/a
M2 – Growth YoY	13.6%	17.8%	15.4%	n/a
CIC – Growth YoY	11.1%	9.9%	9.4%	n/a
NDA – Banking Growth YoY	16.6%	17.4%	12.3%	n/a
NFA – Banking Growth YoY	75.2%	11.7%	-18.9%	n/a
Private Sector Credit Growth YoY	1.3%	0.1%	-2.7%	n/a
Govt. Borrowing W/ SBP Growth YoY	6.2%	-37.4%	-22.7%	n/a

*Latest Number Available

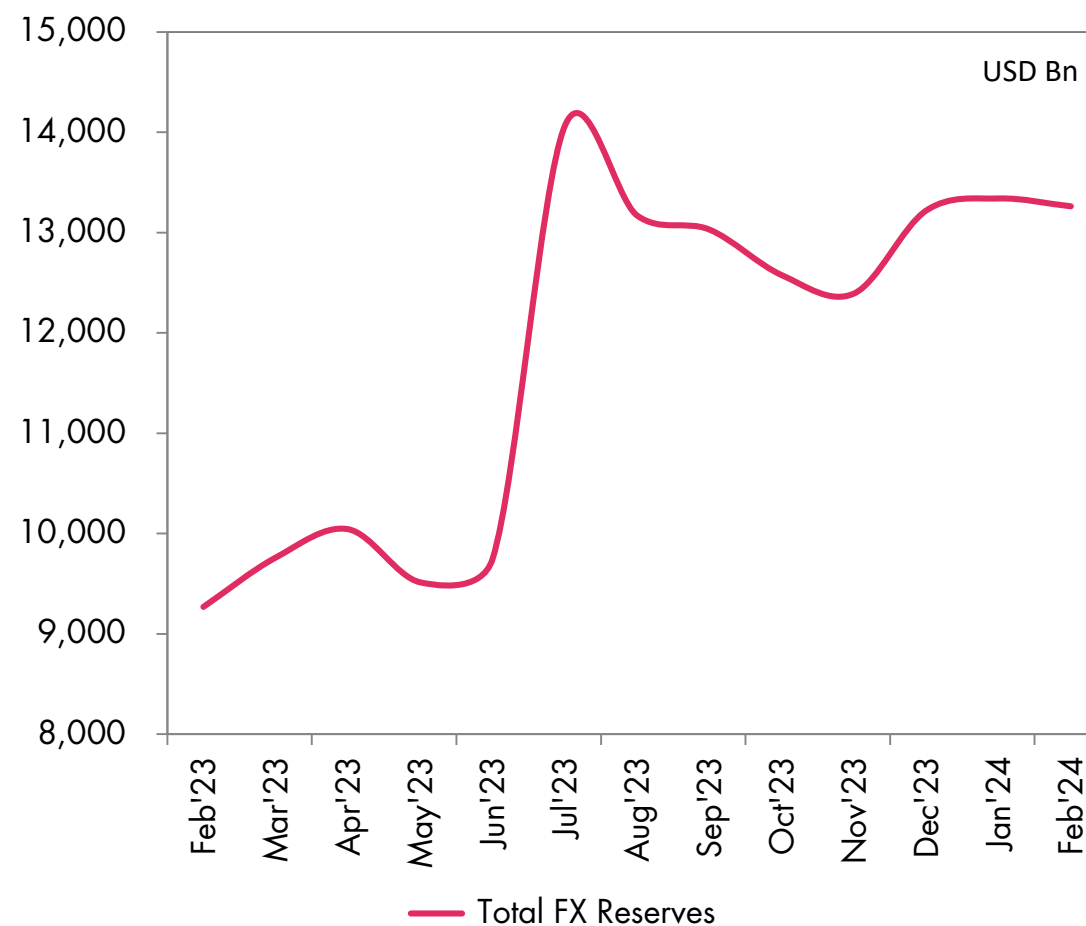


Source: SBP, PBS, Next Research

Economic Indicators

External account

USD Million	Oct-23	Nov-23	Dec-23	Jan-24
Current Account	(184)	(15)	397	n/a
Financial Account	(112)	(361)	1,163	n/a
Balance of Payment	(172)	(540)	1,479	n/a
FDI	122	131	211	n/a
Remittances	2,463	2,259	2,381	n/a
Commodities Exports – SBP	2,764	2,724	2,799	n/a
Commodities Imports – SBP	4,378	4,442	4,092	n/a
Trade Balance – SBP	(1,614)	(1,718)	(1,293)	n/a
Exports – PBS	2,690	2,573	2,822	2,790
Imports – PBS	4,864	4,539	4,650	4,737
Trade Balance – PBS	(2,174)	(1,966)	(1,828)	(1,947)



Source: SBP, PBS, Next Research

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