



# WEEKLY REVIEW

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PAKISTAN EQUITIES

March 1, 2024

Research

[research@nextcapital.com.pk](mailto:research@nextcapital.com.pk)

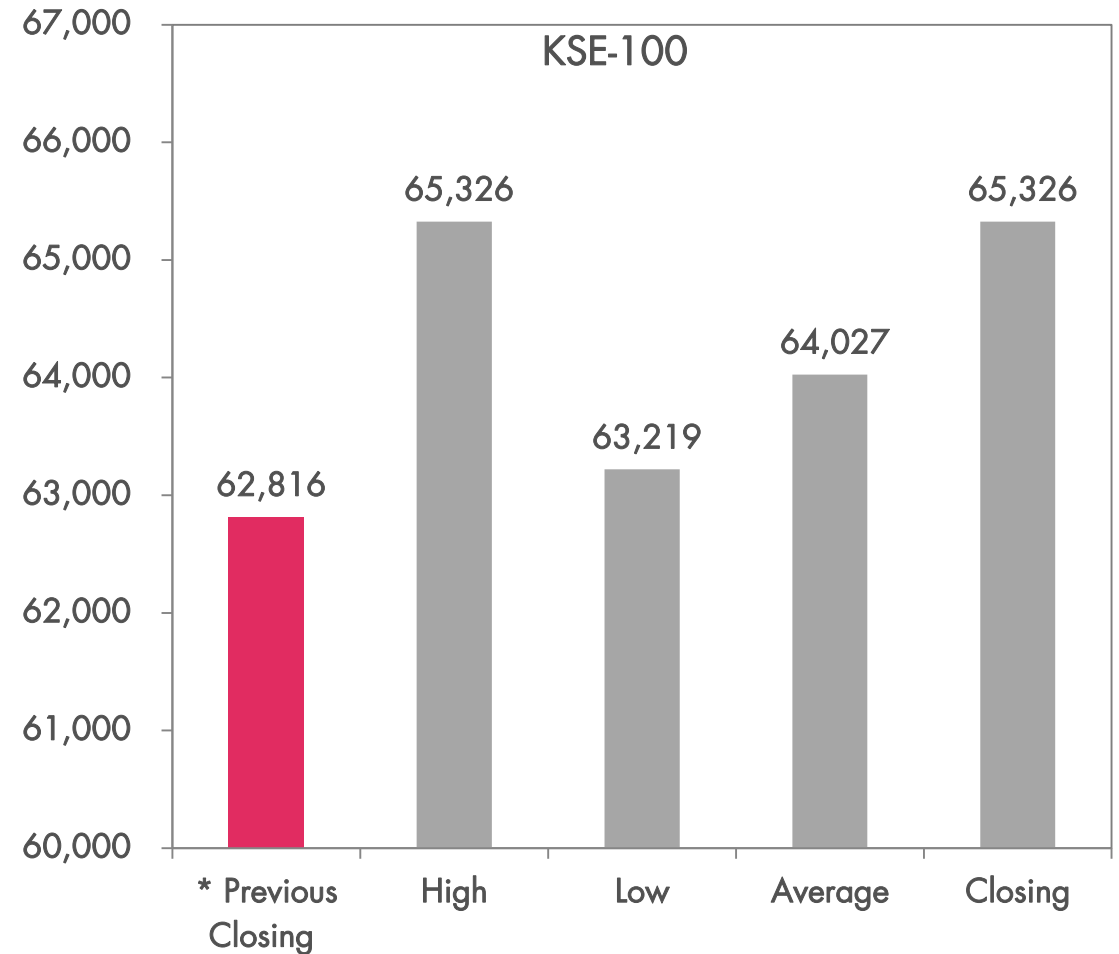
+92-21-111-639-825 Ext 129

+92-21-35222 204

# PSX Indices

KSE100 Gain 4.0% w/w

PSX Indices	Level	w/w
KSE-100	65,326	4.0%
KSE-30	22,146	4.8%
KSE-ALL	43,269	2.7%
KMI-30	110,095	4.6%
KMI-ALL	31,261	2.6%
OGTi	15,796	3.4%
BKTi	16,732	5.7%

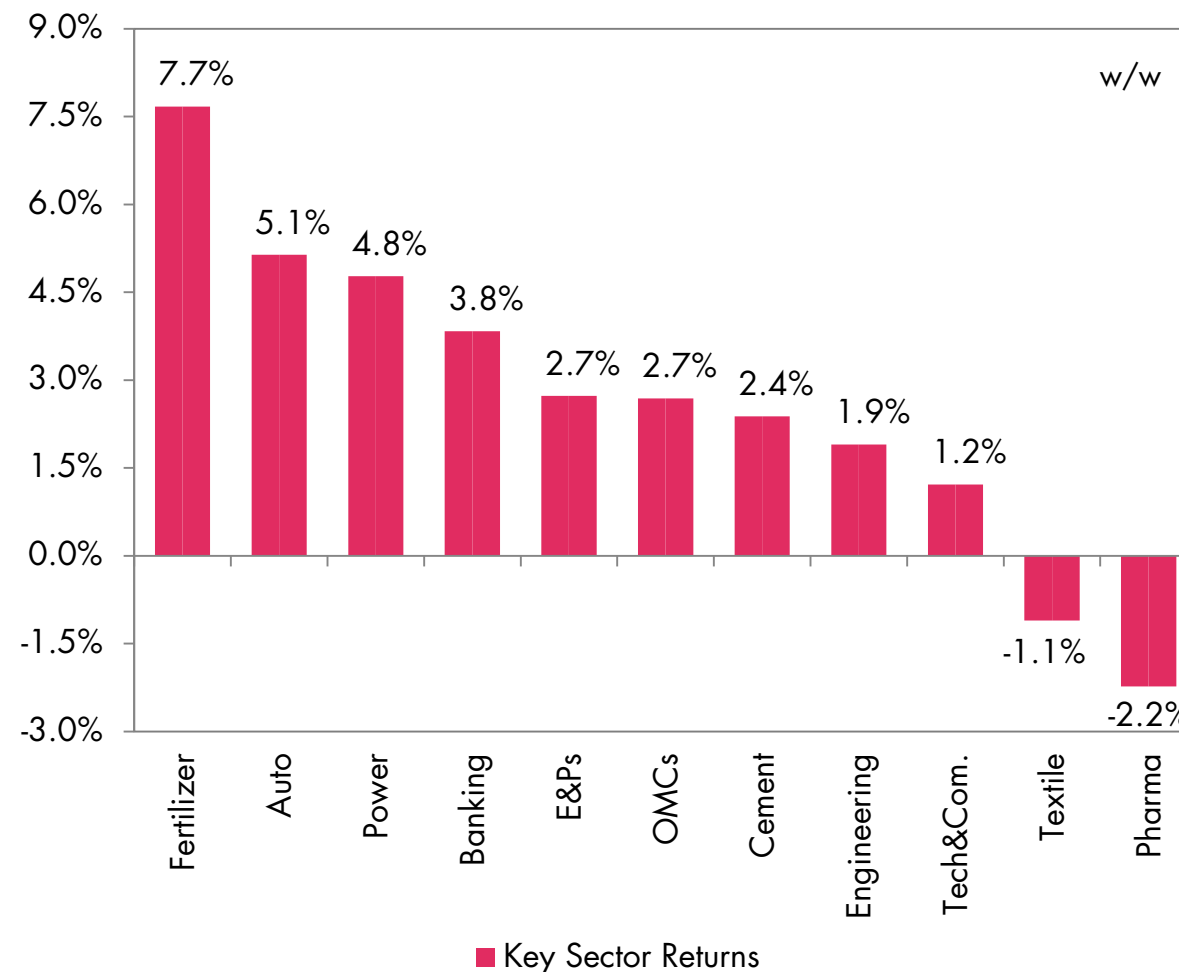
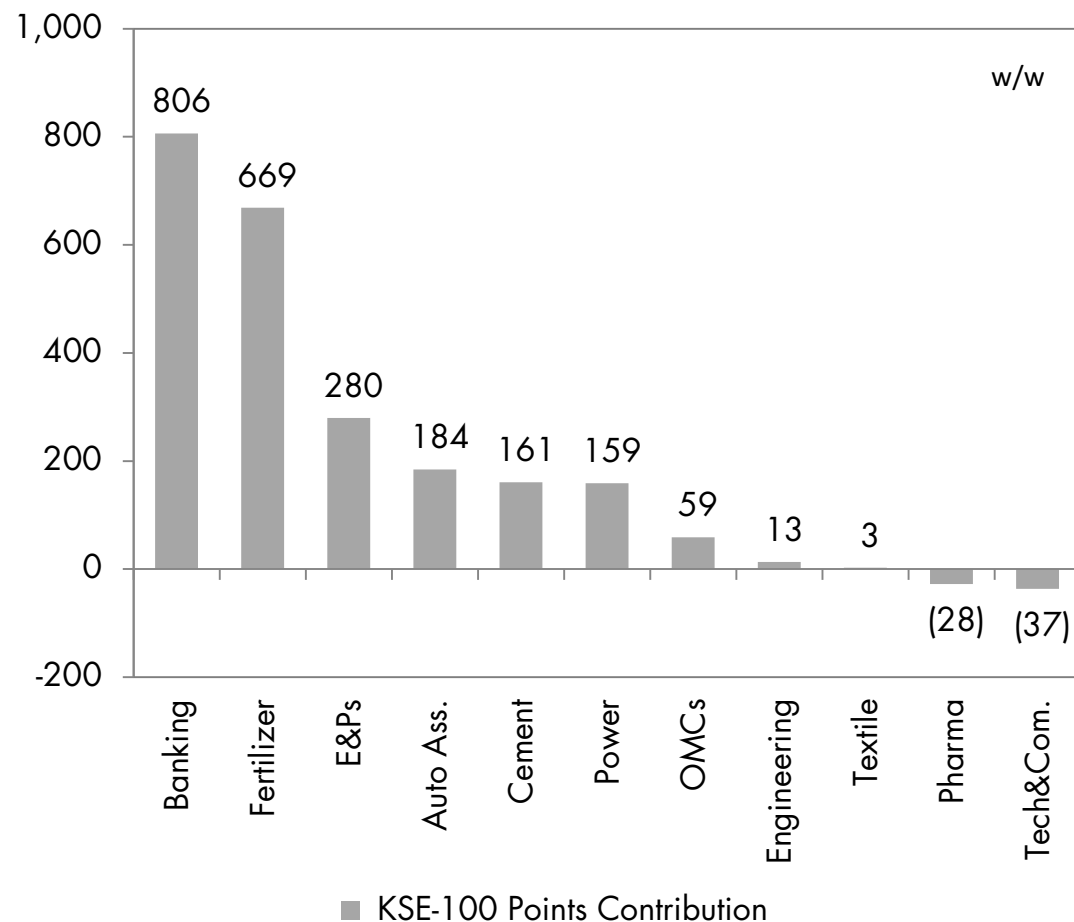


\* Last week closing

Source: PSX , Next Research

# Banking sector added 806 points to KSE100 Index

Pharma sector dropped 2.2% w/w



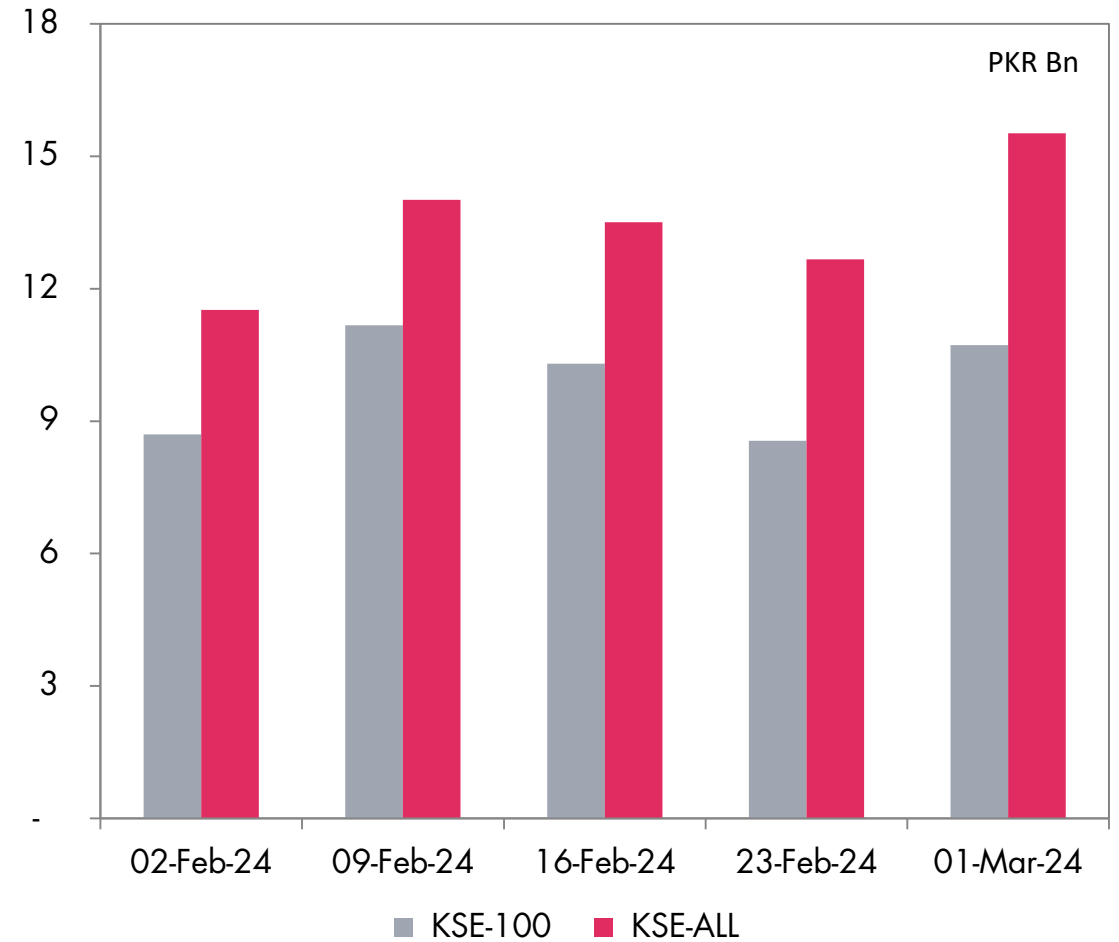
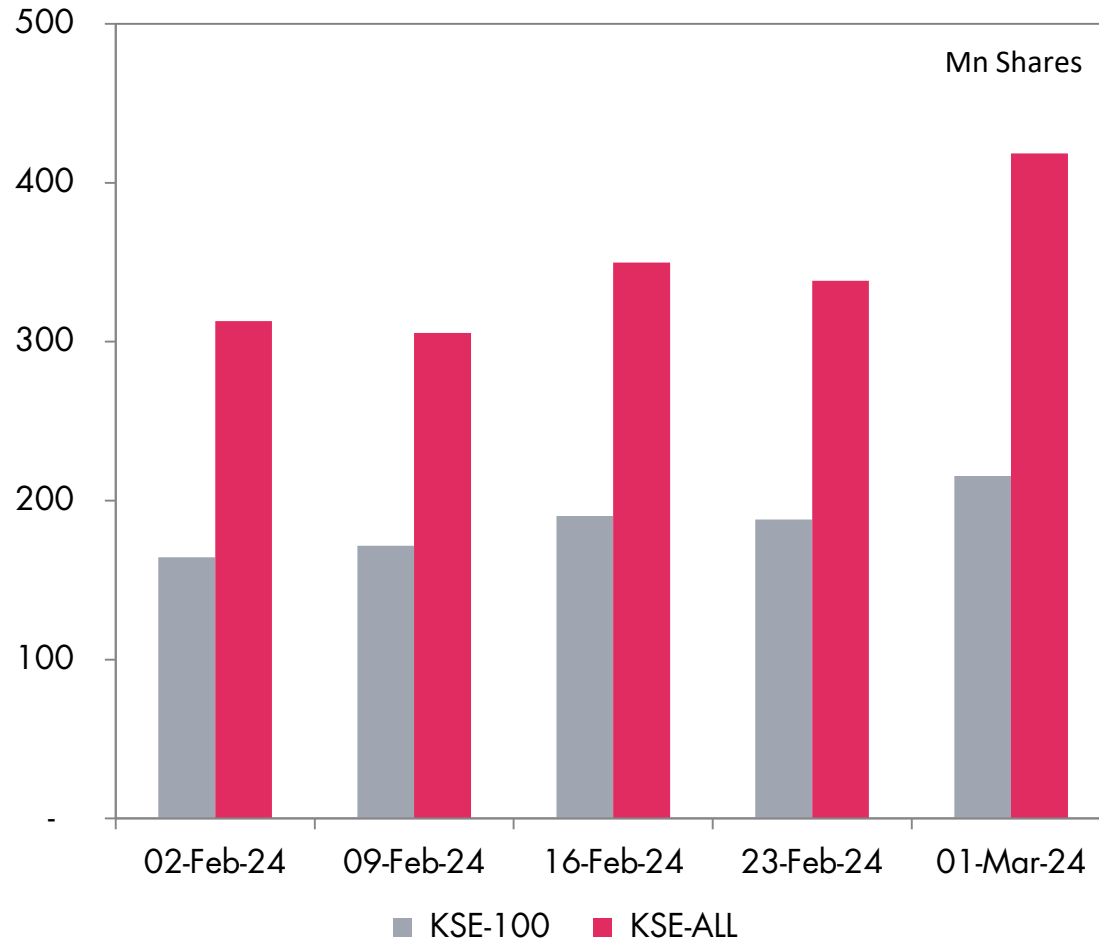
# Top 10 positive contributors added 832 points to KSE100 Index

Top 10 negative contributors took 177 points from KSE100 Index

Top 10 Positive Contributors		Index Points	Top 10 Negative Contributors		Index Points
ENGRO		278.80	TRG		(50.87)
EFERT		211.25	OGDC		(37.15)
MEBL		181.69	SRVI		(24.45)
MTL		159.93	PAEL		(10.88)
MARI		159.62	ABOT		(10.70)
BAHL		158.84	PABC		(9.53)
FFC		148.07	GHGL		(9.18)
BAFL		147.78	NML		(9.04)
DAWH		108.04	NATF		(8.91)
MCB		107.95	EFUG		(6.24)

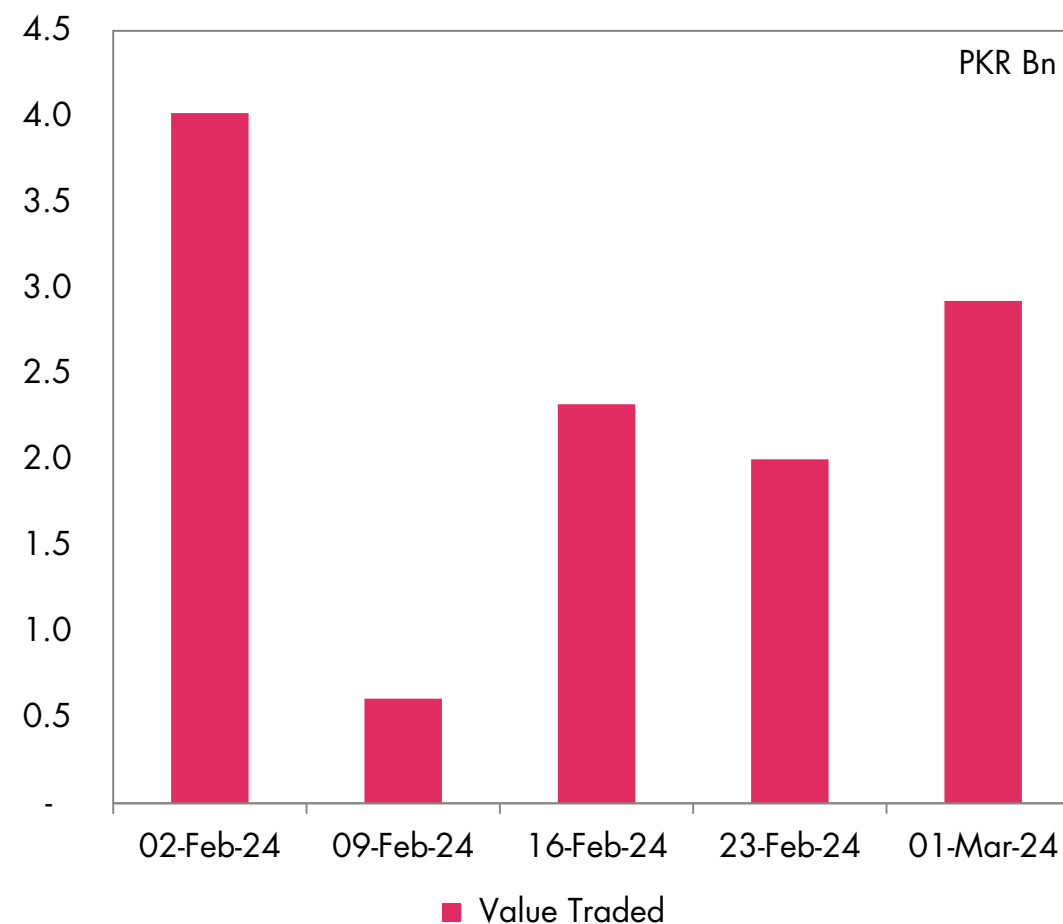
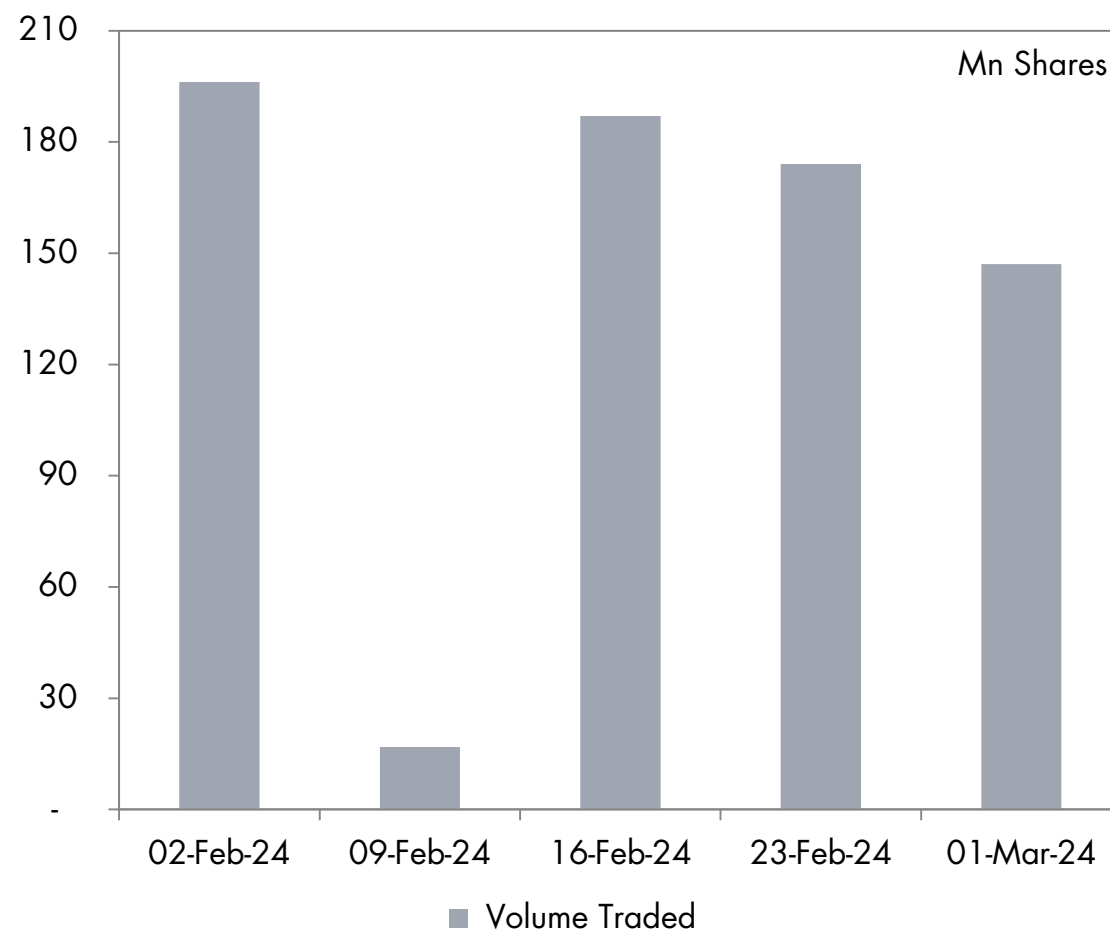
# Average volume increased 24% w/w

## Average value traded increased 23% w/w



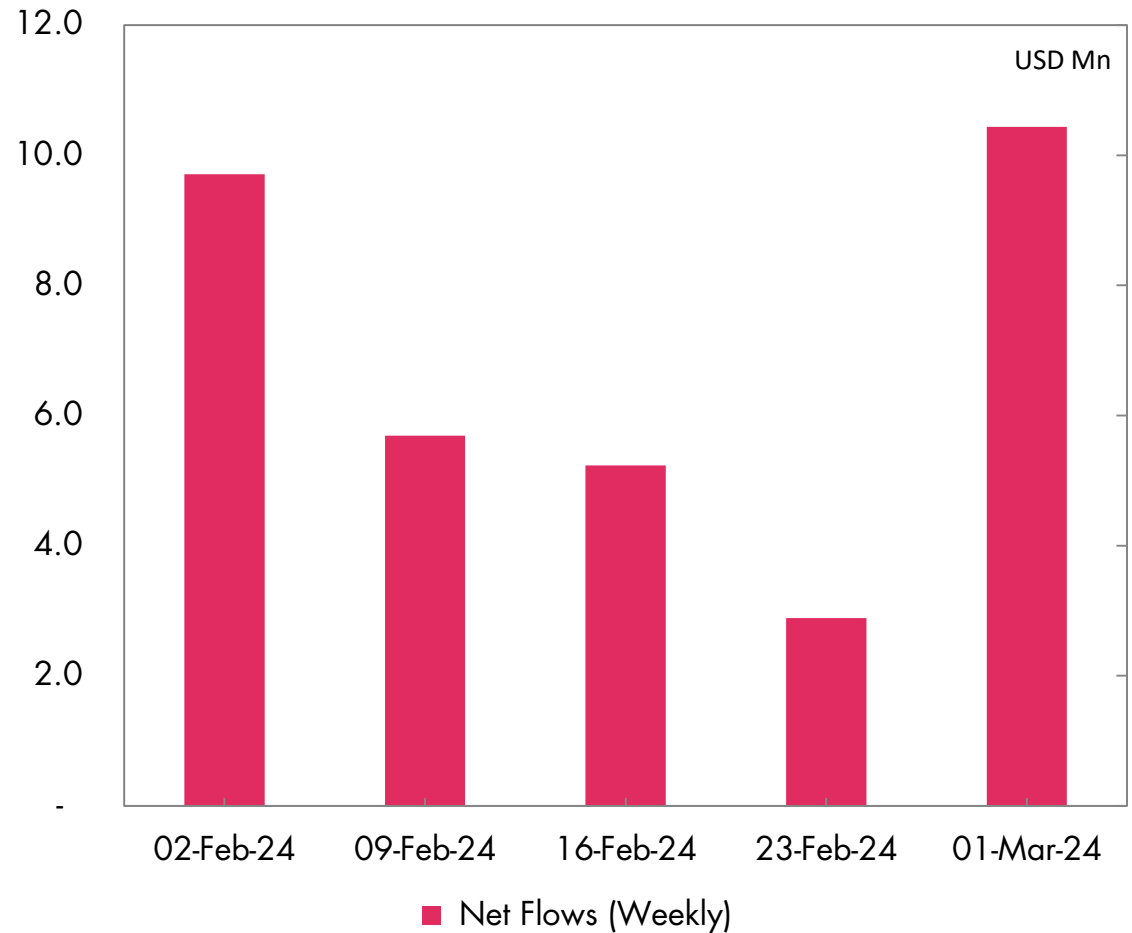
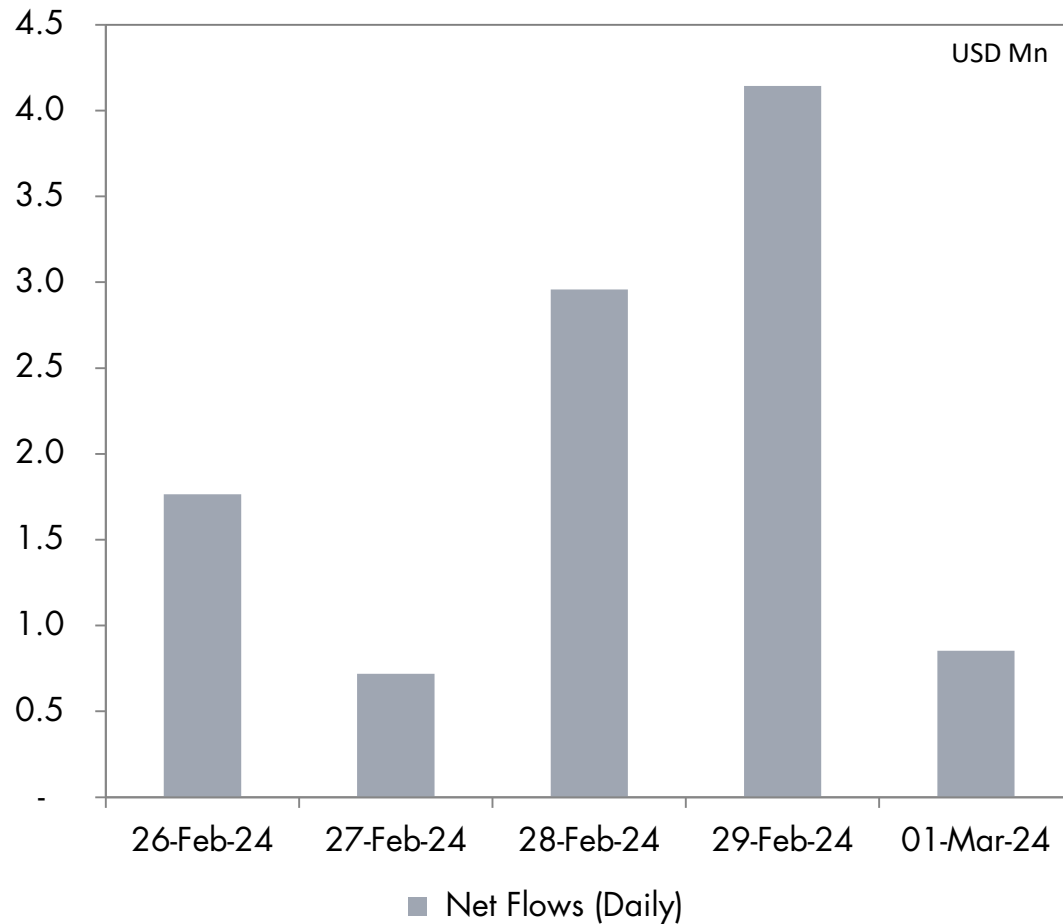
# Off-market volume was 147mn shares during the week

## Off-market value traded was PKR 2.9bn during the week



# Foreigners were buying during the week

Foreign buying stood at USD 10.4mn during the week



# Funds 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	3.36	0.05	(0.26)	(1.33)	0.79	(0.79)	(0.23)	(1.57)	(0.01)
Cement	0.35	0.17	(0.77)	(0.50)	0.45	0.15	(0.05)	0.19	0.01
Commercial Banks	3.99	2.05	(3.26)	(2.77)	0.47	(0.22)	0.25	(0.48)	(0.03)
Fertilizer	1.98	(0.40)	(1.54)	1.31	(0.26)	0.42	(1.05)	(0.44)	(0.03)
Consumers	(0.10)	(0.64)	0.19	0.02	(0.01)	0.74	(0.20)	(0.00)	0.00
Oil and Gas Exploration	1.58	(0.97)	(0.22)	0.25	0.68	0.08	(0.22)	(1.13)	(0.06)
Oil and Gas Marketing	(0.21)	0.29	(0.39)	0.02	0.47	(0.12)	(0.05)	(0.02)	(0.00)
Power	(0.42)	0.04	0.11	(0.31)	0.38	(0.01)	0.42	(0.22)	(0.00)
Technology & Communication	(0.62)	0.65	(0.08)	(0.17)	0.04	0.22	(0.10)	0.06	(0.00)
Textile Composite	0.53	(0.15)	(0.19)	(0.05)	(0.05)	(0.02)	(0.05)	(0.03)	0.00
Total	10.44	1.09	(6.38)	(3.64)	2.99	0.53	(1.26)	(3.65)	(0.11)

Source: NCCPL , Next Research



## US says supports Pakistan to break free from vicious cycle of debts

- **US says supports Pakistan to break free from vicious cycle of debts (BR):** The United States has said that Washington supports Pakistan's efforts to break free from the vicious cycle of debts, urging the incoming government in Islamabad to continue working with the International Monetary Fund (IMF) and other related institutions to ensure macroeconomic reforms in the country.
  - **Pakistan's rating likely to 'be upgraded' if govt's external, liquidity risks reduce: Moody's (BR):** Moody's Investors Service (Moody's), a global credit rating agency, on Tuesday said Pakistan's credit rating "would likely be upgraded" if its government's "liquidity and external vulnerability risks decreased materially and durably".
  - **MNAs to elect PM on Sunday (BR):** The newly elected National Assembly will elect the Leader of the House (prime minister) on Sunday. The National Assembly Secretariat, on Thursday, issued the election schedule for the election of the Prime Minister of Pakistan. The prime minister will be elected on Sunday, March 3, 2024.
  - **SBP-held foreign exchange reserves fall below \$8bn (BR):** Foreign exchange reserves held by the State Bank of Pakistan (SBP) decreased by \$63 million on a weekly basis, clocking in at \$7.95 billion as of February 23, data released on Thursday showed. Total liquid foreign reserves held by the country stood at \$13.04 billion. Net foreign reserves held by commercial banks stood at \$5.09 billion.
  - **Pakistan Planning to Implement Carbon Pricing Mechanism to Lower Greenhouse Gas Emissions (Propakistani):** Pakistan is planning to implement carbon pricing mechanism –a policy tool to lower greenhouse gas emissions. This has been stated in a report of the Asian Development Bank (ADB) titled, "Asian Economic Integration Report 2024, Decarbonizing Global Value Chains". The report noted that establishing a carbon pricing mechanism is one of many important policy tools to lower greenhouse gas emissions.
- Pak-US continuing diplomatic discussions on Iran gas pipeline project: State Dept (The News):** The United States State Department Wednesday revealed that Washington continues to discuss the Pak-Iran gas pipeline project with Islamabad, refusing to further comment on the "details of diplomatic discussions". The State Department's statement comes a day after the project received a green signal from the caretaker cabinet. The spokesperson, therefore, responded to a question on the resumption of the gas pipeline project and whether it was still a concern for the American government.
- **Higher gas prices push up urea rates (BR):** Significant gas price hike by the federal government has forced the manufacturers to adjustment in urea rates and Engro Fertilizers has also decided to increase the urea price by Rs 785 per bag (including FED), with effect from March 1, 2024. Earlier, Fauji Fertilizer Bin Qasim Limited (FFBL) had raised the urea price by Rs 1,350 per bag and now following the FFBL, the Engro fertilizer has increased the urea prices to adjust the gas price hike.
- Nepra, Ogra laws to be amended (BR):** The caretaker Federal Government has decided to amend National Electric Power Regulatory Authority (NEPRA) and Oil and Gas Regulatory Authority (OGRA) Acts aimed at empowering both regulators from government's interference in notifications of electricity and gas tariffs in future, sources close to caretaker Minister for Power and Petroleum told.
- Circular debt reaches Rs5.42 trillion, capacity payments to IPPs jump to Rs2 trillion (Nation):** The circular debt of the country's energy sector has reached Rs5.422 trillion, capacity payments to IPPs have jumped to Rs 2 trillion, while the payable amount of Chinese power producers under China Pakistan Economic Corridor (CPEC) is hovering around Rs 511 billion.
- **Inquiry committee confirms overbilling by power firms (Dawn):** A four-member independent inquiry committee on 'Abject Failure — Illegal Overbilling' confirmed the power regulator's overcharging allegations against all the distribution companies (Discos) across the country but absolved them of 'deliberate and mala fide' fleeing while shifting some blame on to the then PDM-led coalition government's decision-making. All the members of the inquiry committee who have either worked with or still working under the Power Division in different capacities.
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  - **Bank profits surge 83pc in 2023 (Dawn):** Commercial banks posted an impressive 83 per cent earnings growth during 2023, with almost all banks recording their historic profits during the year, according to a research report on Tuesday. Unprecedented interest rates yielded higher profits for banks but overburdened the economy with costly borrowing by the government.
  - **Import of food commodities affects current account: SBP deputy governor (The News):** Deputy Governor State Bank Dr Inayat Hussain said that if the food commodities worth \$8 billion had not been imported, the current account would have been in surplus. During an event in Burewala, he said that 65 percent of the country's population was directly related to the agriculture sector, and agriculture is the backbone of the country's economy.

# Commodities

WTI decrease 0.4% WoW

Commodity	Unit	9-Feb-24	16-Feb-24	23-Feb-24	01-Mar-24
WTI	bbl	76.22	77.59	78.61	78.26
Brent	bbl	81.63	82.86	83.67	81.91
Arab Light	bbl	80.43	81.83	83.53	83.39
Coal	MT	92.50	91.80	92.15	101.10
Natural Gas	mmbtu	1.91	1.58	1.83	1.86
Polypropylene	MT	0.50	0.51	0.51	0.52
Ethanol	MT	2.16	2.16	2.16	2.16
Urea	MT	378.50	380.00	379.00	380.00
DAP	MT	582.50	582.50	582.50	585.00

Commodity	Unit	9-Feb-24	16-Feb-24	23-Feb-24	01-Mar-24
Cotton	lb	89.68	95.31	94.46	99.57
Gold	Ounce	2,047.90	2014.90	2,030.7	2,054.70
Silver	Ounce	22.64	22.95	22.78	22.89
Copper	lb	3.70	3.76	3.89	3.85
Iron Ore	MT	981.50	981.50	958.00	964.50
Steel Scrap LME	MT	417.00	416.00	417.00	413.37
Steel Rebar LME	MT	613.50	605.50	605.00	607.69
Rubber	KG	151.80	152.90	160.80	160.50

Source: Bloomberg, Mettis, other websites, Next Research

# Currencies

## PKR appreciated against USD (Interbank)

Currency	2-Feb-24	9-Feb-24	16-Feb-24	23-Feb-24	01-Mar-24
PKR / USD	279.41	279.28	279.36	279.36	279.19
PKR / EUR	304.10	300.87	300.66	302.55	302.06
PKR / GBP	356.46	352.33	351.41	353.95	352.87
PKR / JPY	1.91	1.87	1.86	1.85	1.85
PKR / CAD	208.94	207.58	207.23	207.29	205.49
PKR / AUD	184.24	181.76	182.12	183.61	181.48

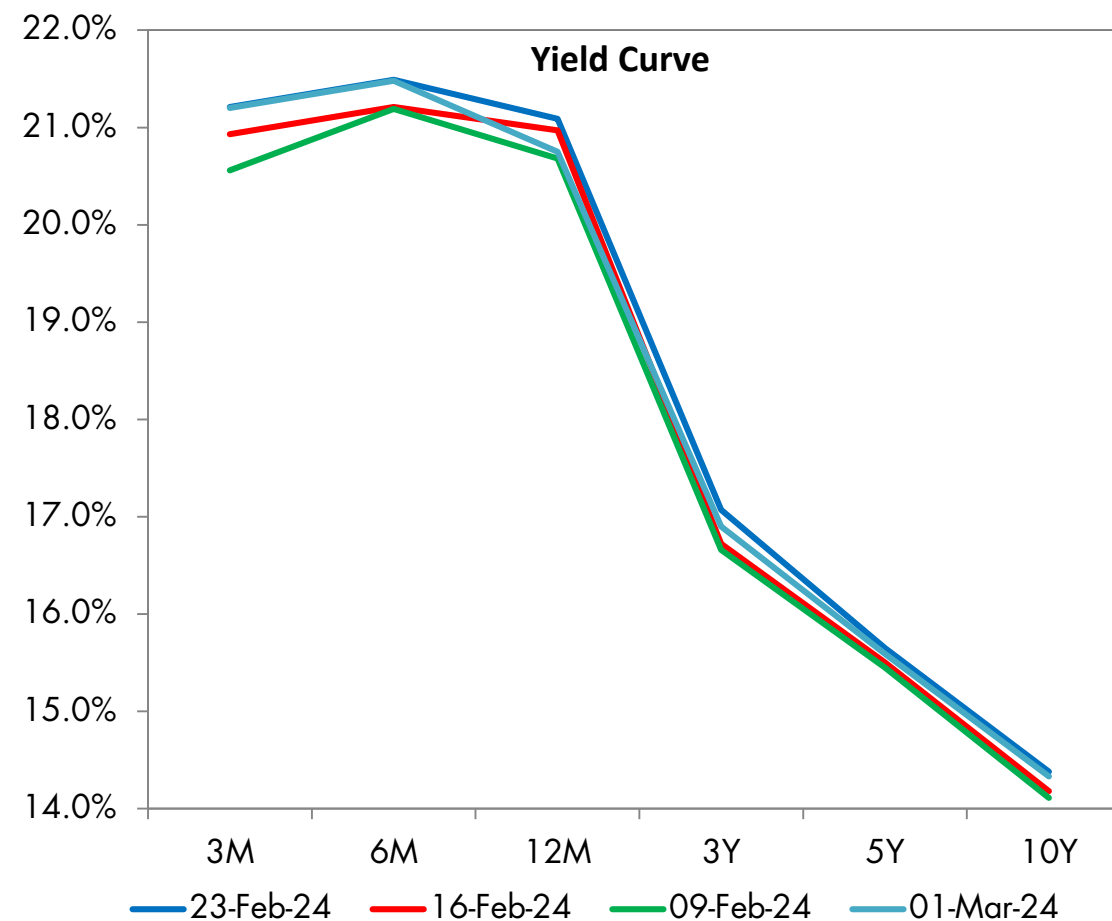


Source: SBP, Next Research

# Economic Indicators

## Monetary aggregates

	Dec-23	Jan-24	Feb-24	Mar-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%	21.0%	21.7%	21.7%
CPI	29.7%	28.3%	23.1%	n/a
CPI – NFNE Urban	18.5%	17.8%	15.5%	n/a
M2 – Growth YoY	17.9%	15.0%	15.7%	n/a
CIC – Growth YoY	9.9%	8.3%	7.0%	n/a
NDA – Banking Growth YoY	17.5%	12.0%	12.9%	n/a
NFA – Banking Growth YoY	11.7%	-17.8%	-15.6%	n/a
Private Sector Credit Growth YoY	0.1%	-1.8%	0.1%	n/a
Govt. Borrowing W/ SBP Growth YoY	-37.4%	-26.9%	-23.8%	n/a



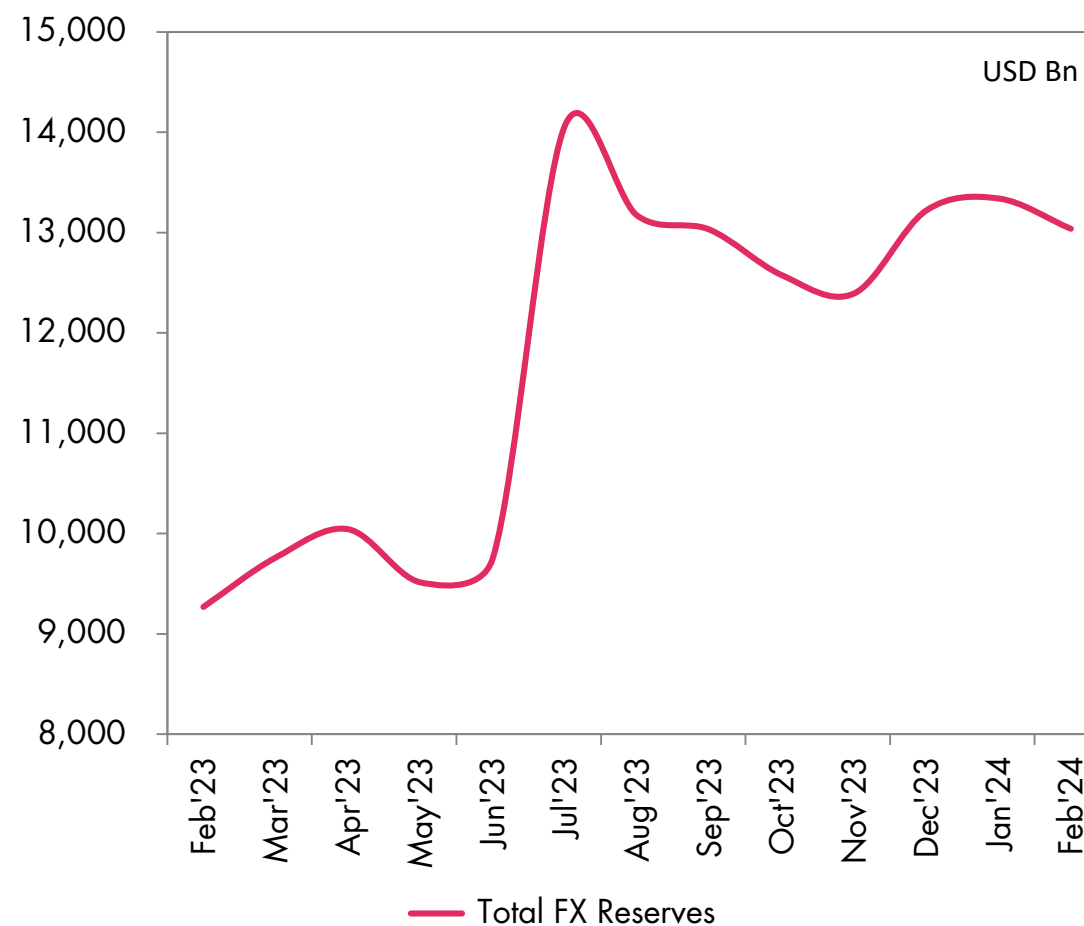
\*Latest Number Available

Source: SBP, PBS, Next Research

# Economic Indicators

## External account

USD Million	Nov-23	Dec-23	Jan-24	Feb-24
Current Account	(15)	404	(269)	n/a
Financial Account	(361)	1,222	(159)	n/a
Balance of Payment	(540)	1,479	(641)	n/a
FDI	131	211	(173)	n/a
Remittances	2,259	2,382	2,397	n/a
Commodities Exports – SBP	2,724	2,795	2,693	n/a
Commodities Imports – SBP	4,442	4,101	4,511	n/a
Trade Balance – SBP	(1,718)	(1,306)	(1,818)	n/a
Exports – PBS	2,573	2,822	2,792	2,573
Imports – PBS	4,539	4,650	4,771	4,285
Trade Balance – PBS	(1,966)	(1,828)	(1,979)	(1,712)



Source: SBP, PBS, Next Research

## Contacts

### Karachi Office

2nd Floor Imperial Court Building,  
Dr. Ziauddin Ahmed Road,  
Karachi, Pakistan

UAN: +92-21-111-639-825

Fax: +92-21-35632321

### DHA Lahore Office

63-A, Agora Eden City ,  
DHA Phase VIII,  
Lahore, Pakistan

Tel: +92-42-37135843-8

Fax: +92-42-37135840

### Research

UAN: 92-21-111-639-825 Ext 113

Email:  
[research@nextcapital.com.pk](mailto:research@nextcapital.com.pk)

### Sales and Trading

UAN: 92-21-111-639-825 Ext 105

Email: [equitysales@nextcapital.com.pk](mailto:equitysales@nextcapital.com.pk)  
Email: [cs@nextcapital.com.pk](mailto:cs@nextcapital.com.pk)

### Corporate Finance & Advisory

UAN: 92-21-111-639-825 Ext 114

Email: [cf@nextcapital.com.pk](mailto:cf@nextcapital.com.pk)

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