



WEEKLY REVIEW

PAKISTAN EQUITIES

February 16, 2024

Research

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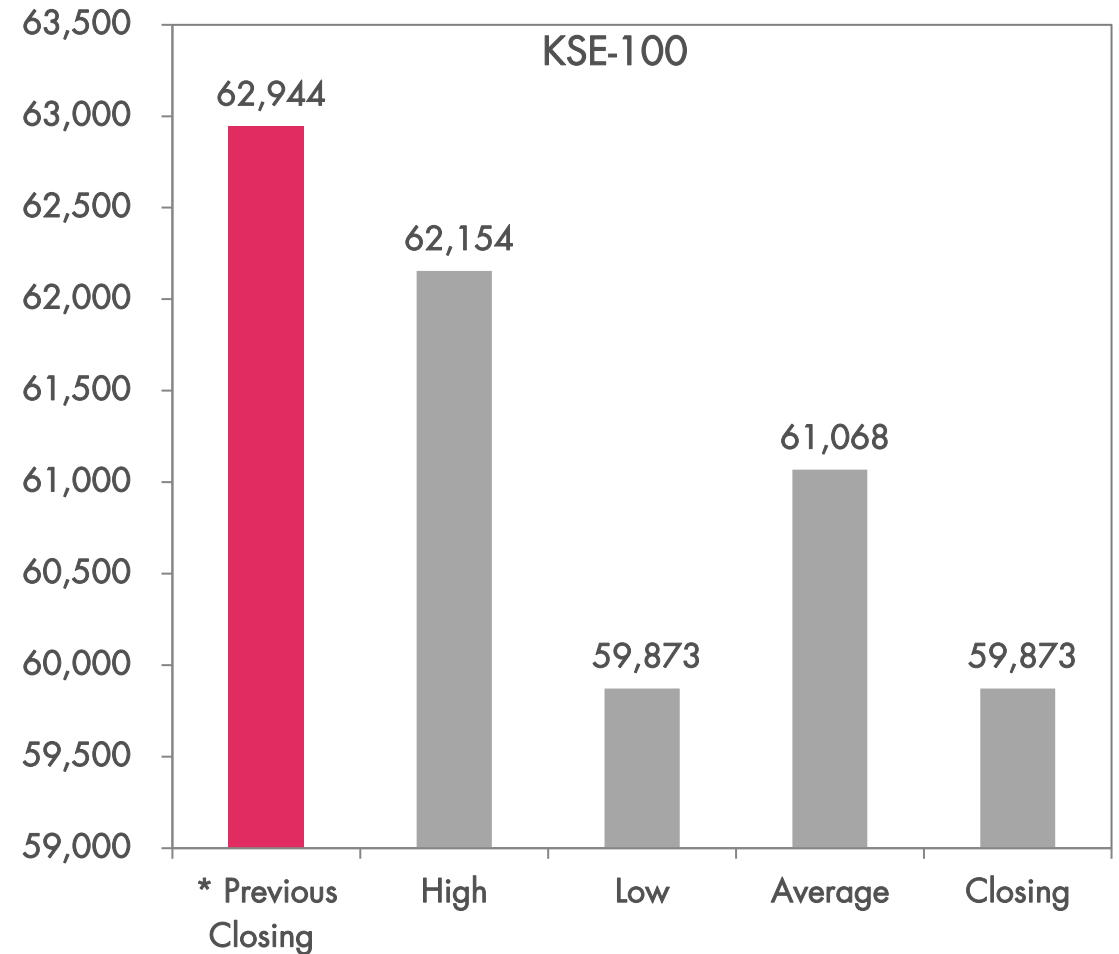
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PSX Indices

KSE100 lose 4.9% w/w

PSX Indices	Level	w/w
KSE-100	59,873	-4.9%
KSE-30	20,099	-5.6%
KSE-ALL	40,387	-5.2%
KMI-30	98,506	-7.2%
KMI-ALL	29,042	-6.2%
OGTi	14,109	-14.5%
BKTi	15,379	-1.1%

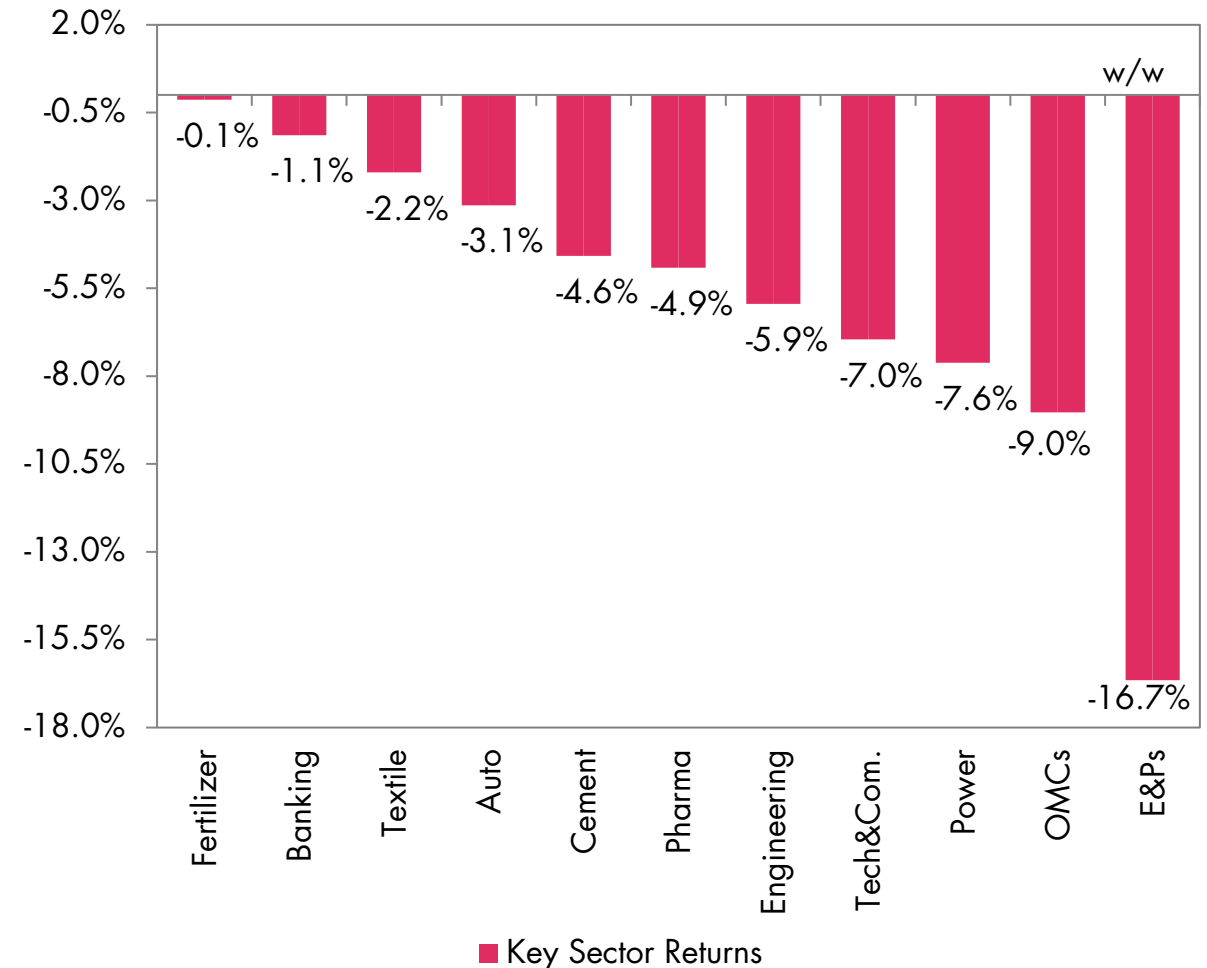
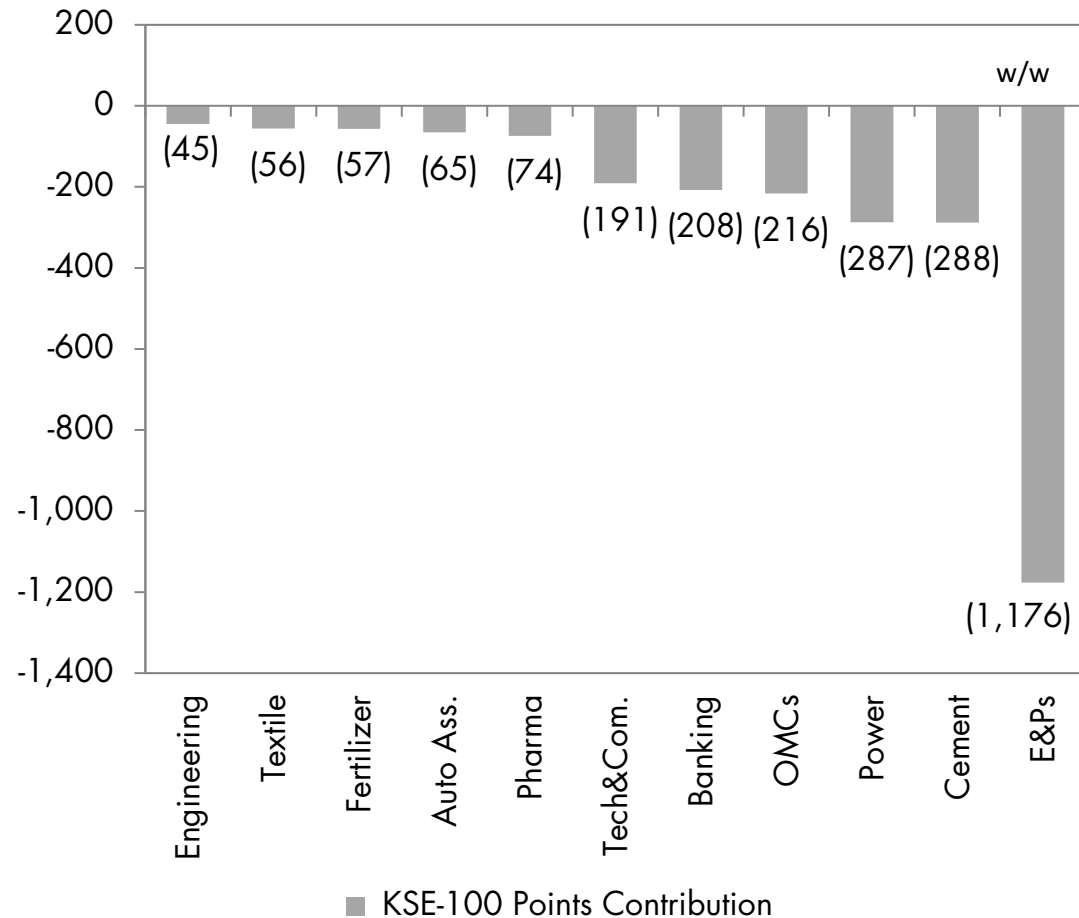


* Last week closing

Source: PSX , Next Research

Engineering sector took 45 points to KSE100 Index

E&P sector dropped 16.7% w/w



Top 10 positive contributors added 159 points to KSE100 Index

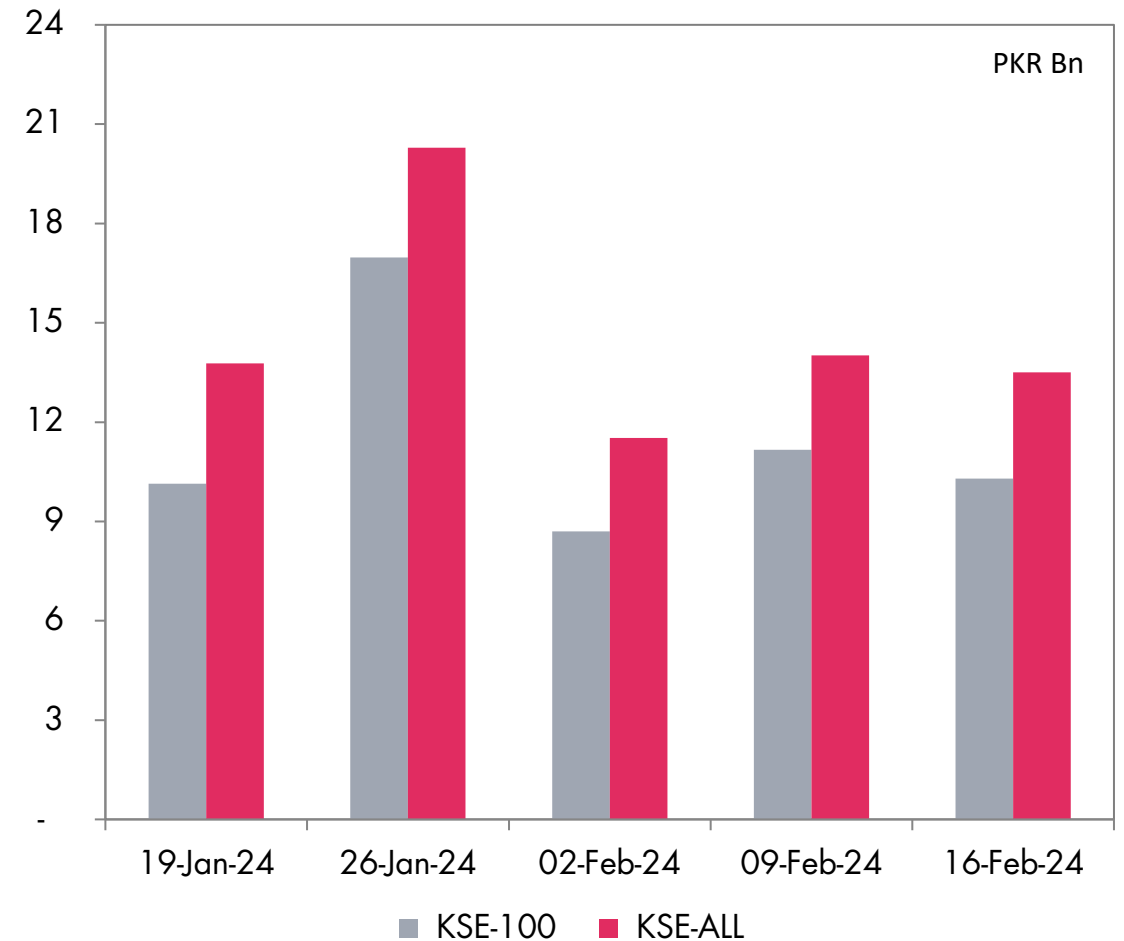
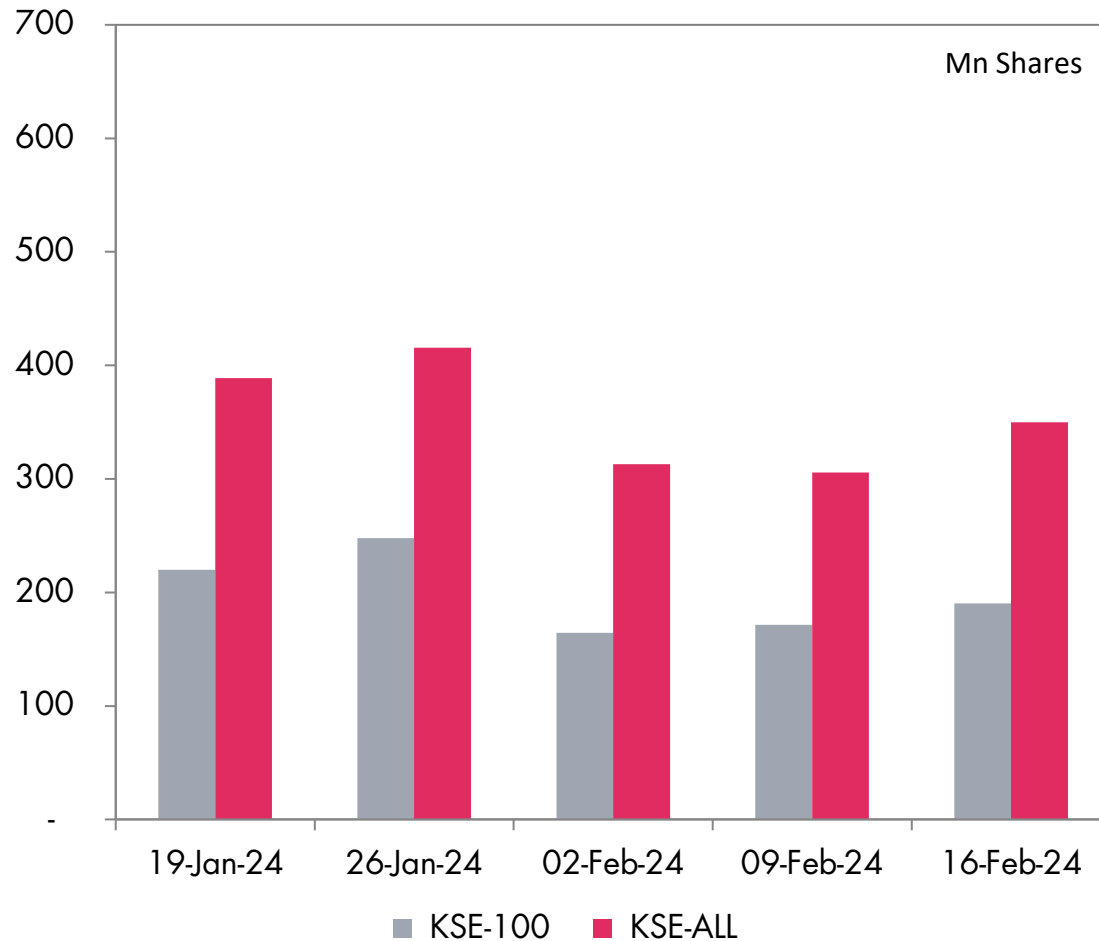
Top 10 negative contributors took 2,022 points from KSE100 Index

Top 10 Positive Contributors		Index Points	Top 10 Negative Contributors		Index Points
EFERT		92.75	OGDC		(729.88)
MCB		33.33	PPL		(377.43)
FATIMA		18.54	HUBC		(221.14)
NATF		14.27	PSO		(149.38)
AGP		9.24	LUCK		(116.65)
EFUG		9.15	BAHL		(109.13)
IBFL		4.72	SYS		(100.71)
GADT		2.81	ENGRO		(84.10)
ARPL		1.57	FFC		(71.47)
SCBPL		1.30	MARI		(61.77)

Source: PSX , Next Research

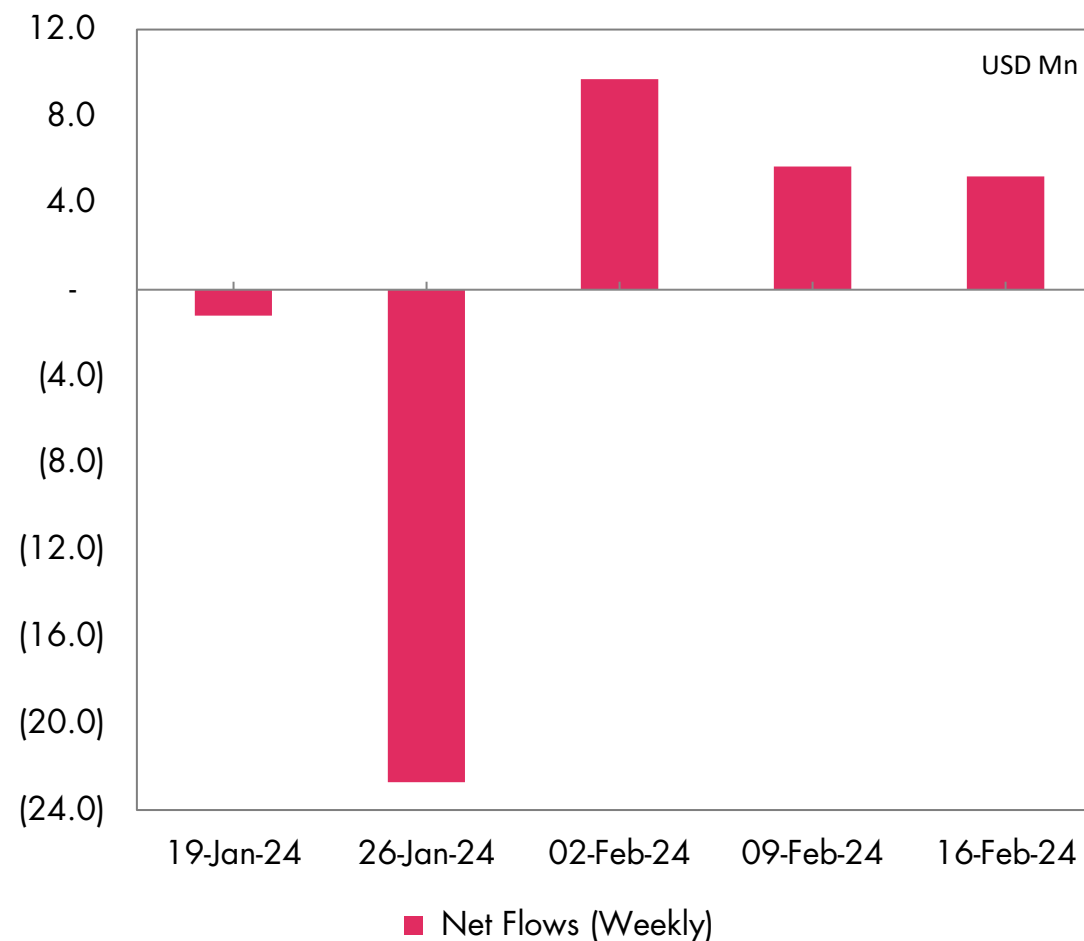
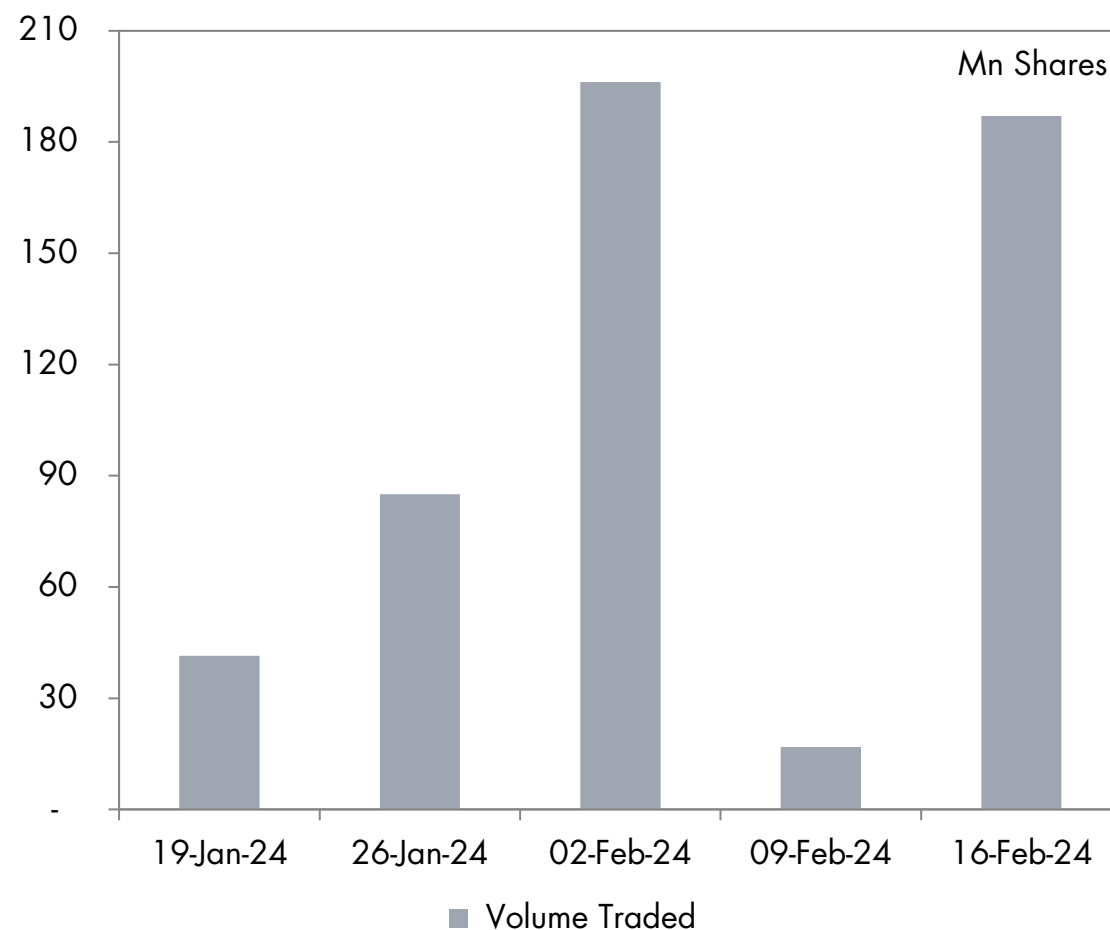
Average volume increased 14% w/w

Average value traded decreased 4% w/w



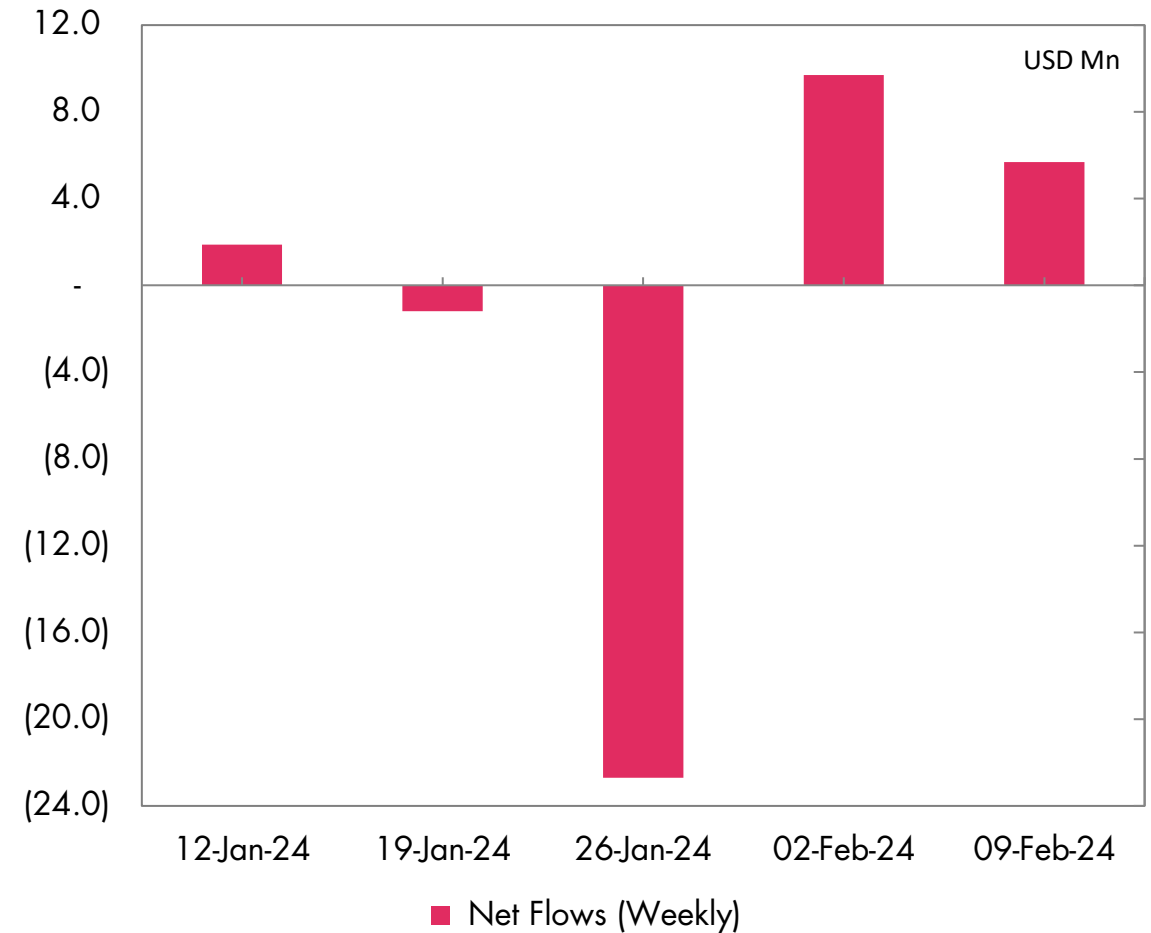
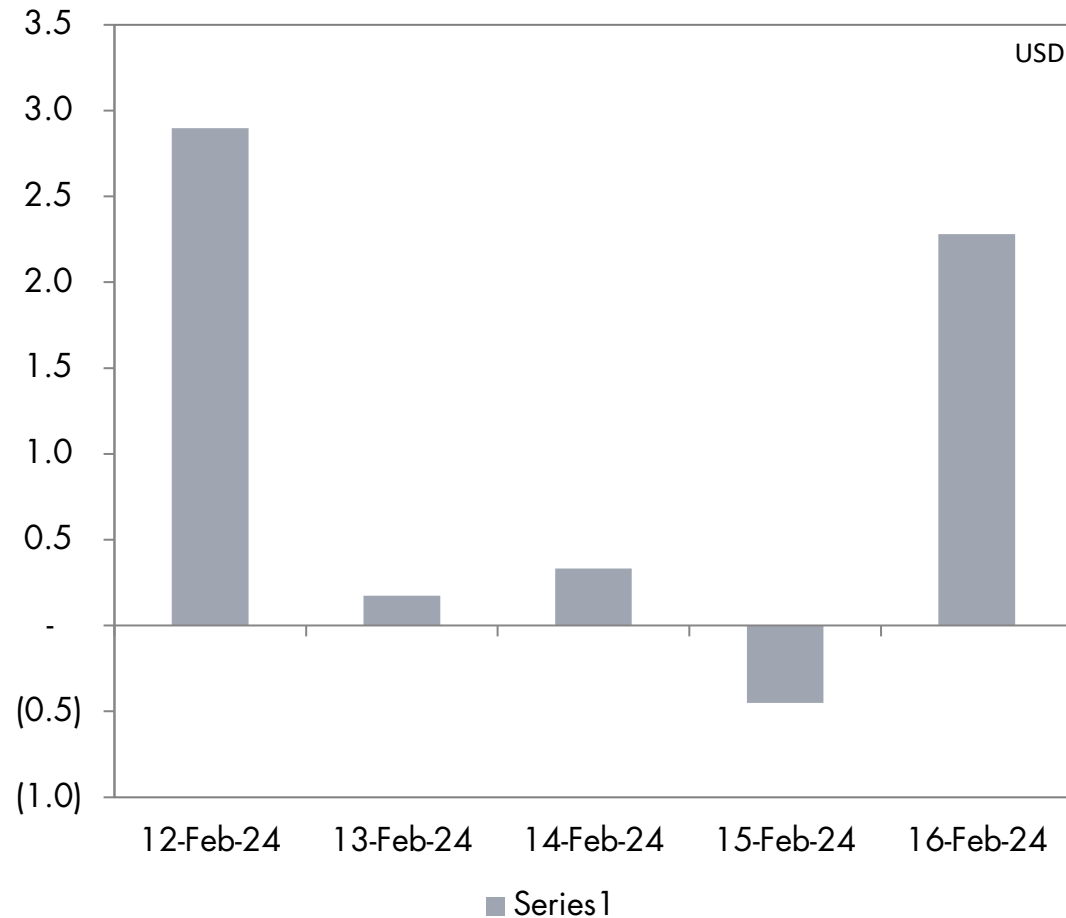
Off-market volume was 187mn shares during the week

Off-market value traded was PKR 2.3bn during the week



Foreigners were buying during the week

Foreign buying stood at USD 5.2mn during the week



Funds were the largest net buyers

Brokers emerged as the largest net sellers

Weekly Net Flows (USD Mn)	FIPI	Individuals	Banks	Companies	M. Funds	Brokers	Others	Insurance	NBFC
All other Sectors	1.15	(1.62)	(0.60)	0.01	0.43	(0.22)	0.22	0.62	0.02
Cement	(0.64)	(0.59)	0.46	(0.03)	0.40	(0.17)	0.04	0.51	0.01
Commercial Banks	(0.20)	0.92	0.23	(2.06)	1.27	(0.32)	0.30	(0.14)	0.00
Fertilizer	0.92	(0.97)	(1.82)	2.26	0.15	(0.21)	(0.22)	(0.10)	(0.00)
Consumers	0.91	(0.10)	(0.46)	0.27	(0.15)	(0.26)	(0.03)	(0.19)	0.00
Oil and Gas Exploration	2.17	(1.29)	1.73	0.49	0.88	(4.45)	(1.25)	1.70	0.02
Oil and Gas Marketing	0.46	0.27	(1.12)	(0.03)	(0.05)	(0.13)	0.03	0.56	0.00
Power	0.81	1.99	(0.90)	(1.83)	(0.09)	(0.01)	0.02	0.00	0.00
Technology & Communication	(0.36)	(0.21)	0.38	0.10	0.25	(0.12)	(0.02)	(0.01)	(0.00)
Textile Composite	0.02	0.08	(0.02)	(0.03)	(0.04)	0.00	(0.01)	(0.02)	0.01
Total	5.23	(1.51)	(2.12)	(0.77)	2.95	(5.88)	(0.91)	2.95	0.06

Source: NCCPL , Next Research

Pakistan downgraded to 'authoritarian regime'

- **Pakistan downgraded to 'authoritarian regime' (ET):** Democratic standards across the world fell in 2023 amid the spread of wars, authoritarian crackdowns and declining levels of trust in mainstream political parties, the Economist Intelligence Unit (EIU) said on Thursday.
- **IMF's liberal import plan may imperil stable rupee (Dawn):** The latest proposal of the International Monetary Fund (IMF) to further liberalise imports could destabilise rupee-dollar parity, said market sources. "The IMF wants to see up to 45 per cent increase in the imports in the second half of the current fiscal year which would surely put pressure on the exchange rate," a well-informed senior banker told.
- **Moody's downgrades Pakistan's credit outlook to negative due to political uncertainty (Minutemirror):** Credit rating agency Moody's has cut Pakistan's credit outlook to negative, citing persistent political uncertainty worsened by inconclusive election results. The general election on February 8 and the ensuing delay in completing the vote count have contributed to the uncertainty.
- **NA can meet any time after Feb 21: minister (ET):** Caretaker Minister for Information, Broadcasting and Parliamentary Affairs Murtaza Solangi on Wednesday said that the first session of the new National Assembly might be called on any date between February 22 and February 29.
- **Upcoming Govt Likely to Sign a New \$10 Billion Loan Program With IMF (Propakistani):** The Ministry of Finance is in talks with the International Monetary Fund (IMF) regarding obtaining a new three-year loan under its Extended Fund Facility Program. Sources told ProPakistani that there is a possibility of signing a big \$8-10 billion program with the IMF once the current one concludes on March 31st, 2024.
- **SBP raises Rs85.343bn through PIB auction, yields inch up by up to 5bps (Metis):** The State Bank of Pakistan (SBP) raised Rs85.343 billion against a target of Rs125bn through the sale of fixed-rate Pakistan Investment Bonds (PIBs). In today's auction, the offered amount totaled Rs223.312bn. The central bank picked up Rs65.268bn for 3 years, Rs12.75bn for 5 years, and Rs544m for 10-year bonds through competitive bids.
- **SBP-held foreign exchange reserves increase \$13mn, now stand at \$8.05bn (BR):** Foreign exchange reserves held by the State Bank of Pakistan (SBP) increased by \$13 million on a weekly basis, clocking in at \$8.05 billion as of February 9, data released on Thursday showed. Total liquid foreign reserves held by the country stood at \$13.15 billion. Net foreign reserves held by commercial banks stood at \$5.1 billion. The central bank did not specify a reason for the increase in the reserves.
- **Industrial output shrinks 0.39pc in first half of FY24 (The News):** The industrial output contracted by 0.39 percent in the first half of the fiscal year 2023-24, as key sectors such as textiles, automobiles, and iron & steel products suffered declines, official data showed on Thursday.
- **Aramco refinery likely to be included in CPEC framework (BR):** The government is likely to include \$10 billion Saudi Aramco refinery project in framework of China Pakistan Economic Corridor (CPEC), well informed sources in Petroleum Division told.
- **Mining and mineral sector: 2 mergers approved by CCP (BR):** The Competition Commission of Pakistan (CCP) has granted approval to two mergers in the mining of copper and minerals sector in Balochistan. In this regard, CCP approved the acquisition of a cumulative 66.66 % shareholding in M/s. National Resources (Private) Limited by two public listed companies. The infusion of investment in this sector will give a boost to mineral exploration.
- **Auto sales surge 81pc in January (Dawn):** Despite unprecedented interest rates, unbearable auto financing, higher prices and political and economic instability, the combined sales of cars, jeeps, vans and pickups surged 81 per cent to 10,536 in January from 5,816 in December 2023. However, the sales in the above segment remained 5pc lower compared to 11,124 units during January 2023.
- **Prices of locally manufactured cars likely to go up as ECC okays 25pc sales tax (Pakobserver):** The Economic Coordination Committee (ECC) of the Cabinet has approved a proposal put forward by the Federal Board of Revenue for increasing the sales tax rate on locally manufactured or assembled vehicles. The ECC considered the proposal of the Federal Board of Revenue (FBR) regarding the "Rationalization of Criterion of Enhanced Rate of 25% Sales Tax on Locally Manufactured/ Assembled Vehicles (PCT87.03)".
- **IT exports surge 32 percent in two months on SIFC backing: minister (The News):** Pakistan's IT exports rose by a record 32 percent in the last 60 days, thanks to timely decisions by the Special Investment Facilitation Council (SIFC) to support the IT sector, a caretaker minister said on Tuesday.
- **MSCI adds 22 Pakistan firms to frontier market index (The News):** The stock market is likely to receive a boost as MSCI Inc. on Tuesday announced the inclusion of 22 Pakistani companies in its Frontier Market and Small Cap indexes, effective from Feb. 29.

Commodities

WTI increase 2% WoW

Commodity	Unit	26-Jan-24	2-Feb-24	9-Feb-24	16-Feb-24
WTI	bbl	77.36	73.82	76.22	77.59
Brent	bbl	82.34	78.70	81.63	82.86
Arab Light	bbl	81.14	81.40	80.43	81.83
Coal	MT	95.15	93.50	92.50	91.80
Natural Gas	mmbtu	2.57	2.05	1.91	1.58
Polypropylene	MT	0.47	0.49	0.50	0.51
Ethanol	MT	2.16	2.16	2.16	2.16
Urea	MT	333.50	380.00	378.50	380.00
DAP	MT	595.00	582.50	582.50	582.50

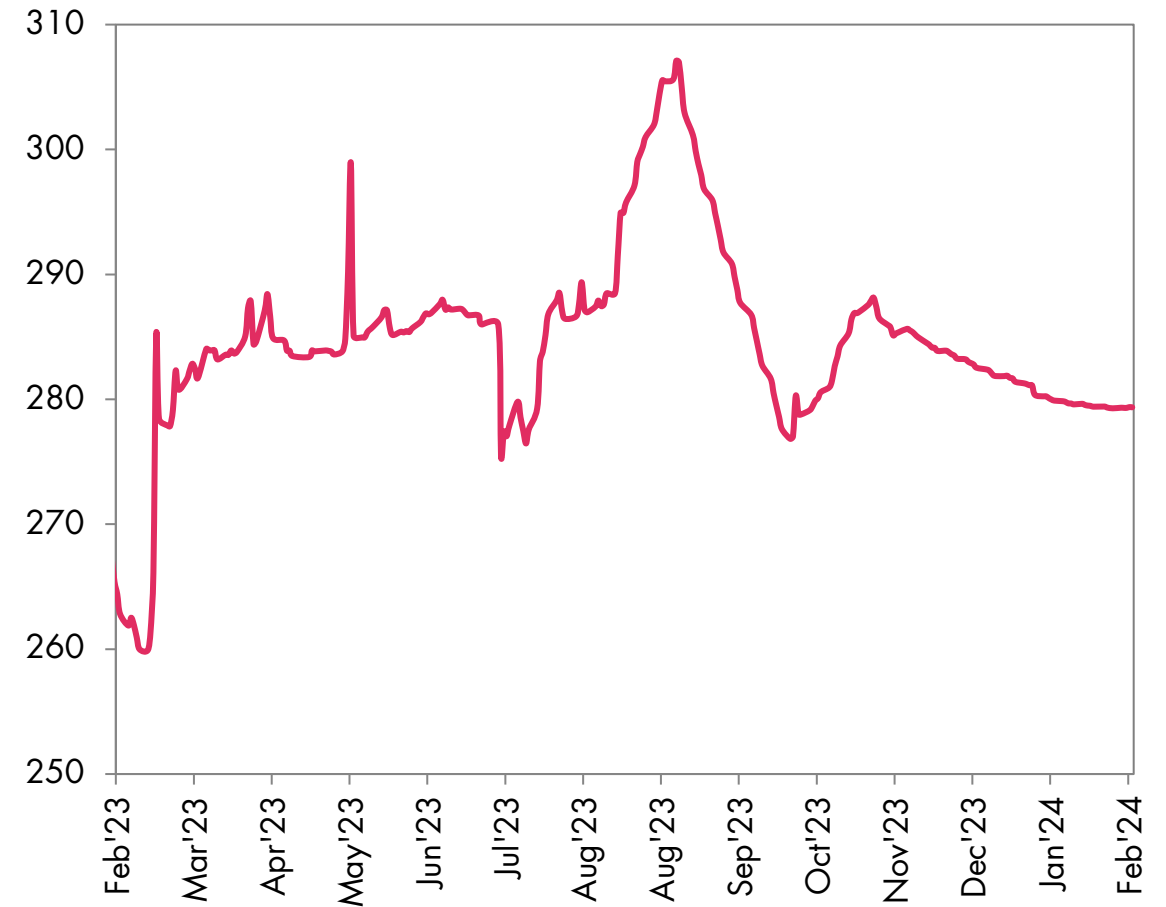
Commodity	Unit	26-Jan-24	2-Feb-24	9-Feb-24	16-Feb-24
Cotton	lb	85.76	86.49	89.68	95.31
Gold	Ounce	2019.12	2,071.10	2,047.90	2014.90
Silver	Ounce	22.91	23.24	22.64	22.95
Copper	lb	3.87	3.85	3.70	3.76
Iron Ore	MT	1065.00	1,054.00	981.50	981.50
Steel Scrap LME	MT	421.00	419.50	417.00	416.00
Steel Rebar LME	MT	610.00	619.50	613.50	605.50
Rubber	KG	155.20	105.70	151.80	152.90

Source: Bloomberg, Mettis, other websites, Next Research

Currencies

PKR depreciated against USD (Interbank)

Currency	19-Jan-24	26-Jan-24	2-Feb-24	9-Feb-24	16-Feb-24
PKR / USD	279.90	279.59	279.41	279.28	279.36
PKR / EUR	304.47	302.46	304.10	300.87	300.66
PKR / GBP	354.94	354.62	356.46	352.33	351.41
PKR / JPY	1.89	1.89	1.91	1.87	1.86
PKR / CAD	207.50	207.50	208.94	207.58	207.23
PKR / AUD	184.14	184.30	184.24	181.76	182.12

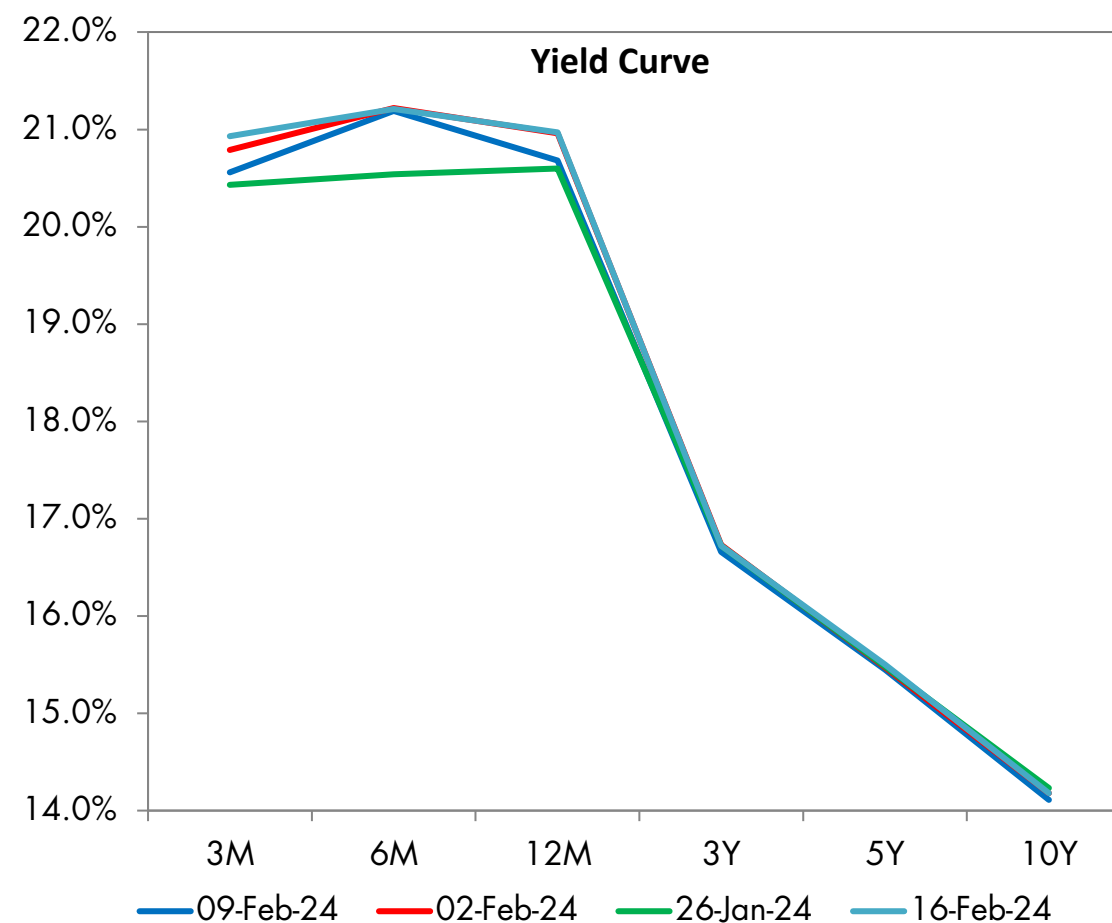


Source: SBP , Next Research

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%	21.5%
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%	15.8%
CIC – Growth YoY	11.1%	9.9%	8.3%	5.8%
NDA – Banking Growth YoY	16.6%	17.4%	12.3%	13.0%
NFA – Banking Growth YoY	75.2%	11.7%	-18.1%	-15.0%
Private Sector Credit Growth YoY	1.3%	0.1%	-1.7%	0.0%
Govt. Borrowing W/ SBP Growth YoY	6.2%	-37.4%	-26.9%	-24.0%



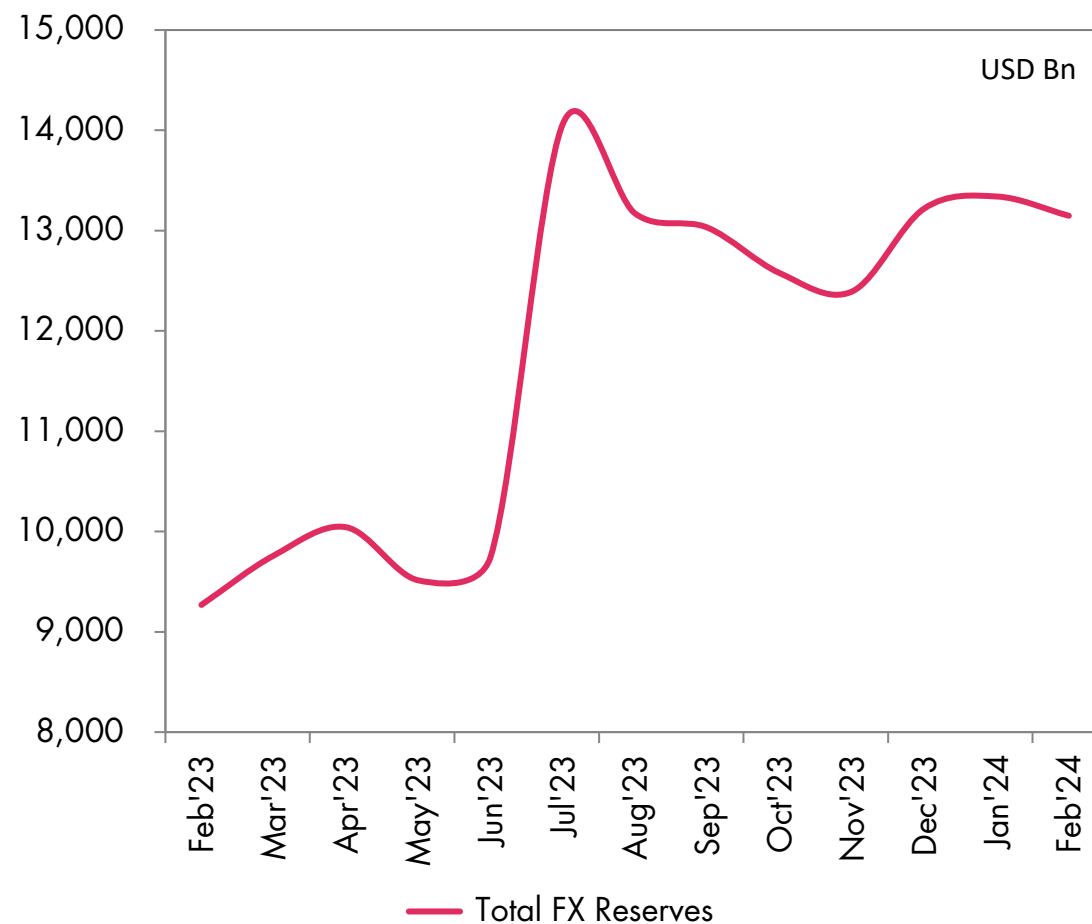
*Latest Number Available

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	2,382	2,397
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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