



WEEKLY REVIEW

PAKISTAN EQUITIES

March 8, 2024

Research

research@nextcapital.com.pk

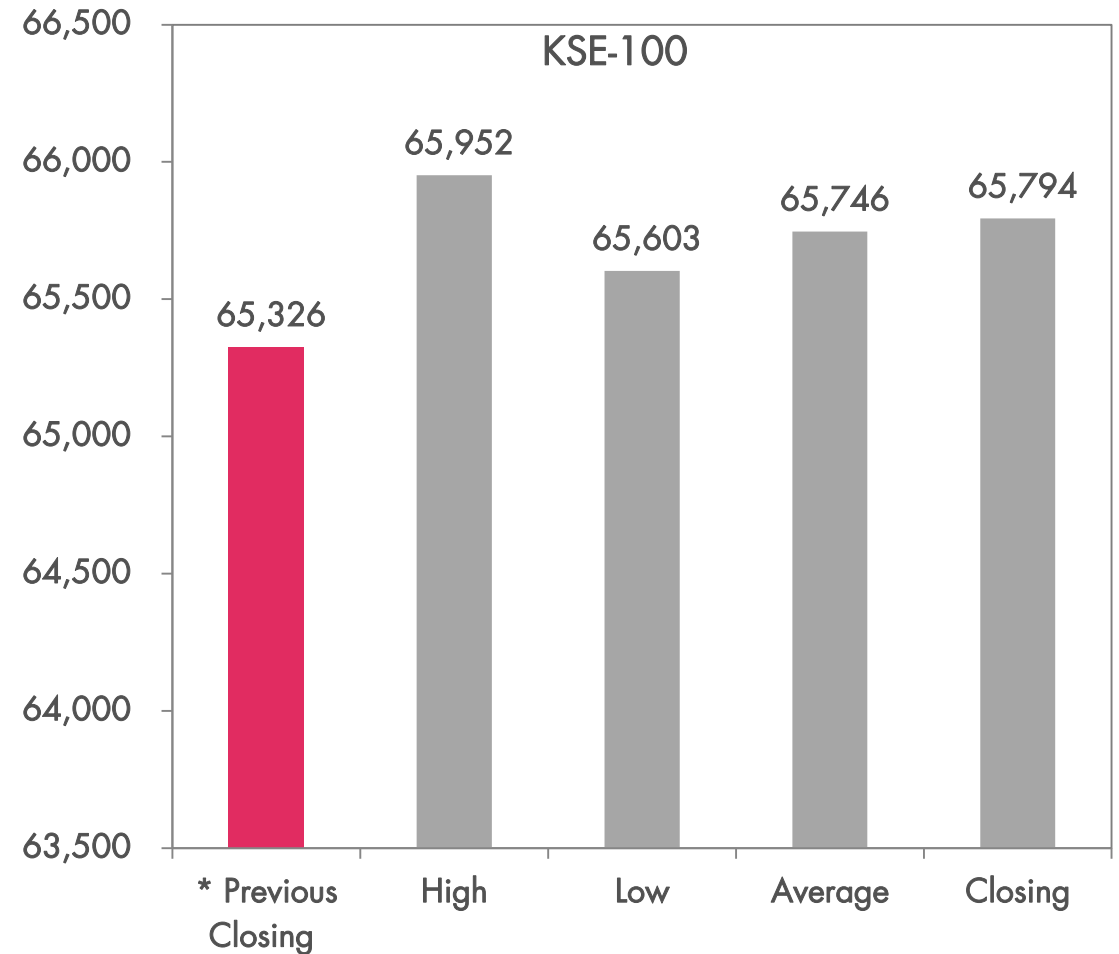
+92-21-111-639-825 Ext 129

+92-21-35222 204

PSX Indices

KSE100 Gain 0.7% w/w

PSX Indices	Level	w/w
KSE-100	65,794	0.7%
KSE-30	22,008	-0.6%
KSE-ALL	43,677	0.9%
KMI-30	111,328	1.1%
KMI-ALL	31,603	1.1%
OGTi	16,012	1.4%
BKTi	16,325	-2.4%

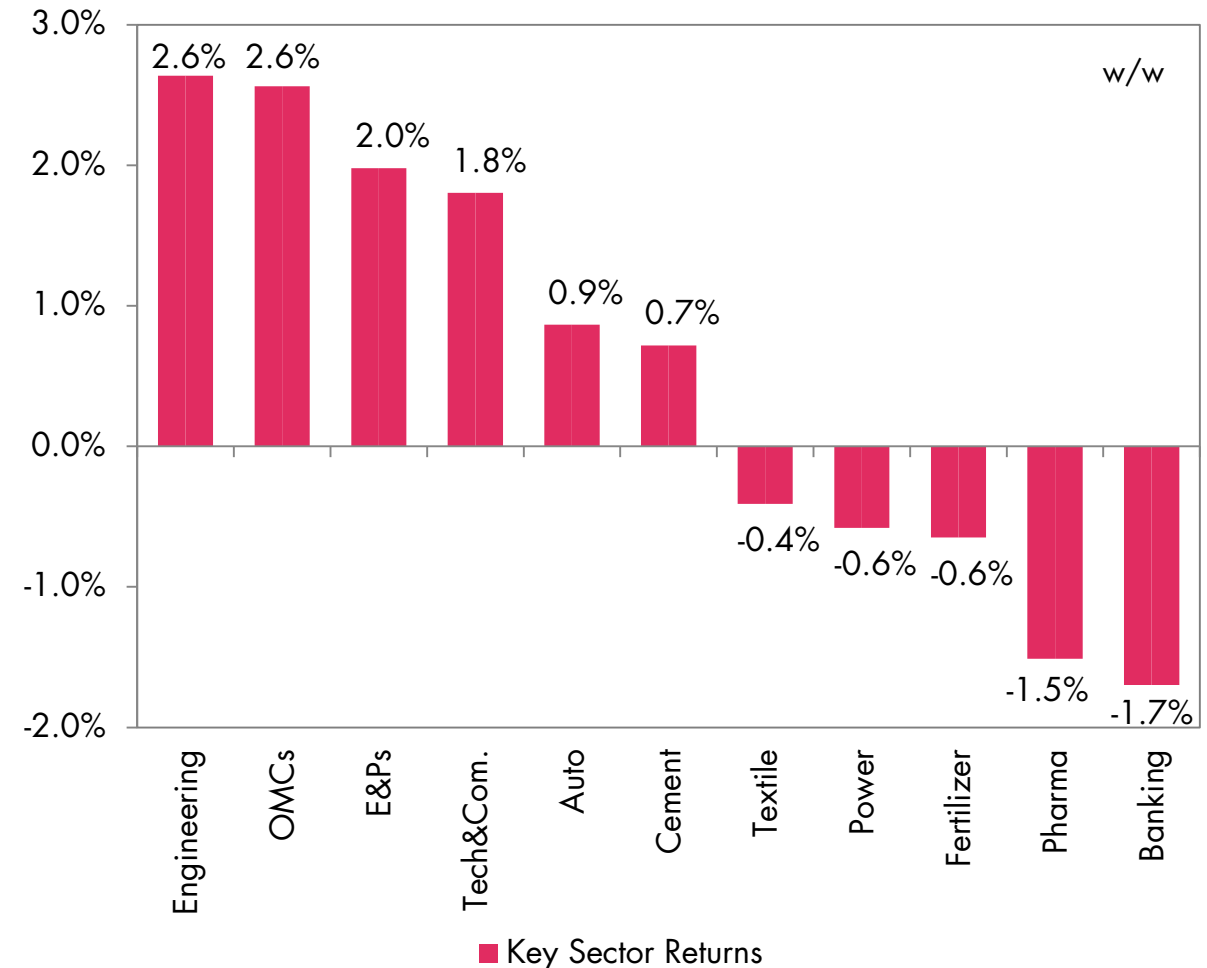
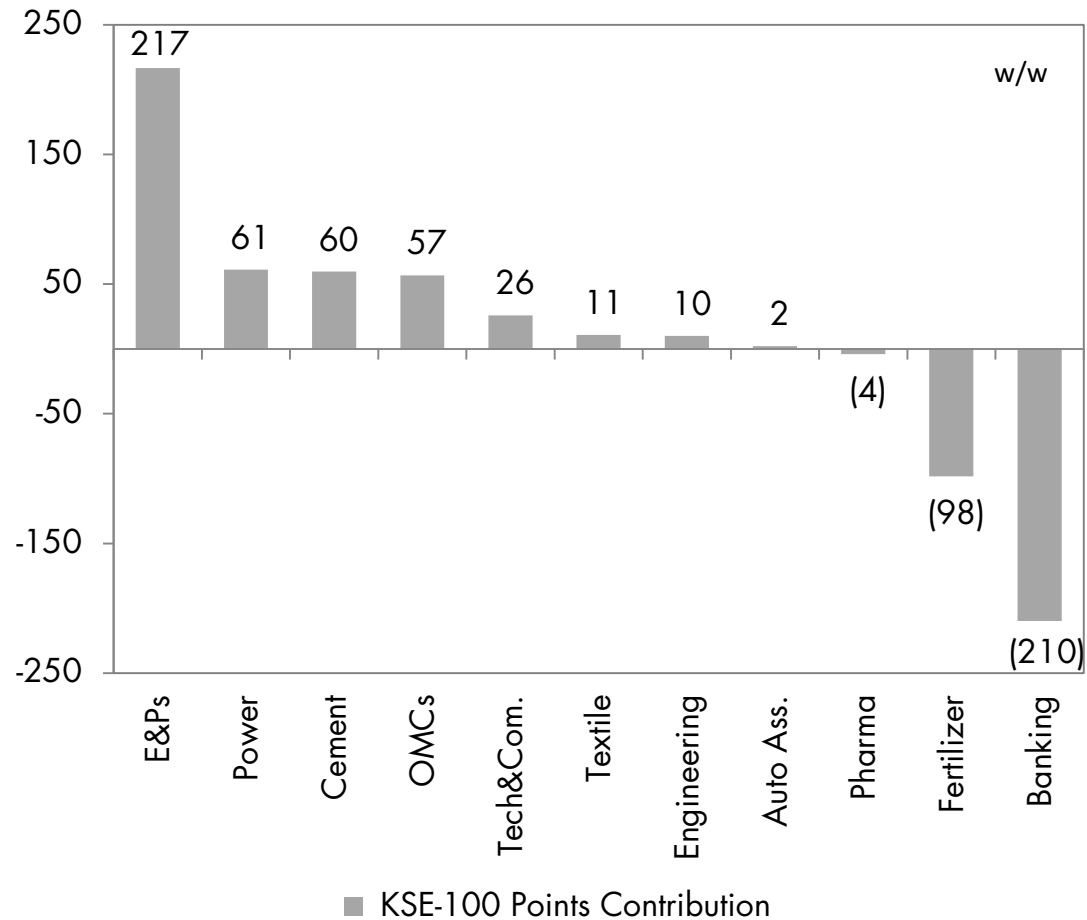


* Last week closing

Source: PSX , Next Research

E&P sector added 217 points to KSE100 Index

Banking sector dropped 1.7% w/w



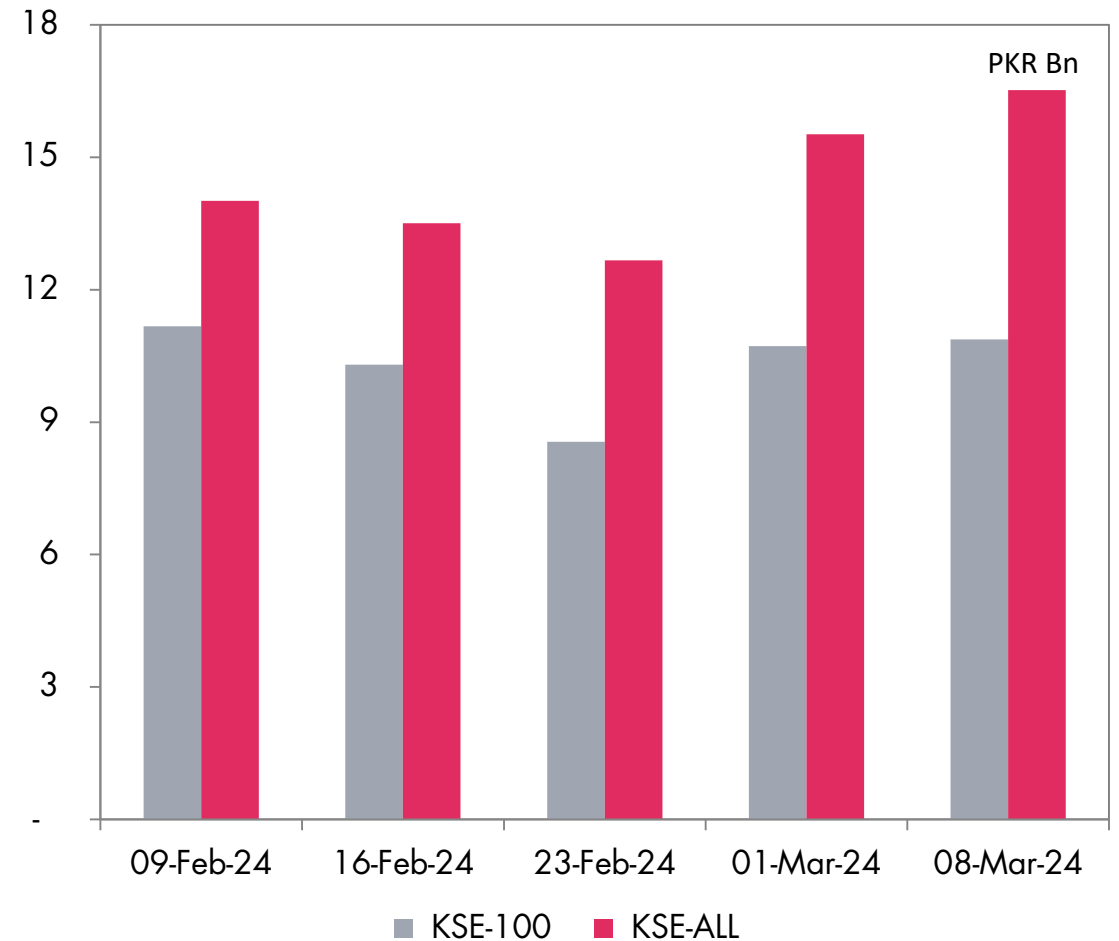
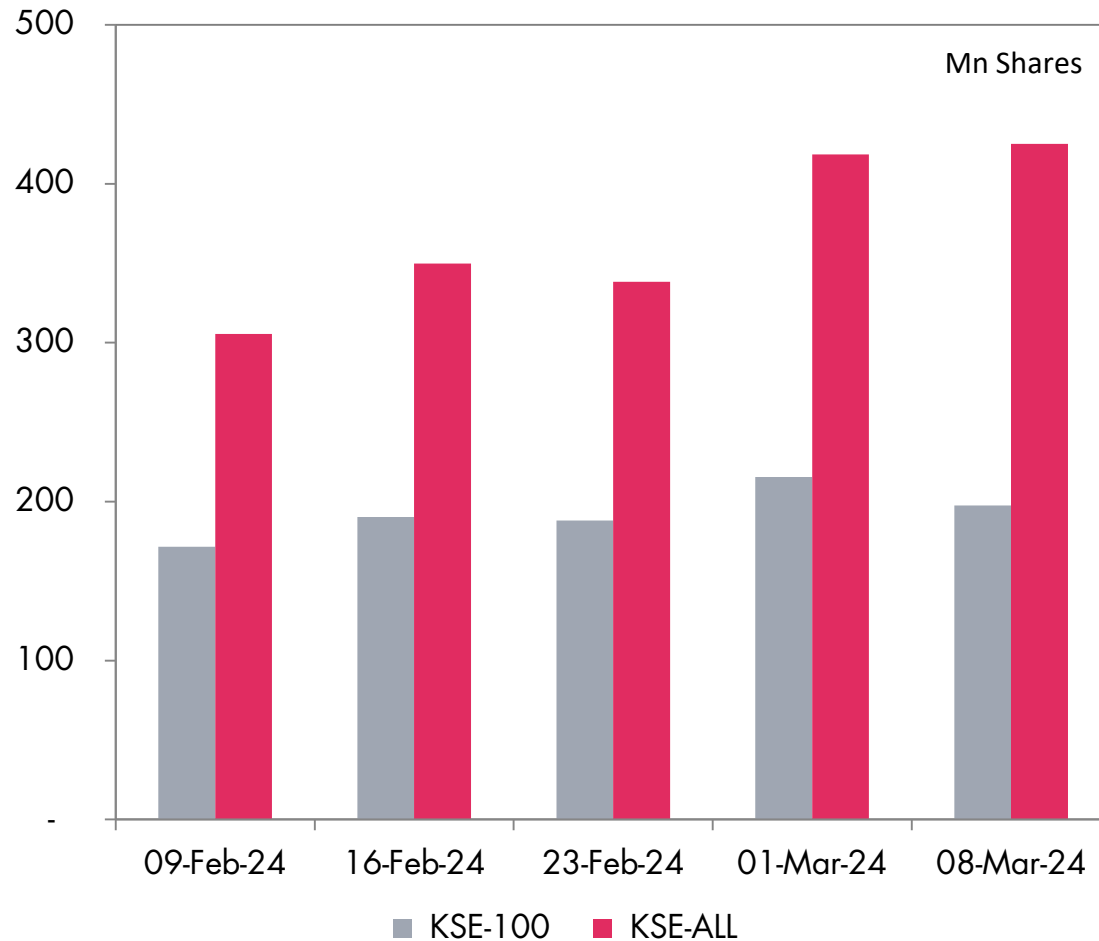
Top 10 positive contributors added 489 points to KSE100 Index

Top 10 negative contributors took 381 points from KSE100 Index

Top 10 Positive Contributors		Index Points	Top 10 Negative Contributors		Index Points
DAWH		174.55	MEBL		(92.87)
OGDC		163.78	FFC		(64.68)
PPL		89.17	HBL		(46.83)
HUBC		61.69	BAHL		(43.95)
NRL		46.02	ENGRO		(41.56)
PSO		38.75	MARI		(20.02)
PSEL		33.35	BAFL		(18.54)
PAEL		32.81	HMB		(18.50)
ATRL		29.59	PAKT		(18.22)
LUCK		29.38	POL		(16.21)

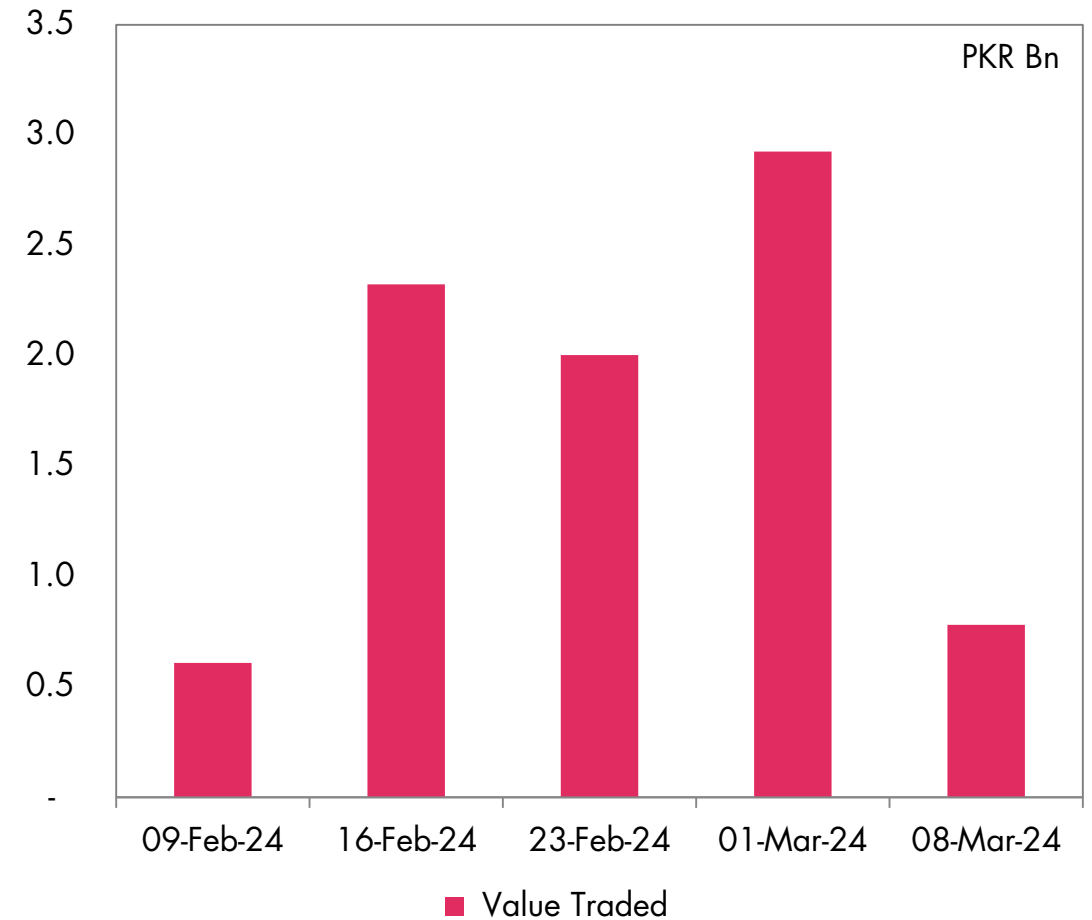
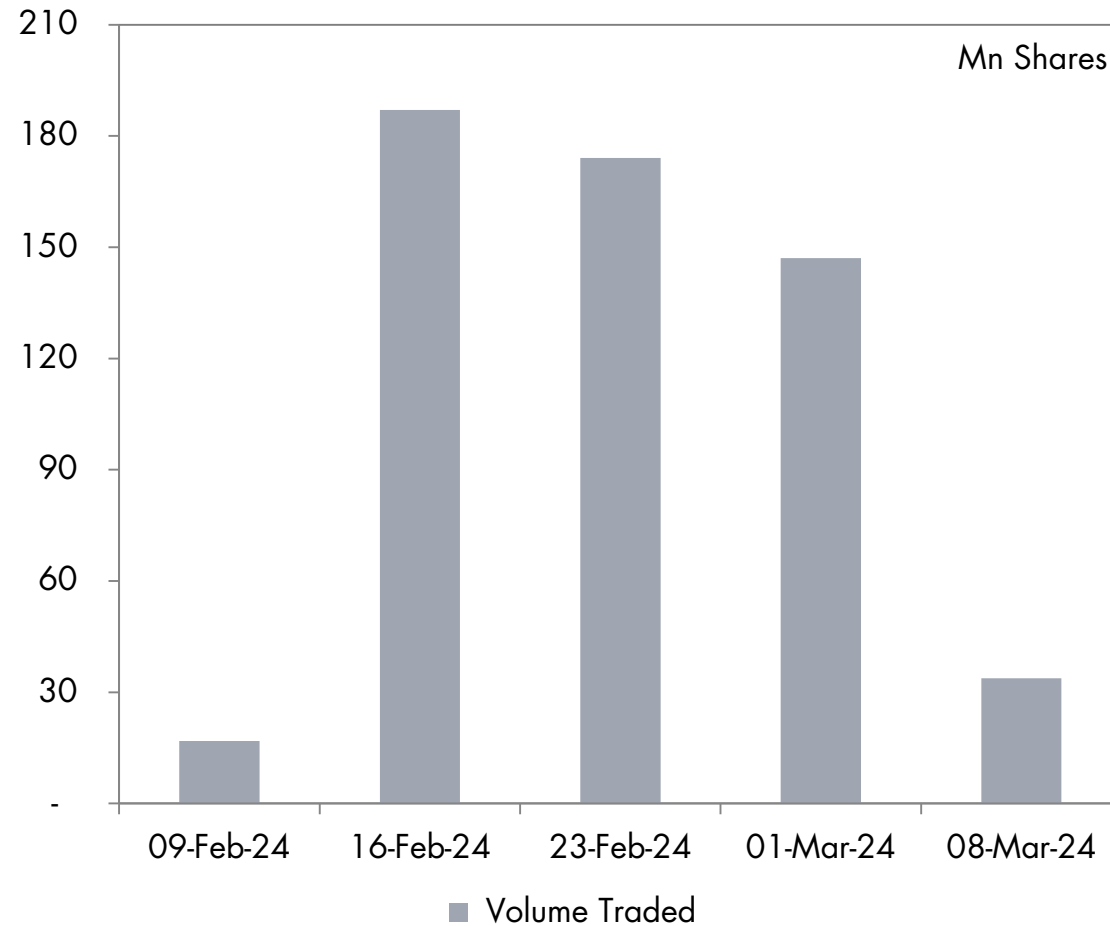
Average volume increased 2% w/w

Average value traded increased 6% w/w



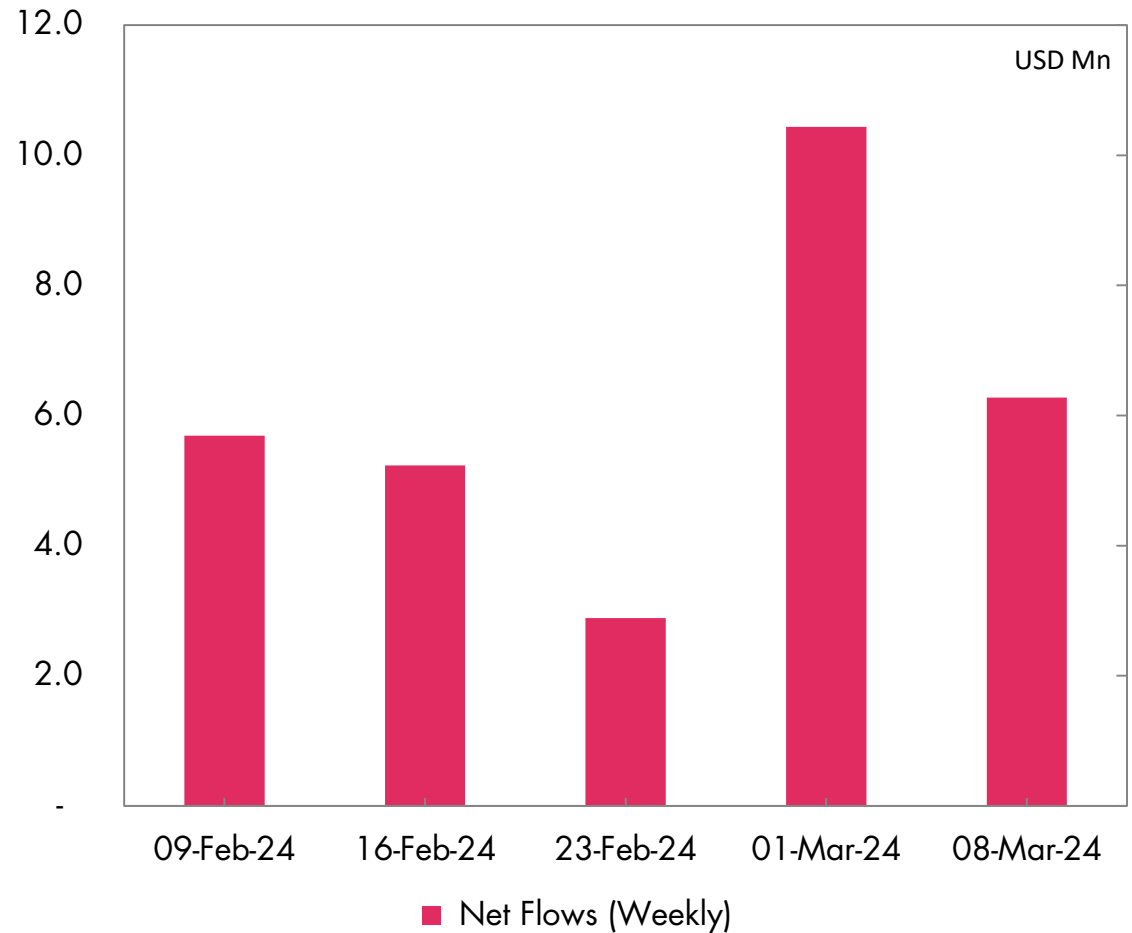
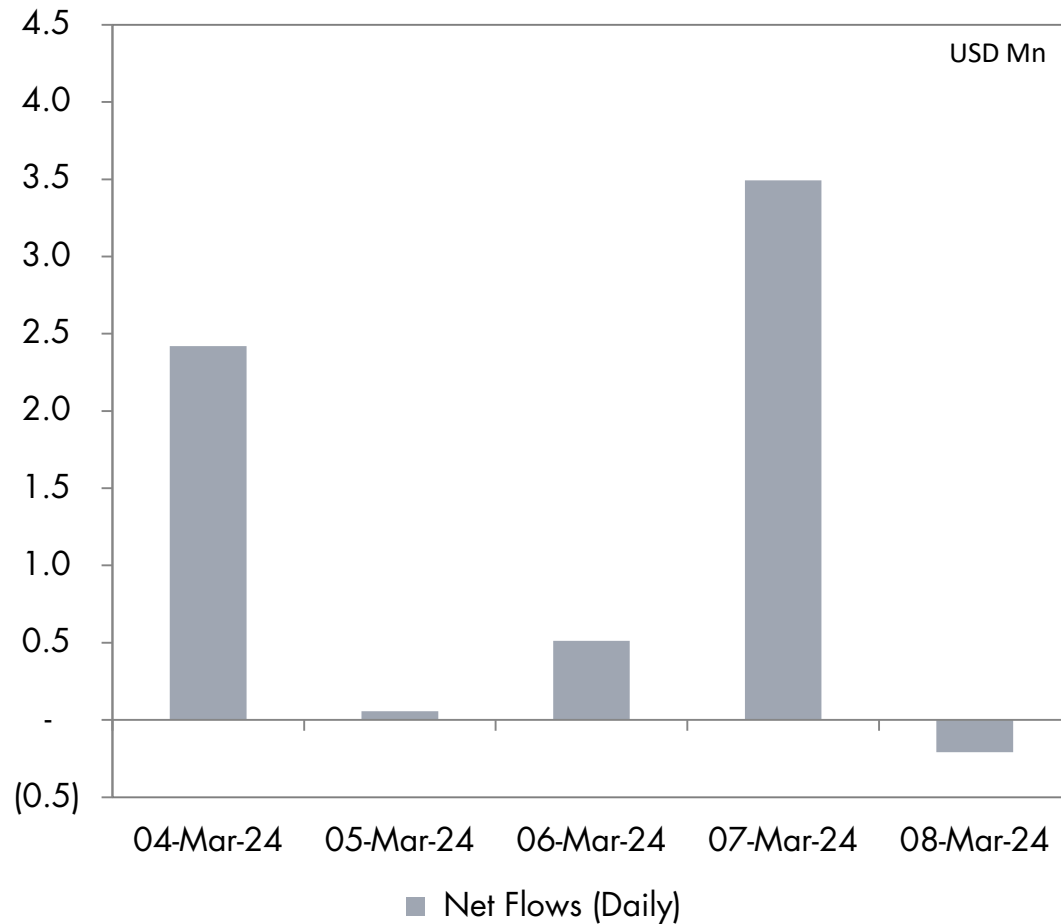
Off-market volume was 34mn shares during the week

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



Foreigners were buying during the week

Foreign buying stood at USD 6.3mn during the week



Individuals were the largest net buyers

Companies emerged as the largest net sellers

Weekly Net Flows (USD Mn)	FIPI	Individuals	Banks	Companies	M. Funds	Brokers	Others	Insurance	NBFC
All other Sectors	0.38	(0.23)	(0.13)	0.00	0.41	0.24	0.09	(0.76)	0.00
Cement	0.06	0.22	0.04	(1.13)	0.29	0.37	0.04	0.10	0.01
Commercial Banks	7.90	(1.03)	(0.47)	(5.93)	(0.16)	0.05	(0.35)	(0.02)	0.00
Fertilizer	0.52	0.87	(1.14)	(0.05)	(0.02)	0.08	(0.22)	(0.04)	0.00
Consumers	0.04	0.84	0.13	(0.28)	0.19	(0.93)	0.02	0.01	0.00
Oil and Gas Exploration	(0.68)	2.00	(0.12)	0.02	(0.90)	(0.15)	(0.01)	(0.15)	(0.01)
Oil and Gas Marketing	(0.50)	(0.45)	0.01	0.70	0.01	0.24	(0.05)	0.03	0.01
Power	(0.26)	(0.28)	0.26	(0.09)	(0.16)	0.28	0.12	0.11	(0.00)
Technology & Communication	(1.26)	(0.36)	1.48	0.10	(0.09)	0.14	(0.00)	(0.01)	0.01
Textile Composite	0.07	(0.02)	0.00	(0.12)	0.01	0.01	0.01	0.04	0.00
Total	6.27	1.59	0.06	(6.77)	(0.46)	0.33	(0.35)	(0.71)	0.03

Source: NCCPL , Next Research

Washington tells Islamabad to engage IMF, bring economic reforms

- **IMF ready to send mission to Pakistan after cabinet formation (The News):** The IMF stands ready to send its mission to Pakistan after the formation of a new cabinet under the \$3 billion Standby Arrangement (SBA) programme. In a press briefing held at the IMF headquarters in Washington, DC, on Thursday, Fund's Communications Director Julie Kozak was asked about IMF's assessment of Pakistan's external financial needs for 2024 fiscal year, calendar year and what would be the size of the next IMF programme for the country and what kind of risks the Fund was assessing while dealing with Pakistan at this point in time.
- **Washington tells Islamabad to engage IMF, bring economic reforms (Dawn):** The US State Department has conveyed a clear message to Pakistan's new rulers, emphasising the importance of collaboration with the International Monetary Fund (IMF) and economic reforms for stability.
- **IMF asks FBR for timeline to bring 3m retailers into tax net (The News):** The International Monetary Fund (IMF) has inquired from the Federal Board of Revenue (FBR) for ascertaining the exact timeframe for unveiling the simplified retailers scheme in order to bring 3 million shopkeepers into the tax net. The FBR replied to the IMF that it would be the decision of the incoming minister for finance, who would take the final decision on this subject.
- **Saudi delegation visits SIFC for investment in various sectors (The News):** A high-level delegation of Al Ajlan Holding Group of Kingdom of Saudi Arabia visited Special Investment Facilitation Council (SIFC) on Wednesday. The delegation was warmly received by officials of SIFC and comprehensive briefs were given covering potential and investment opportunities in different sectors.
- **IMF suggests powerful panel for collection of federal, provincial taxes (The News):** The International Monetary Fund (IMF) has recommended the Federal Board of Revenue (FBR) the establishment of a modern and semi-autonomous tax authority for collecting federal and provincial taxes over a long-term period.
- **Sukuk, other Shariah-compliant financing modes; Govt wants more loans against its unencumbered assets (BR):** The federal government has decided to issue domestic and international Sukuk and raise other Shariah-compliant financing facilities against unencumbered assets of the government, well-informed sources told.
- **SBP sells T-bills worth Rs527bn, yields drop by up to 30bps (Metitis):** The State Bank of Pakistan (SBP) conducted an auction on Wednesday in which it sold Market Treasury Bills (MTBs) worth Rs526.98 billion for 3,6 and 12 months against a target of Rs225bn.
- **SBP reserves post second straight fall (Dawn):** The foreign exchange reserves of the State Bank of Pakistan (SBP) experienced a further decline of \$54 million during a week, exacerbating the vulnerability of the exchange rate. As of March 1, the SBP reported reserves of \$7.895 billion, while commercial banks held \$5.124bn, summing up to a total country reserve of \$13.020bn.
- **External debt rises \$1.2bn in six months (Dawn):** Pakistan's external public debt rose by \$1.2 billion in six months to \$86.358bn as of September 30, 2023, according to the Ministry of Economic Affairs (MEA).
- **Moody's upgrades Pakistan's banking sector outlook (The News):** Moody's has upgraded the outlook of Pakistan's banking sector from negative to stable amid macro challenges and easing fiscal pressures. "Persistent external pressures against a challenging operating backdrop will weigh slightly on the performance of Pakistani banks' loan portfolios," Moody's stated in its report released Thursday.
- **Bank deposits surge 21.7pc y/y in Feb on record-high interest rates, remittances (The News):** The banking sector deposits rose 21.7 percent year-on-year in February to Rs27.886 trillion, driven by higher returns amid record-high interest rates and branch network expansion, central bank data showed on Wednesday.
- **Refineries to maximise petrol, diesel production (Dawn):** In the wake of the upgradation policy, refineries have initiated to comply with Euro-V specifications, maximise the output of petrol and diesel and minimise the production of furnace oil (FO).
- **Recovery from PIA; PSO receiveables soar to Rs 21.7bn (BR):** The Pakistan State Oil (PSO) has proposed the imposition of a levy of upto Rs4 per litre on Jet-A1 to recover outstanding receivables from Pakistan International Airlines (PIA), well-informed sources told.
- **Handing over power cos to provinces (BR):** Prime Minister Shehbaz Sharif has directed to constitute a review committee on the proposal of handing over the power companies to the provinces with direction to submit recommendations to him.
- **Fertilizer Companies to Renew Gas Contracts in June With Rates Likely to Rise (Propakistani):** Contracts for purchasing affordable gas for fertilizer plants are set to expire in June 2024, sources told ProPakistani. The Ministry of Finance has directed the Energy Division to negotiate new terms for a quick resolution of the matter. Sources added that these new contracts will be subjected to conditions set by the International Monetary Fund (IMF).
- **PIA privatization; PM seeks 'final' schedule (BR):** While presiding over a high-level meeting on privatisation of the PIA and restructuring of the Federal Board of Revenue (FBR), the prime minister directed that the Ministry of Privatisation should present the schedule of PIA's privatisation in the next two days after taking the necessary steps.

Commodities

WTI increase 0.9% WoW

Commodity	Unit	16-Feb-24	23-Feb-24	01-Mar-24	08-Mar-24
WTI	bbl	77.59	78.61	78.26	78.93
Brent	bbl	82.86	83.67	81.91	82.96
Arab Light	bbl	81.83	83.53	83.39	83.50
Coal	MT	91.80	92.15	101.10	99.75
Natural Gas	mmbtu	1.58	1.83	1.86	1.82
Polypropylene	MT	0.51	0.51	0.52	0.56
Ethanol	MT	2.16	2.16	2.16	2.16
Urea	MT	380.00	379.00	380.00	366.50
DAP	MT	582.50	582.50	585.00	625.00

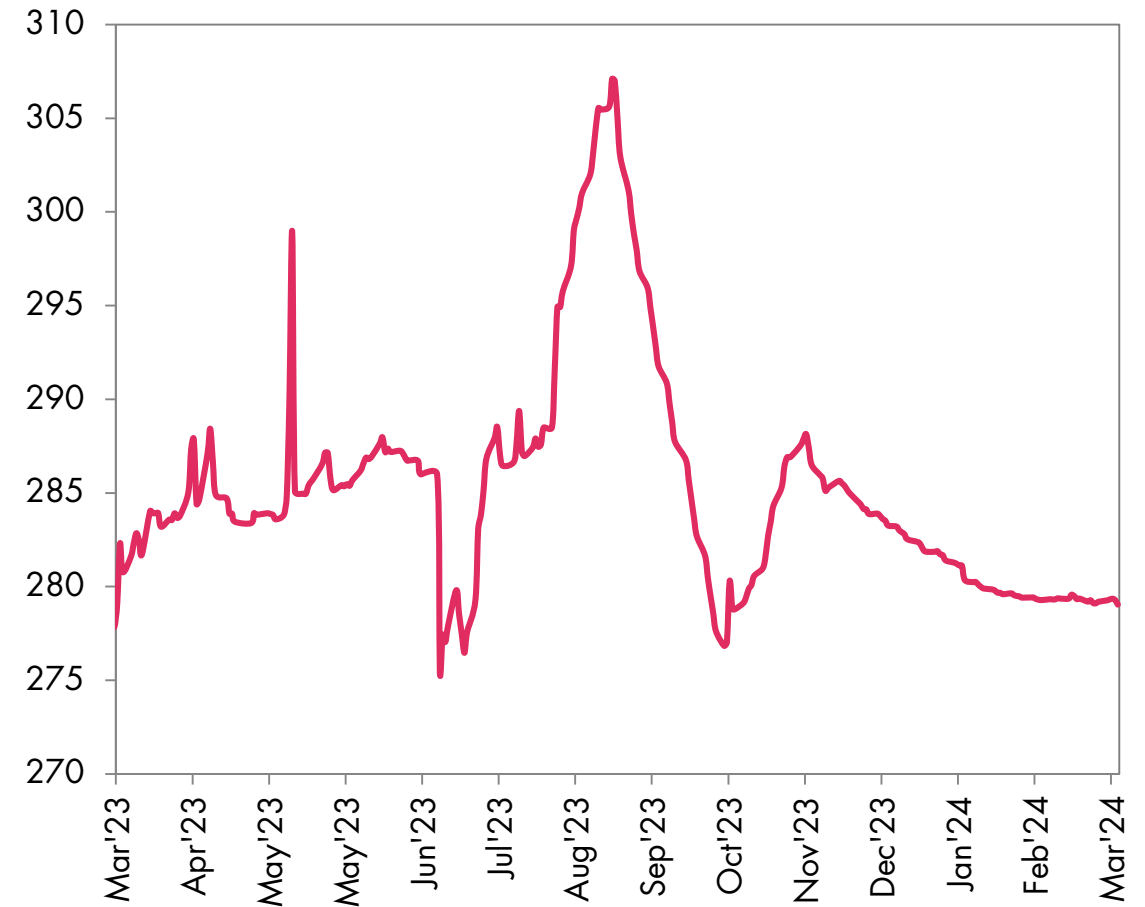
Commodity	Unit	16-Feb-24	23-Feb-24	01-Mar-24	08-Mar-24
Cotton	lb	95.31	94.46	99.57	99.28
Gold	Ounce	2014.90	2,030.7	2,054.70	2165.20
Silver	Ounce	22.95	22.78	22.89	24.58
Copper	lb	3.76	3.89	3.85	3.93
Iron Ore	MT	981.50	958.00	964.50	994.00
Steel Scrap LME	MT	416.00	417.00	413.37	397.00
Steel Rebar LME	MT	605.50	605.00	607.69	577.00
Rubber	KG	152.90	160.80	160.50	159.90

Source: Bloomberg, Mettis, other websites, Next Research

Currencies

PKR appreciated against USD (Interbank)

Currency	9-Feb-24	16-Feb-24	23-Feb-24	01-Mar-24	08-Mar-24
PKR / USD	279.28	279.36	279.36	279.19	279.04
PKR / EUR	300.87	300.66	302.55	302.06	305.20
PKR / GBP	352.33	351.41	353.95	352.87	357.68
PKR / JPY	1.87	1.86	1.85	1.85	1.89
PKR / CAD	207.58	207.23	207.29	205.49	207.67
PKR / AUD	181.76	182.12	183.61	181.48	185.17

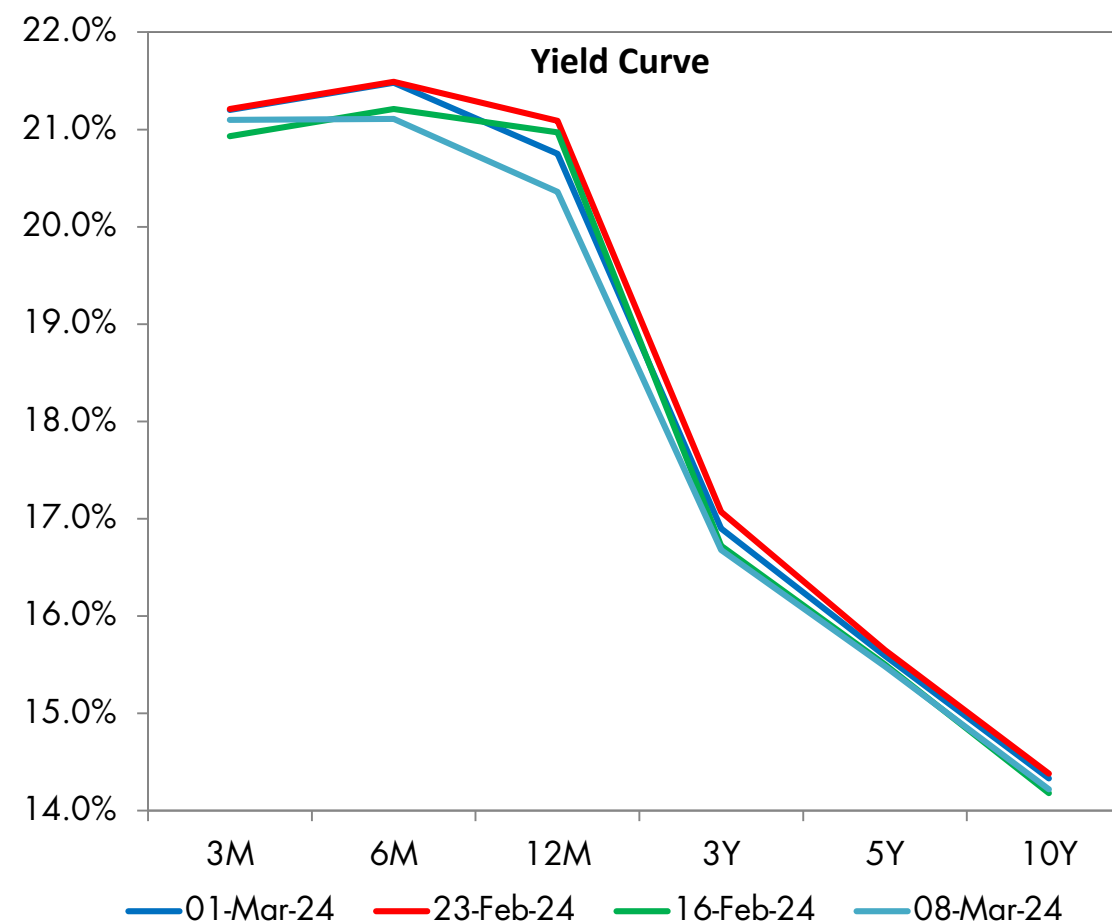


Source: SBP , Next Research

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%	21.4%
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%	15.4%	n/a
CIC – Growth YoY	9.9%	8.3%	5.4%	n/a
NDA – Banking Growth YoY	17.5%	12.0%	12.6%	n/a
NFA – Banking Growth YoY	11.7%	-17.8%	-16.5%	n/a
Private Sector Credit Growth YoY	0.1%	-1.8%	0.4%	n/a
Govt. Borrowing W/ SBP Growth YoY	-37.4%	-26.9%	-22.0%	n/a



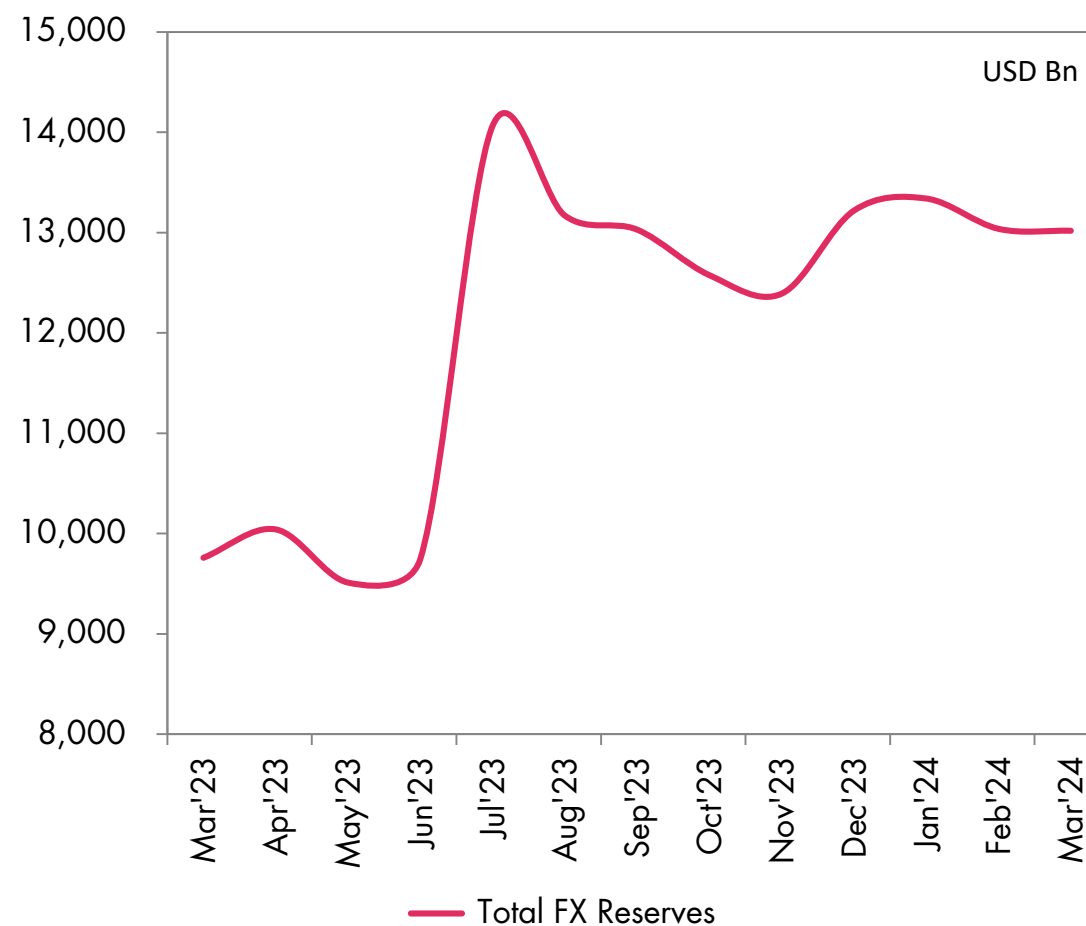
*Latest Number Available

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

Sales and Trading

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

Email: equitysales@nextcapital.com.pk
Email: cs@nextcapital.com.pk

Corporate Finance & Advisory

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

Email: cf@nextcapital.com.pk

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