



WEEKLY REVIEW

PAKISTAN EQUITIES

February 23, 2024

Research

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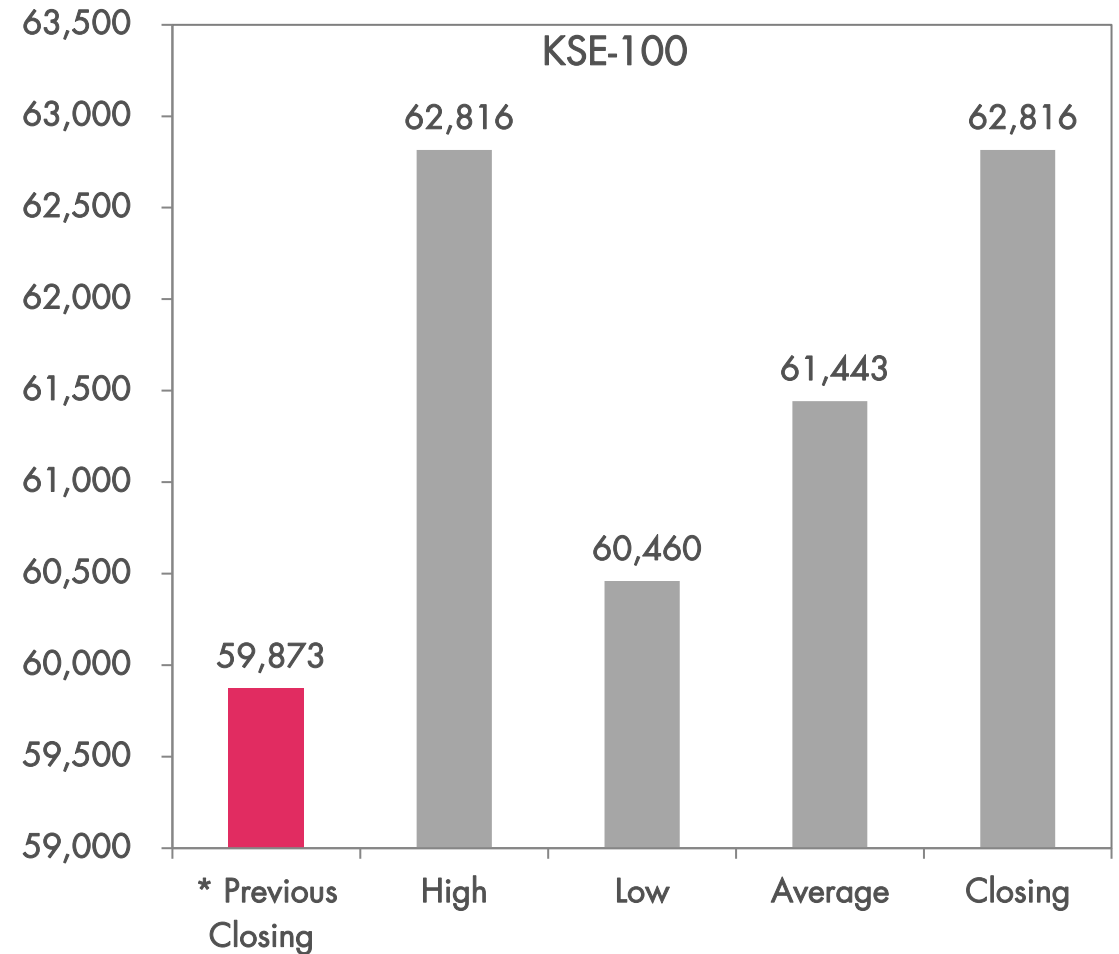
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PSX Indices

KSE100 Gain 4.9% w/w

PSX Indices	Level	w/w
KSE-100	62,816	4.9%
KSE-30	21,134	5.1%
KSE-ALL	42,129	4.3%
KMI-30	105,229	6.8%
KMI-ALL	30,461	4.9%
OGTi	15,274	8.3%
BKTi	15,826	2.9%

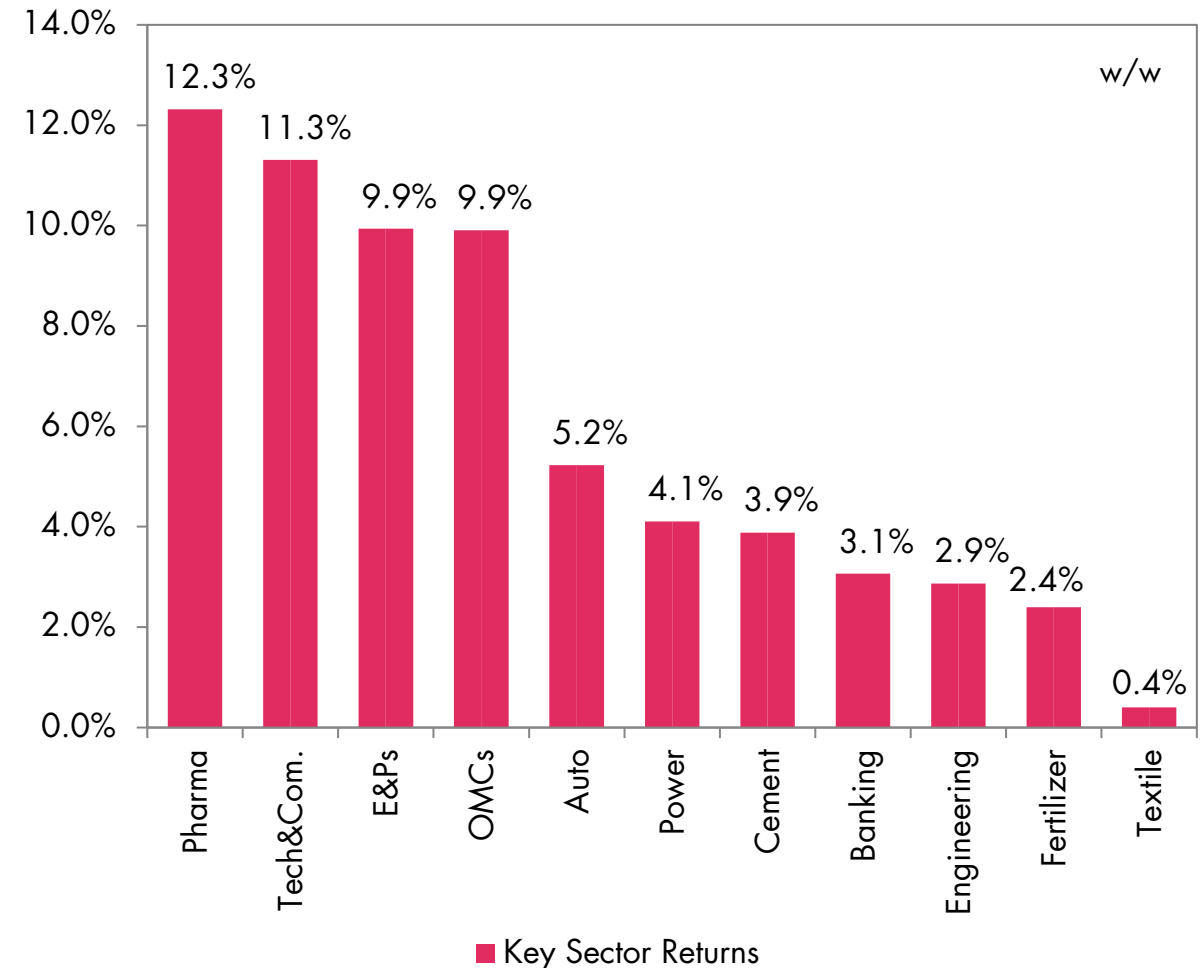
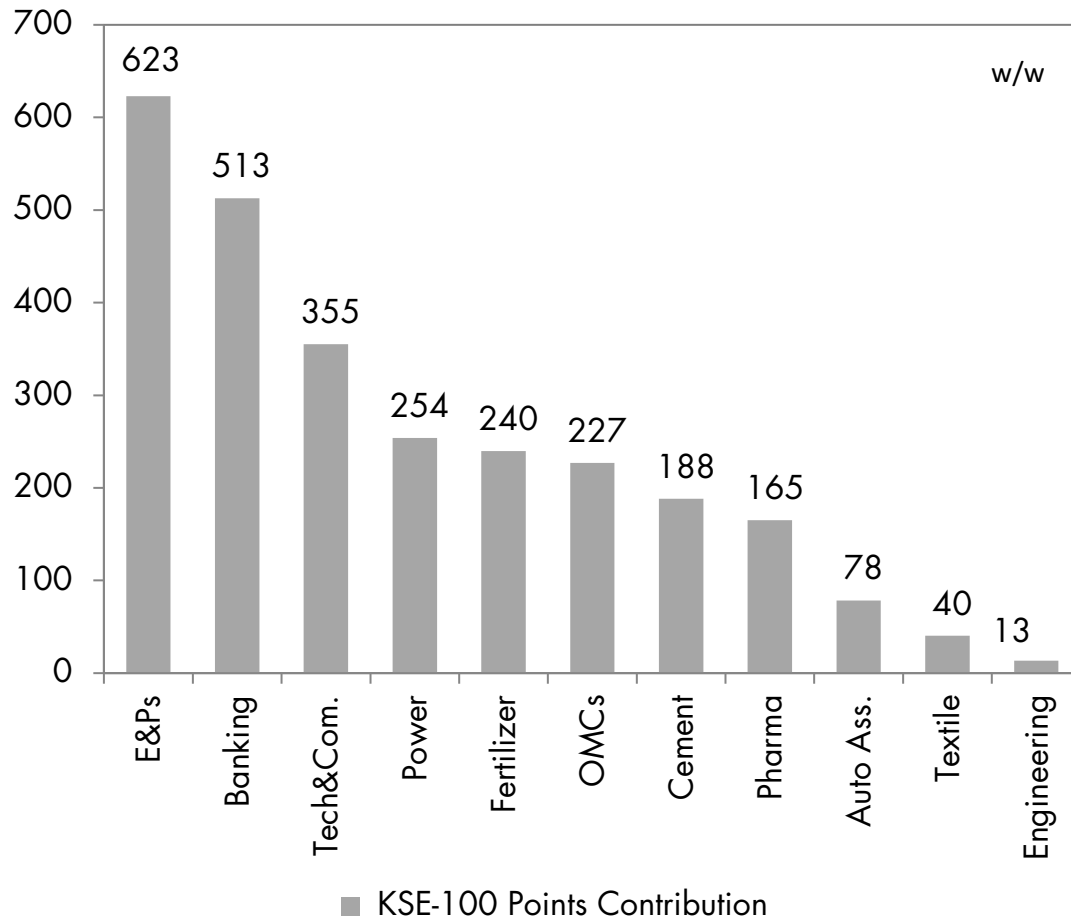


* Last week closing

Source: PSX , Next Research

E&P sector add 623 points to KSE100 Index

Textile sector added 0.4% w/w



Top 10 positive contributors added 979 points to KSE100 Index

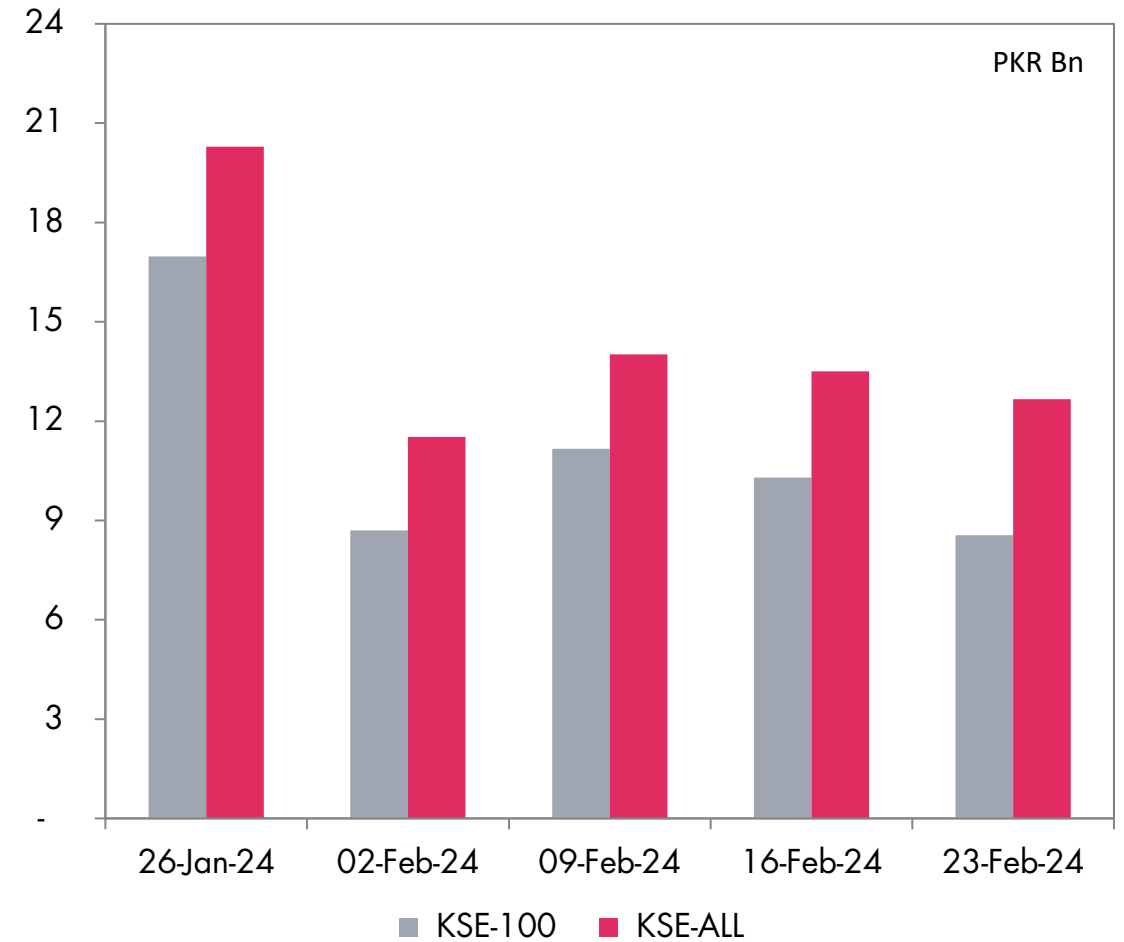
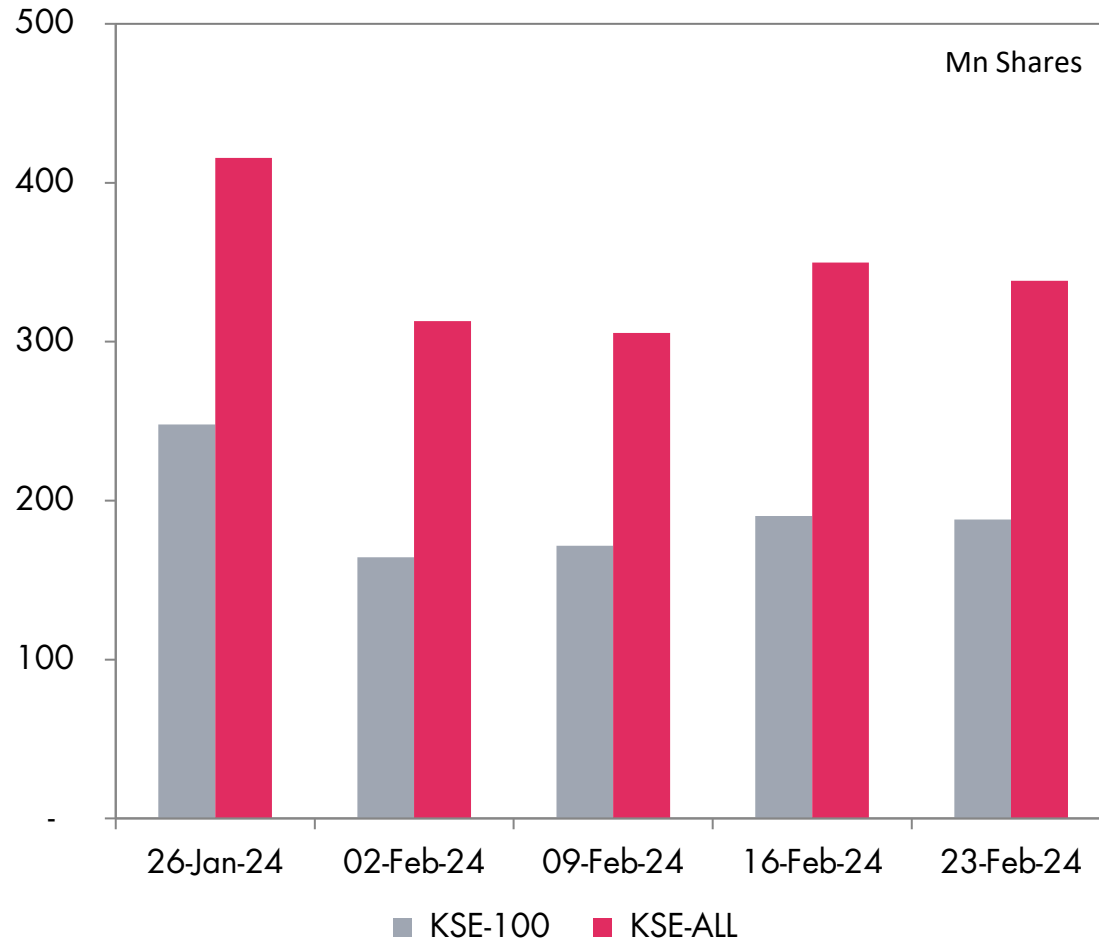
Top 10 negative contributors took 146 points from KSE100 Index

Top 10 Positive Contributors		Index Points	Top 10 Negative Contributors		Index Points
OGDC		340.47	PSEL		(56.54)
PPL		221.06	NESTLE		(20.04)
HUBC		216.38	COLG		(15.02)
SYS		201.38	FATIMA		(10.76)
MEBL		194.77	AKBL		(9.54)
PSO		143.70	EPCL		(9.27)
TRG		110.41	JVDC		(8.09)
UBL		104.00	THALL		(6.18)
EFERT		97.01	IBFL		(5.69)
FFC		85.22	UPFL		(4.72)

Source: PSX , Next Research

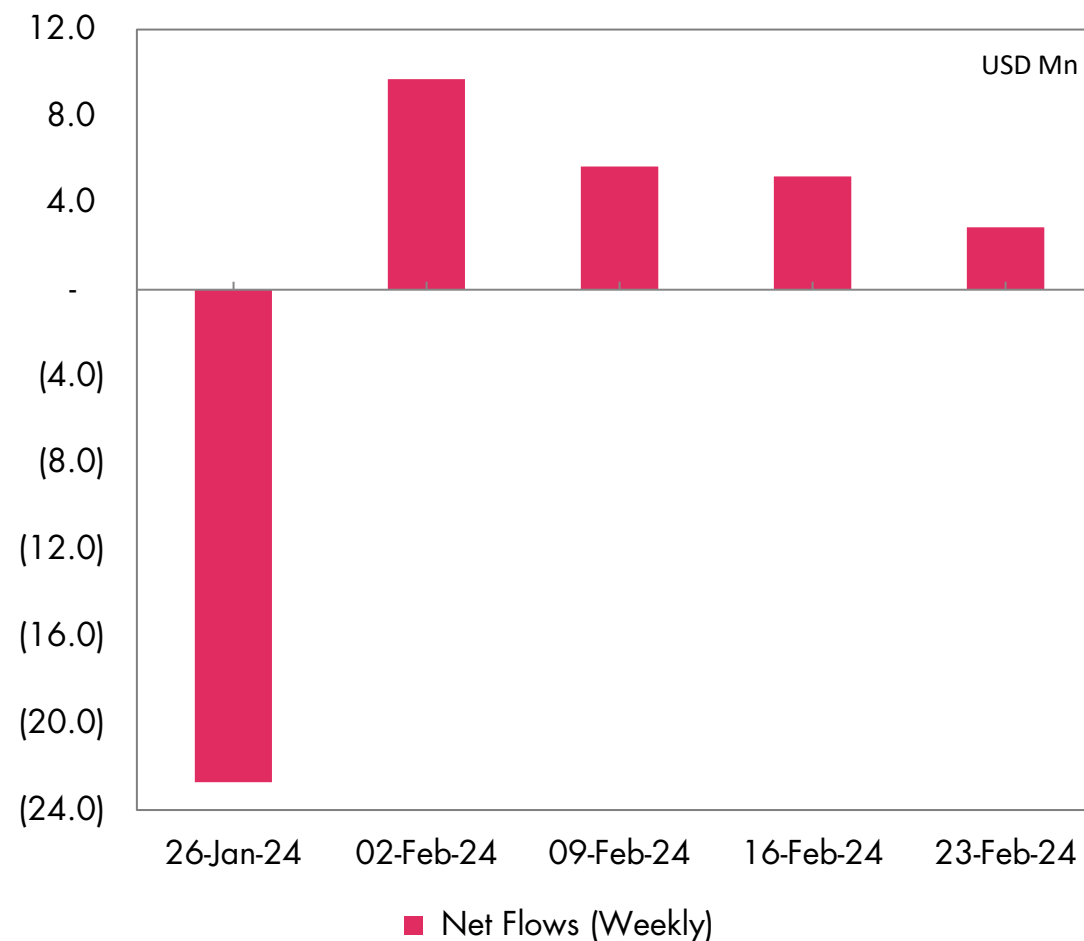
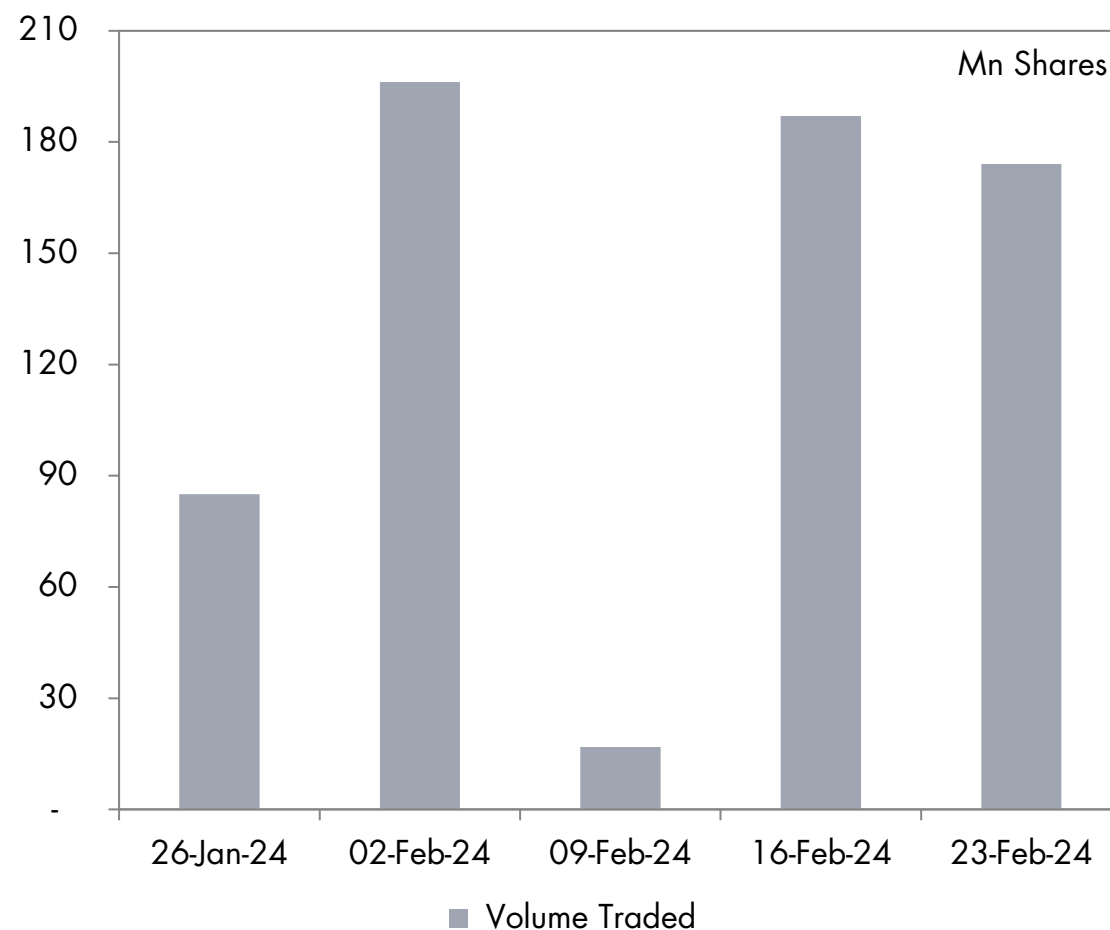
Average volume decreased 3% w/w

Average value traded decreased 6% w/w



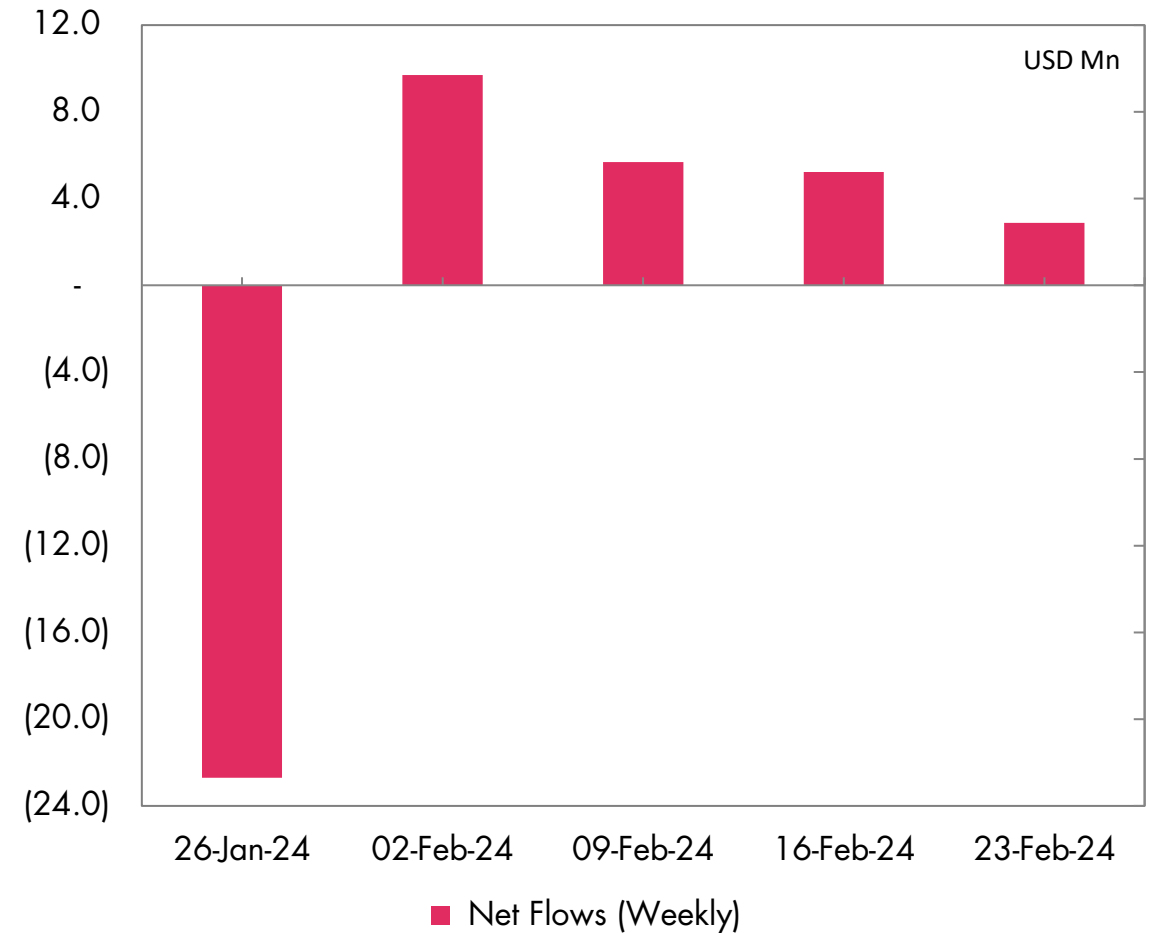
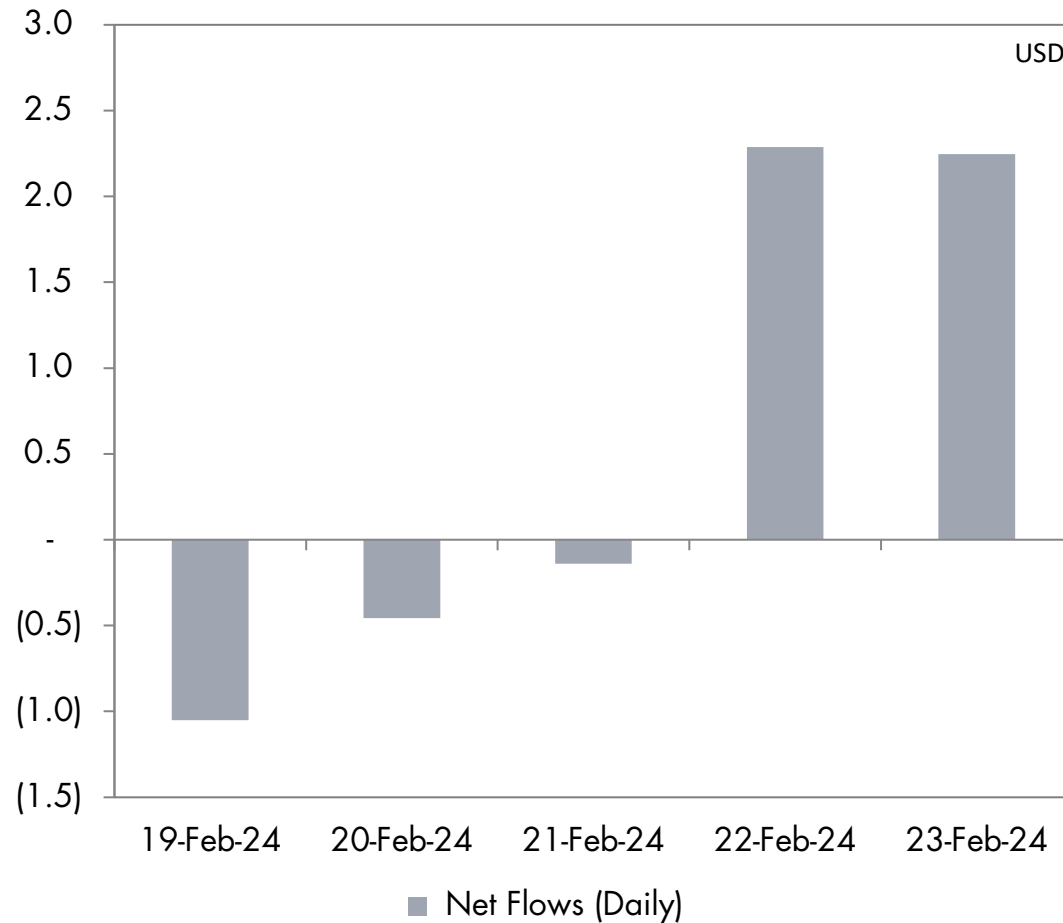
Off-market volume was 174mn shares during the week

Off-market value traded was PKR 2.0bn during the week



Foreigners were buying during the week

Foreign buying stood at USD 2.9mn during the week



Funds 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	3.72	(3.43)	(1.19)	(0.97)	0.90	2.37	0.18	(1.58)	0.00
Cement	(0.41)	(1.26)	0.98	0.05	0.36	0.10	0.05	0.13	(0.00)
Commercial Banks	1.53	(0.74)	0.04	(0.78)	(0.26)	0.32	(0.02)	(0.04)	(0.04)
Fertilizer	(0.43)	1.74	(0.63)	(0.44)	0.00	(0.10)	0.05	(0.19)	0.00
Consumers	(0.08)	(0.11)	0.00	0.02	0.04	0.13	(0.00)	0.00	0.00
Oil and Gas Exploration	0.47	(1.03)	0.65	(0.37)	0.74	0.10	(0.39)	(0.17)	(0.00)
Oil and Gas Marketing	(0.10)	(1.00)	0.33	(0.14)	1.06	(0.17)	0.01	0.00	0.00
Power	(0.08)	(0.62)	0.01	0.37	0.01	(0.24)	0.49	0.06	0.02
Technology & Communication	(1.03)	0.46	0.06	(0.05)	0.74	(0.21)	0.00	0.02	(0.00)
Textile Composite	(0.70)	(0.18)	(0.03)	0.83	(0.25)	0.04	0.11	0.18	(0.00)
Total	2.88	(6.19)	0.24	(1.50)	3.34	2.34	0.48	(1.58)	(0.02)

Source: NCCPL , Next Research

Pakistan 'to seek \$6bn in new IMF programme'

- **Pakistan 'to seek \$6bn in new IMF programme' (Dawn):** Pakistan plans to seek a new loan of at least \$6 billion from the International Monetary Fund (IMF) to help the incoming government repay billions in debt due this year, Bloomberg News reported on Thursday, citing a Pakistani official. The country will seek to negotiate an Extended Fund Facility with the IMF, the report said, adding that the talks with the global lender were expected to start in March or April.
- **Govt hints at lifting trade with Saudi Arabia up to \$20bn (BR):** Observing that the current trade volume falls short of expectations, Caretaker Federal Minister for Commerce and Industry, Gohar Ejaz said in Riyadh Thursday that Pakistan wanted to lift bilateral trade with Saudi Arabia upto \$20 billion.
- **Arab Monetary Fund, SBP in talks to integrate cross-border remittance platforms (The News):** The Arab Monetary Fund (AMF) and the State Bank of Pakistan (SBP) are engaged in technical-level talks to integrate their payment systems and facilitate cross-border remittances between the Arab region and Pakistan, the deputy governor of the SBP said.
- **Dollar bonds bounce back as coalition clears IMF cloud (The News):** Pakistan's dollar bonds rose on Wednesday as investors welcomed the formation of a coalition government that could ease political uncertainty and help secure a new loan from the International Monetary Fund (IMF).
- **PPP, PMLN mull presidential election before Senate polls (The News):** The PPP and PMLN are considering a proposal to hold the presidential election before March 9, before the upcoming Senate elections, as per Article 41(5) of the constitution.
- **SBP raises Rs361bn through Treasury Bills auction (PT):** The State Bank of Pakistan (SBP) exceeded its target in the latest auction of Market Treasury Bills (MTBs), raising Rs361 billion against an initial goal of Rs300 billion.
- **RDA inflows dip to \$142m in January (Dawn):** The political uncertainty slightly impacted the inflows through the Roshan Digital Account (RDA) dipping to \$142 million in January versus \$160m in December 2023.
- **July-January FY24; Trade deficit shrinks 32.7pc to \$13.16bn YoY (BR):** Pakistan's trade deficit narrowed down by 32.70 per cent in the first seven months (July-January) of the current fiscal year 2023-24 as it stood at \$13.160 billion compared to \$19.553 billion during the same period of last fiscal year, shows the revised merchandise trade statistics released by Pakistan Bureau of Statistics (PBS).
- **Current account swings to deficit in Jan as imports surge (The News):** Pakistan's current account balance turned negative in January, as a surge in imports outweighed a modest increase in remittances and a slight decline in exports, central bank data showed on Monday. The current account shortfall was \$269 million, compared with a surplus of \$404 million in December, the State Bank of Pakistan data showed.
- **SBP forex reserves fall; IMF new loan talks crucial (The News):** The foreign exchange reserves held by the central bank fell to \$8.013 billion in the week ending Feb. 16, down from \$8.057 billion a week earlier, the State Bank of Pakistan (SBP) said on Thursday. The country's total forex reserves, including those of commercial banks, also declined by \$51 million to \$13.098 billion. The central bank reserves dropped by \$44 million, while the reserves of commercial banks fell by \$8 million to \$5.085 billion.
- **Govt okays RLNG supply to new domestic consumers (The News):** The outgoing caretaker regime has approved the policy to provide RLNG to new domestic consumers and private housing societies, keeping in view the dwindling local natural gas production which has tumbled to 3.2 billion cubic feet per day (bcfd). The RLNG cost of over \$12 per MMBtu (Rs3700 per MMBtu) will fully be recovered from the dwellers of the housing societies including transportation and distribution allowed losses.
- **Power generation cost jumps 23pc in January on pricey fuels (The News):** Electricity generation cost surged 23 percent in January from a year earlier, as the country relied more on expensive fuel oil and gas and less on cheap hydropower.
- **Jul-Jan power sector circular debt soars to Rs2.635trn (BR):** Pakistan's power sector circular debt has reached Rs 2.635 trillion during first seven months of (July-January) 2023-24 against Rs 2.626 trillion during the same period of 2022-23.
- **Cabinet approves handing over Discos to private sector (The News):** The federal cabinet of the caretaker government has accorded approval to withdraw the decision of handing over electricity distribution companies to the provinces.
- **Car buyers in no rush ahead of sales tax hike (Dawn):** Consumers have not shown any enthusiasm to pre-book or lift vehicles on cash despite the Economic Coordination Committee of the Cabinet's decision to increase the sales tax to 25 per cent from 18pc.
- **Fertiliser firms face uneven playing field after gas tariff revision (The News):** A major increase in the feedstock gas tariff for fertiliser manufacturers has triggered a heated debate among the industry players, who have different views on the impact of the policy change on their businesses.
- **Hike in prices of 146 essential drugs notified (BR):** The caretaker government on Wednesday notified an increase in prices of 146 essential drugs in line with the federal cabinet's decision of February 1, 2024.

Commodities

WTI increase 1% WoW

Commodity	Unit	2-Feb-24	9-Feb-24	16-Feb-24	23-Feb-24
WTI	bbl	73.82	76.22	77.59	78.61
Brent	bbl	78.70	81.63	82.86	83.67
Arab Light	bbl	81.40	80.43	81.83	83.53
Coal	MT	93.50	92.50	91.80	92.15
Natural Gas	mmbtu	2.05	1.91	1.58	1.83
Polypropylene	MT	0.49	0.50	0.51	0.51
Ethanol	MT	2.16	2.16	2.16	2.16
Urea	MT	380.00	378.50	380.00	379.00
DAP	MT	582.50	582.50	582.50	582.50

Commodity	Unit	2-Feb-24	9-Feb-24	16-Feb-24	23-Feb-24
Cotton	lb	86.49	89.68	95.31	94.46
Gold	Ounce	2,071.10	2,047.90	2014.90	2,030.7
Silver	Ounce	23.24	22.64	22.95	22.78
Copper	lb	3.85	3.70	3.76	3.89
Iron Ore	MT	1,054.00	981.50	981.50	958.00
Steel Scrap LME	MT	419.50	417.00	416.00	417.00
Steel Rebar LME	MT	619.50	613.50	605.50	605.00
Rubber	KG	105.70	151.80	152.90	160.80

Source: Bloomberg, Mettis, other websites, Next Research

Currencies

PKR appreciated against USD (Interbank)

Currency	26-Jan-24	2-Feb-24	9-Feb-24	16-Feb-24	23-Feb-24
PKR / USD	279.59	279.41	279.28	279.36	279.36
PKR / EUR	302.46	304.10	300.87	300.66	302.55
PKR / GBP	354.62	356.46	352.33	351.41	353.95
PKR / JPY	1.89	1.91	1.87	1.86	1.85
PKR / CAD	207.50	208.94	207.58	207.23	207.29
PKR / AUD	184.30	184.24	181.76	182.12	183.61

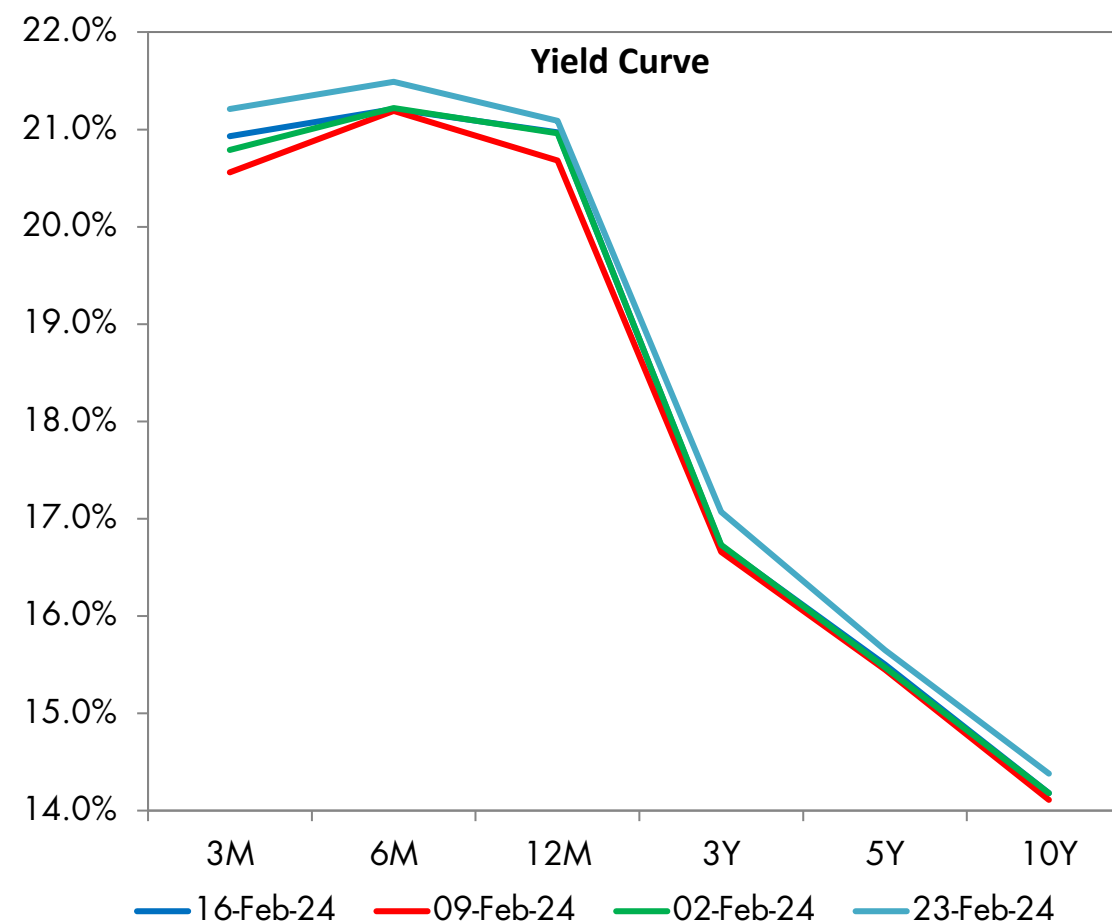


Source: SBP , Next Research

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%	21.7%
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%	17.9%	15.0%	15.8%
CIC – Growth YoY	11.1%	9.9%	8.3%	7.9%
NDA – Banking Growth YoY	16.6%	17.5%	12.0%	12.8%
NFA – Banking Growth YoY	75.2%	11.7%	-17.8%	-17.4%
Private Sector Credit Growth YoY	1.3%	0.1%	-1.8%	-0.4%
Govt. Borrowing W/ SBP Growth YoY	6.2%	-37.4%	-26.9%	-20.1%



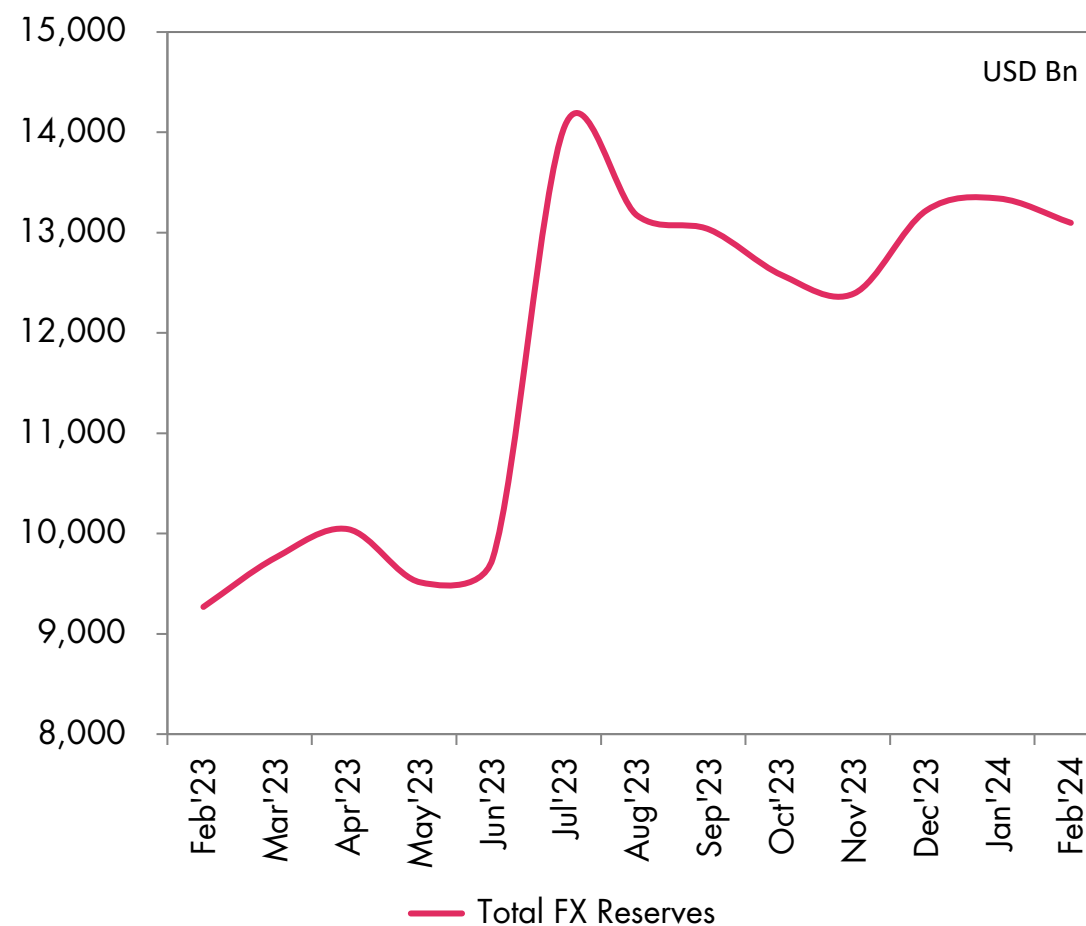
*Latest Number Available

Source: SBP, PBS, Next Research

Economic Indicators

External account

USD Million	Oct-23	Nov-23	Dec-23	Jan-24
Current Account	(184)	(15)	404	(269)
Financial Account	(112)	(361)	1,222	(159)
Balance of Payment	(172)	(540)	1,479	(641)
FDI	122	131	211	(173)
Remittances	2,463	2,259	2,382	2,397
Commodities Exports – SBP	2,764	2,724	2,795	2,693
Commodities Imports – SBP	4,378	4,442	4,101	4,511
Trade Balance – SBP	(1,614)	(1,718)	(1,306)	(1,818)
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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