



WEEKLY REVIEW

PAKISTAN EQUITIES

March 15, 2024

Research

research@nextcapital.com.pk

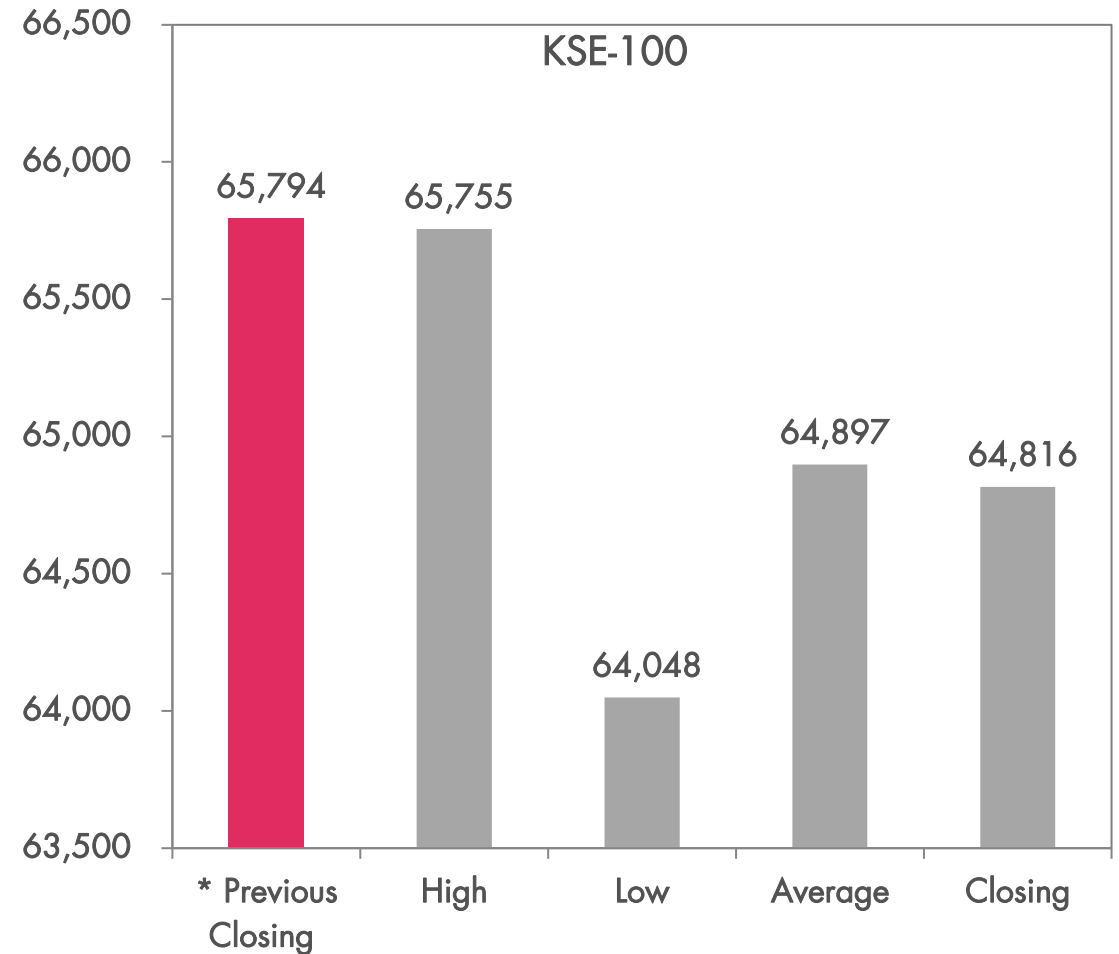
+92-21-111-639-825 Ext 129

+92-21-35222 204

PSX Indices

KSE100 Lose 1.5% w/w

PSX Indices	Level	w/w
KSE-100	64,816	-1.5%
KSE-30	21,557	-2.1%
KSE-ALL	43,157	-1.2%
KMI-30	110,060	-1.1%
KMI-ALL	31,147	-1.4%
OGTi	15,660	-2.2%
BKTi	15,889	-2.7%

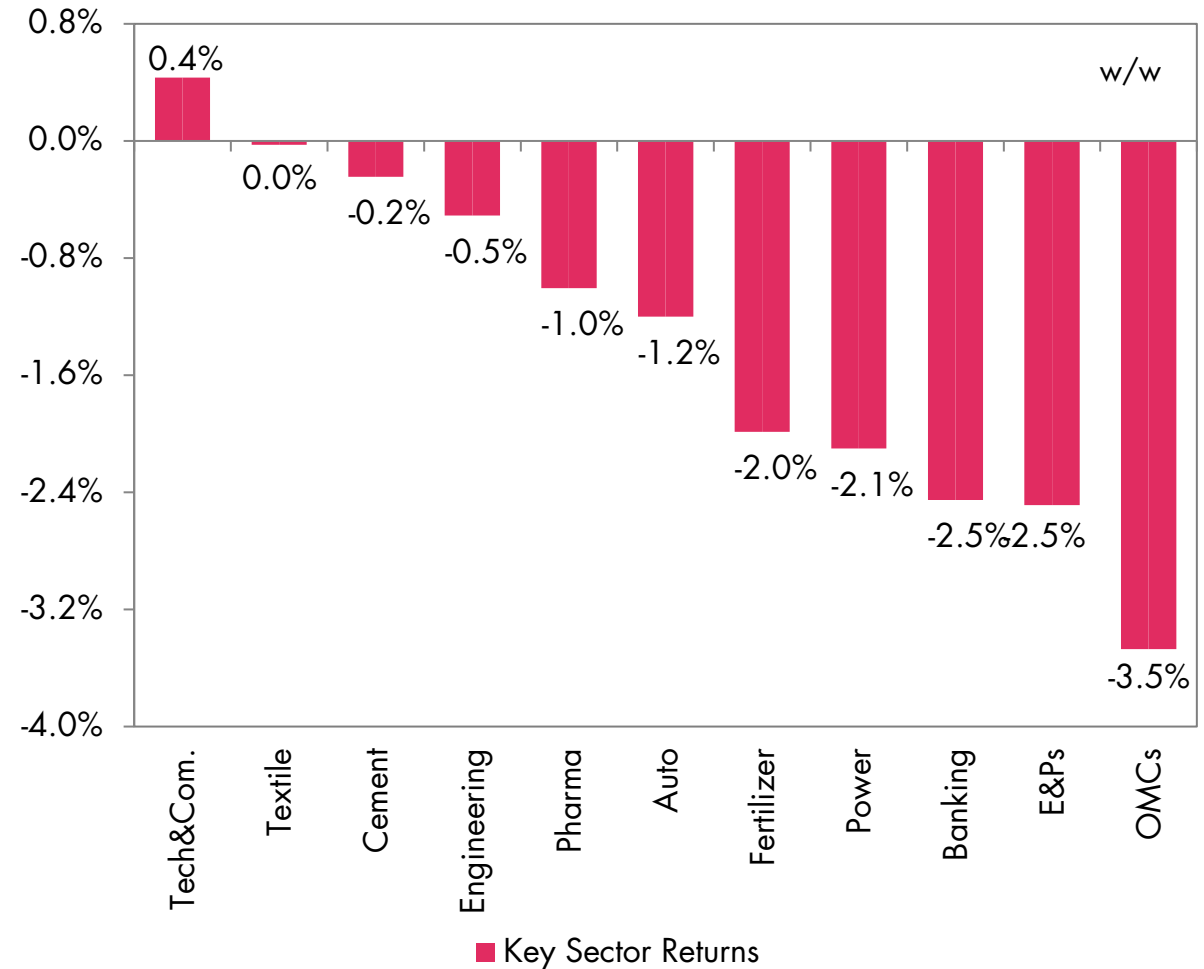
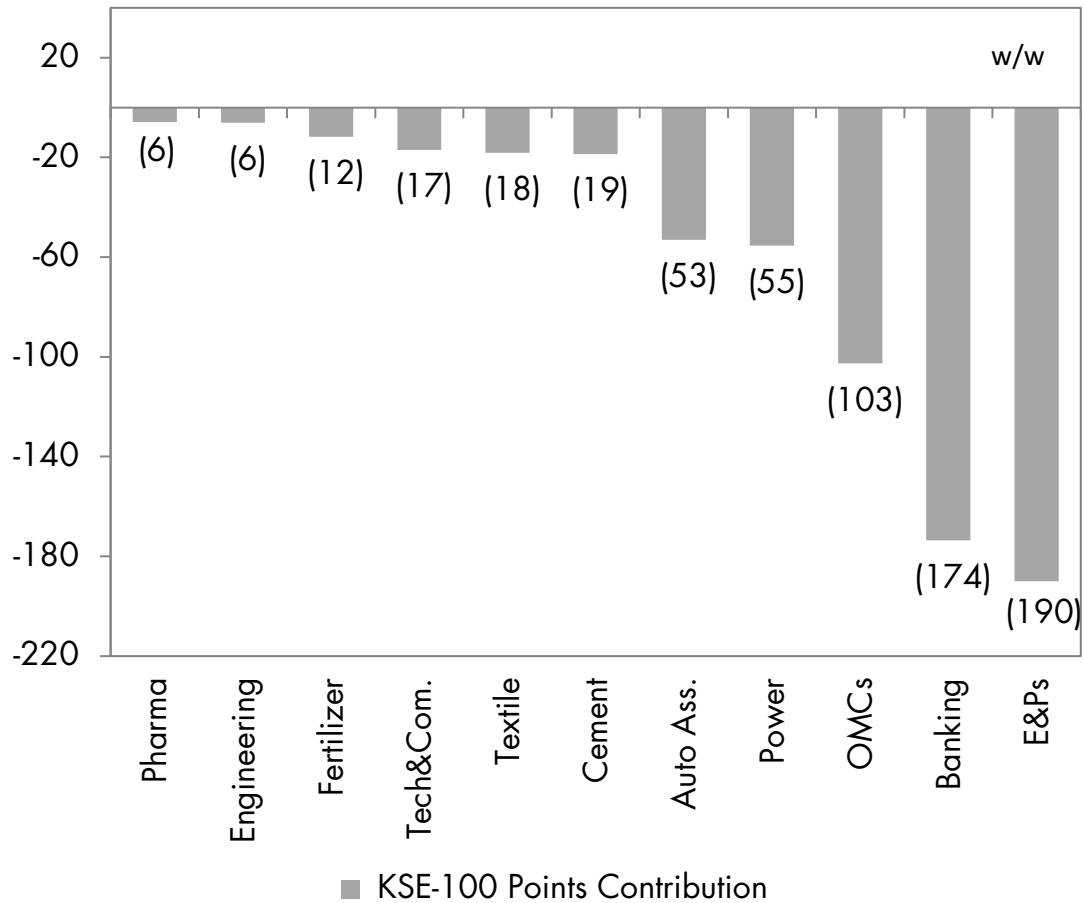


* Last week closing

Source: PSX , Next Research

Pharma sector took 6 points to KSE100 Index

OMCs sector dropped 3.5% w/w



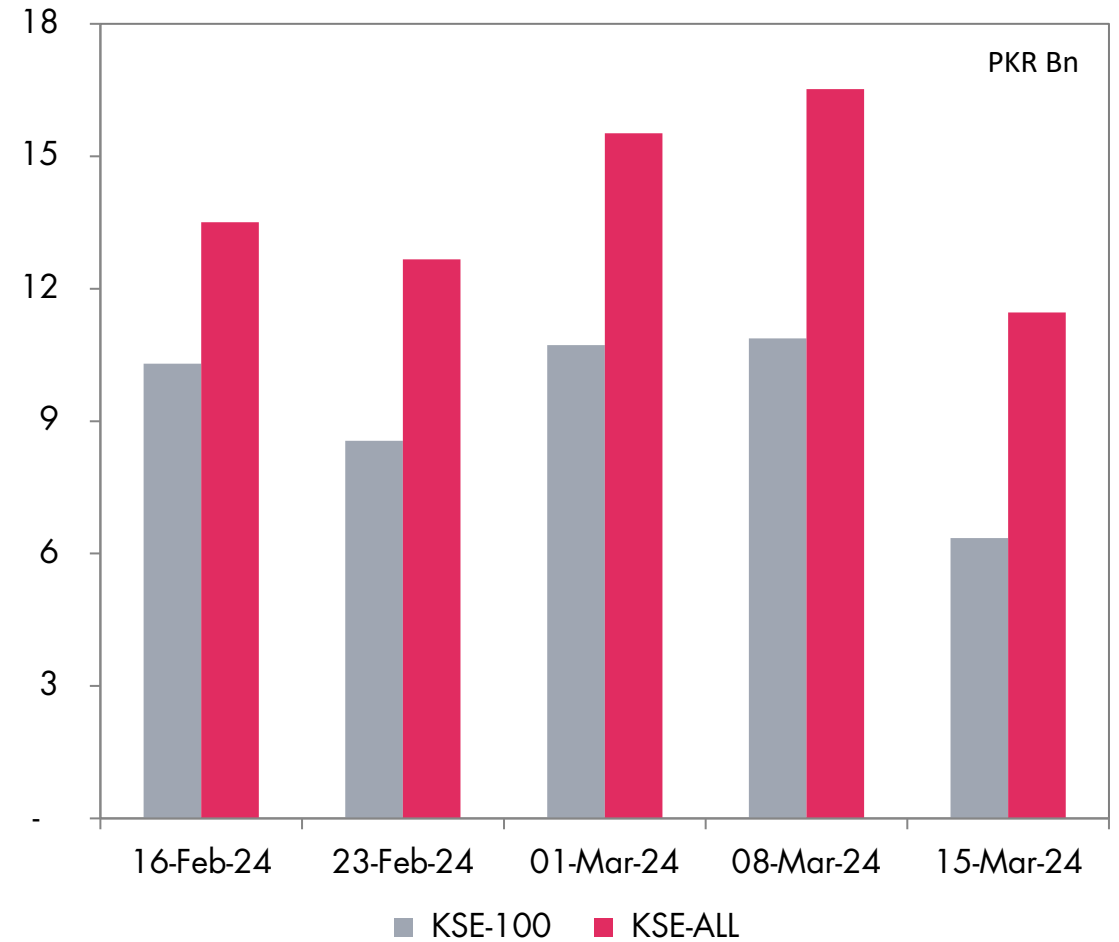
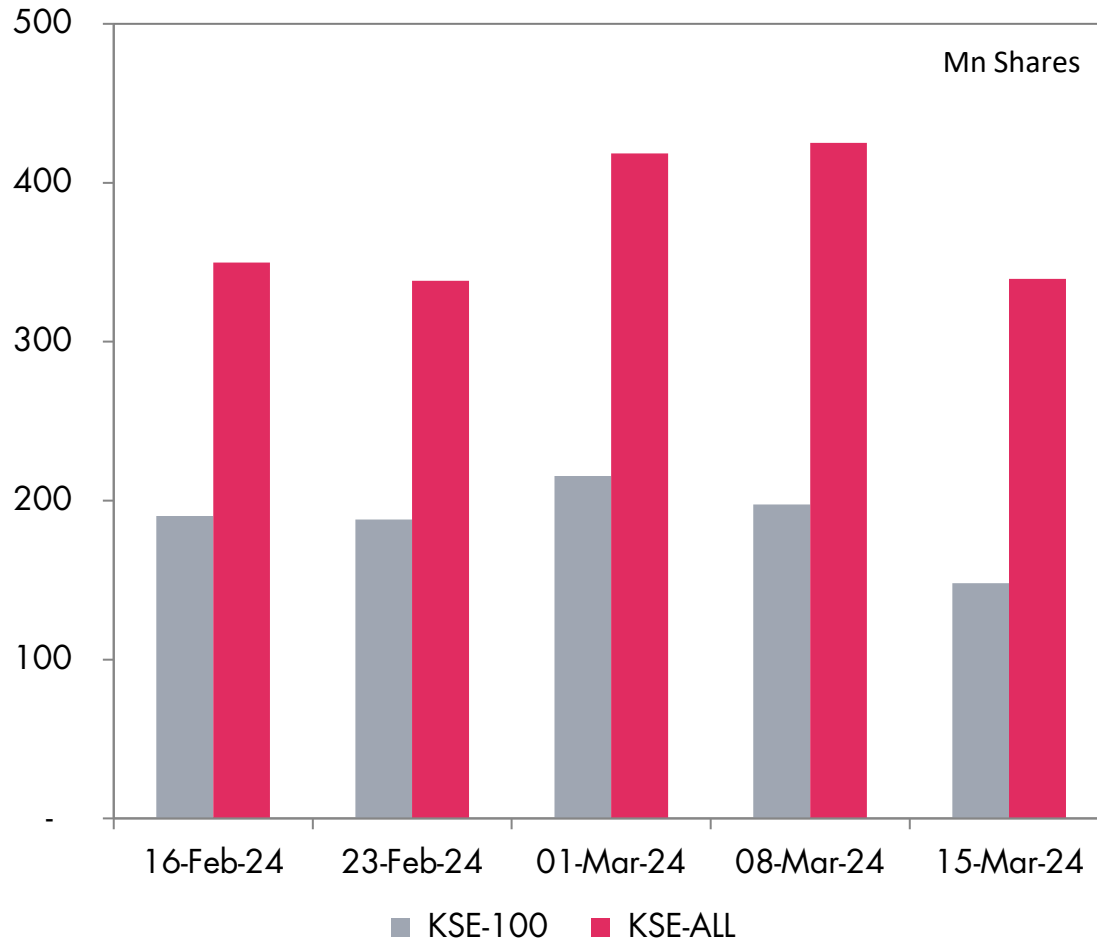
Top 10 positive contributors added 180 points to KSE100 Index

Top 10 negative contributors took 782 points from KSE100 Index

Top 10 Positive Contributors		Index Points	Top 10 Negative Contributors		Index Points
MEBL		61.54	DAWH		(203.39)
EFERT		51.95	OGDC		(107.88)
LUCK		46.63	ENGRO		(78.39)
THALL		20.25	BAHL		(68.41)
PTC		17.89	UBL		(68.28)
LCI		14.32	PPL		(68.10)
FFC		12.94	PSO		(57.51)
PKGS		8.33	MTL		(54.07)
MARI		7.16	NESTLE		(38.43)
FFBL		6.88	MCB		(37.26)

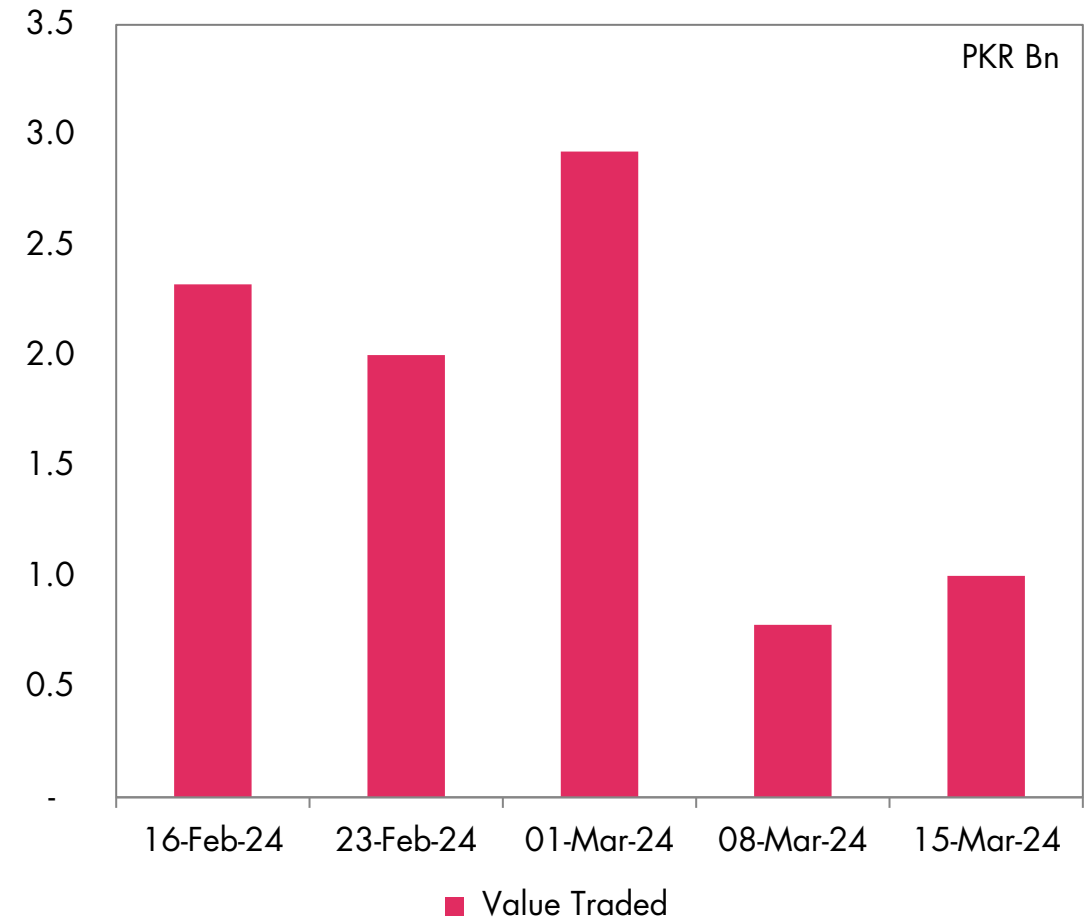
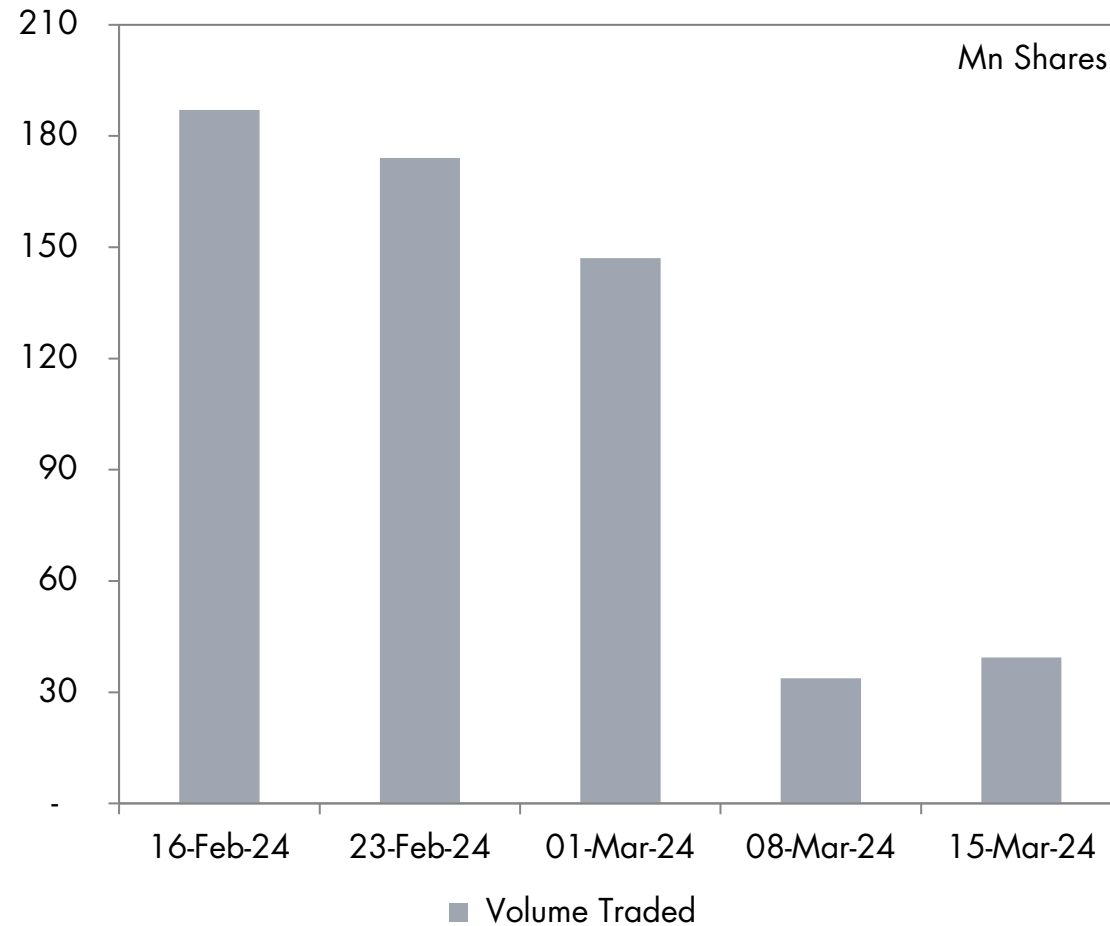
Average volume decreased 20% w/w

Average value traded decreased 31% w/w



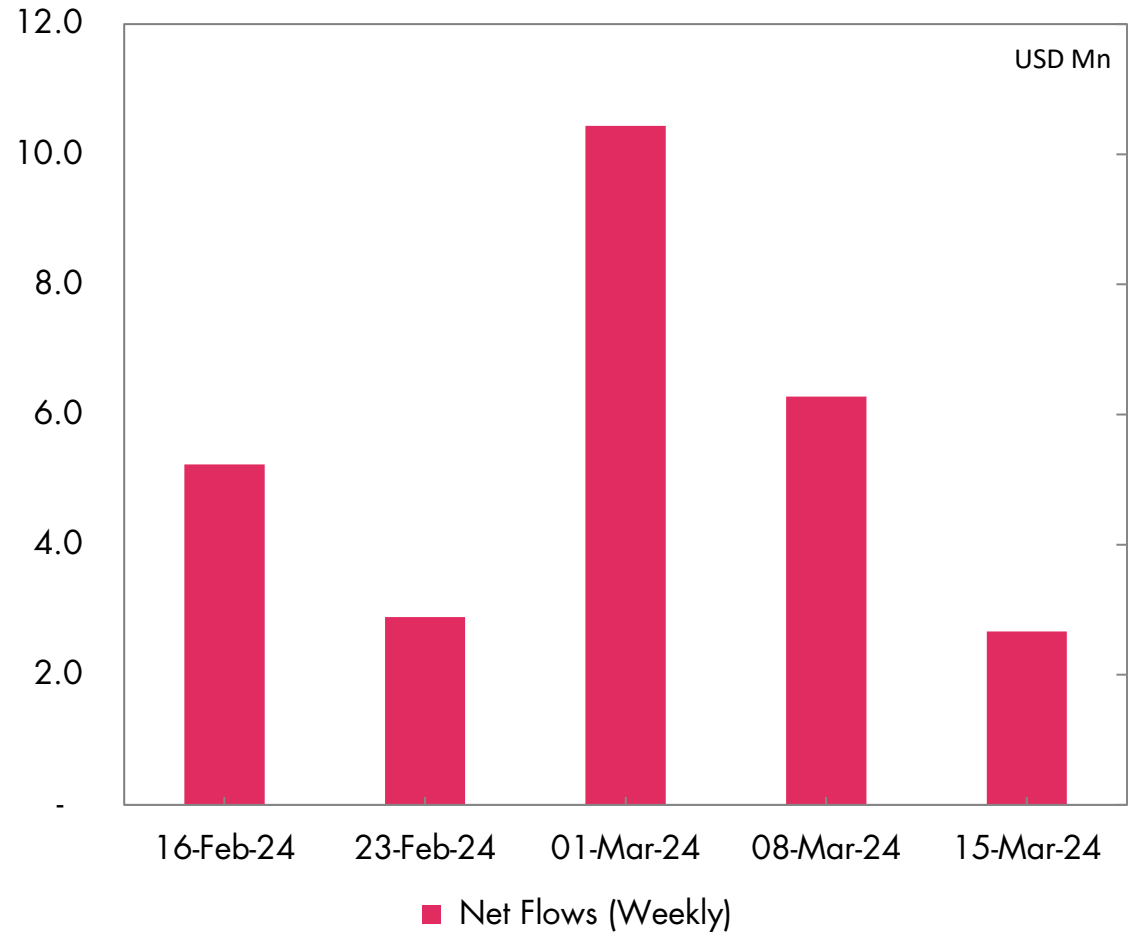
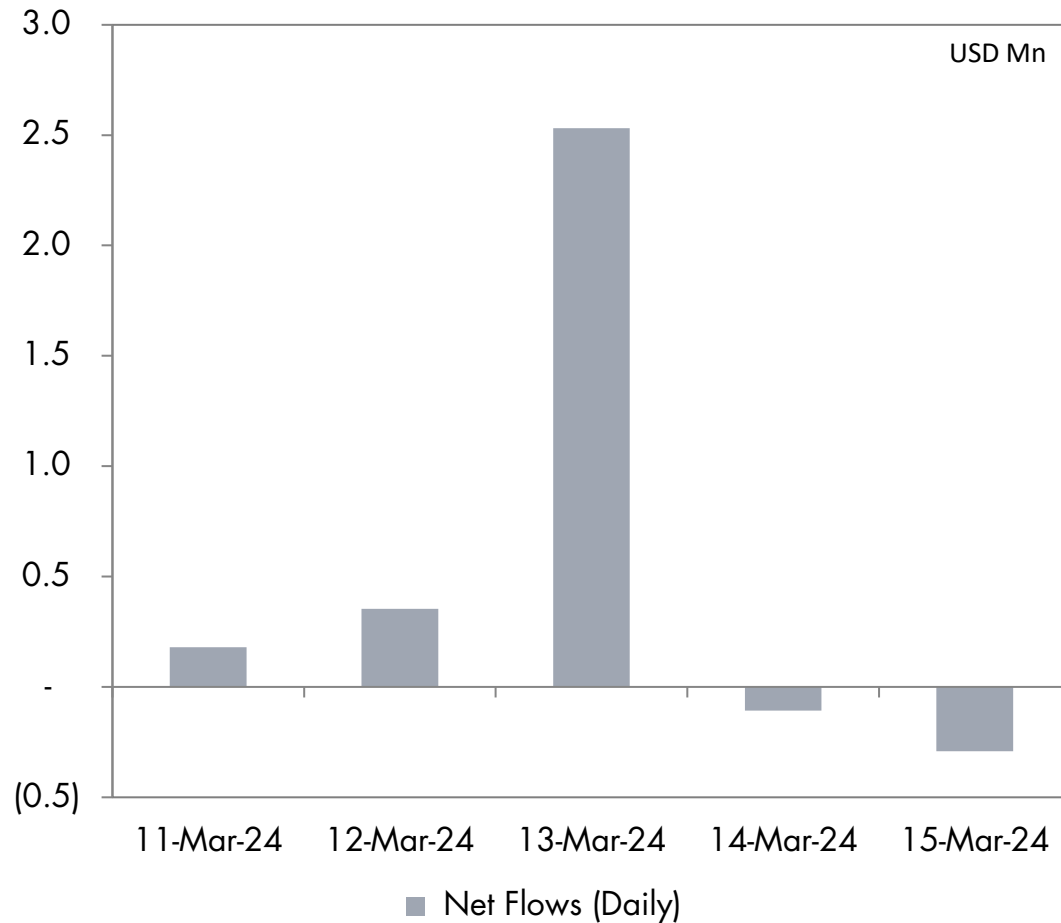
Off-market volume was 39mn shares during the week

Off-market value traded was PKR 1.0bn during the week



Foreigners were buying during the week

Foreign buying stood at USD 2.7mn during the week



Insurance 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	(0.05)	0.02	(0.02)	(0.09)	0.42	(0.45)	0.03	0.15	(0.00)
Cement	1.82	(0.40)	(0.29)	(1.14)	(0.00)	(0.11)	0.02	0.10	(0.01)
Commercial Banks	1.90	(1.15)	(0.24)	(1.35)	0.11	(0.01)	0.64	0.09	0.00
Fertilizer	0.49	0.29	(0.72)	(0.17)	0.22	0.00	(0.11)	(0.00)	0.00
Consumers	(0.03)	0.00	0.00	0.04	0.18	(0.26)	0.03	0.03	(0.00)
Oil and Gas Exploration	(1.58)	0.92	0.74	0.33	(0.19)	(0.56)	(0.00)	0.33	0.01
Oil and Gas Marketing	(0.24)	(0.33)	0.33	(0.04)	0.08	0.14	0.00	0.04	0.01
Power	(0.11)	0.18	(0.08)	0.03	(0.25)	(0.06)	0.06	0.23	0.01
Technology & Communication	0.41	0.23	(0.27)	(0.11)	0.15	(0.43)	(0.04)	0.06	(0.01)
Textile Composite	0.05	0.00	(0.18)	(0.02)	0.00	(0.01)	0.11	0.05	0.00
Total	2.66	(0.13)	(0.73)	(2.52)	0.61	(1.73)	0.74	1.09	0.01

Source: NCCPL , Next Research

Pakistan to seek 'long, large IMF programme'

- **Pakistan to seek 'long, large IMF programme' (The News):** Federal Minister for Finance and Revenues Muhammad Aurangzeb said on Tuesday that Pakistan would seek a "large and long programme" from the IMF under the Extended Fund Facility (EFF).
- **SBP expected to hold rates, cut in Q2 2024, Reuters poll finds (The News):** Pakistan's central bank is widely expected to hold its key interest rate at a record 22 percent for the sixth straight policy meeting on Monday as inflation risks continue to loom, but a majority of analysts expect rate cuts from the second quarter of this year. Monday's policy decision would be the last ahead of the April expiry of a \$3 billion Stand by Arrangement with the International Monetary Fund. The median estimate in a Reuters poll of 17 analysts predicts the State Bank of Pakistan (SBP) will hold rates steady.
- **Economic indicators, other related matters; IMF team takes stock (BR):** The International Monetary Fund and Pakistan kick-started talks on Thursday during the second and last review of Pakistan's ongoing bailout programme, its finance ministry said. In a statement, the ministry said the IMF and Islamabad discussed Pakistan's overall macro-economic indicators, efforts on fiscal consolidation, structural reforms, energy sector viability and state-owned entity governance.
- **Upcoming visit of Iranian president to Pakistan could seal FTA, says envoy (Nation):** Ambassador of Iran to Pakistan Dr Reza Amiri Moghadam on Thursday said that there is a strong possibility that the bilateral Free Trade Agreement (FTA) will be finalised in the upcoming visit of the President of Iran, Ebrahim Raisi to Pakistan, which is likely to increase the mutual trade between the two countries.
- **Govt seeks further investments through \$250m additional financing: WB (BR):** Due to the success of the Crisis Resilient Social Protection (CRISP) programme and the improved delivery capabilities of the Benazir Income Support Programme (BISP), the government has requested further investments in and utilisation of the adaptive system through additional financing of \$ 250 million, says the World Bank.
- **China to help Pakistan overcome debt challenge: CG (BR):** The Chinese debt is only 13 percent of the total foreign payable debt and its basic objective is to drag Pakistan out of the debt trap by extending necessary financial assistance, said Zhao Shiren, Chinese Consul General in Lahore.
- **Russian envoy satisfied with positive trajectory of ties with Pakistan (The News):** Russian Ambassador Albert P. Khorev has expressed the hope that cooperative ties between Pakistan and Russia would grow further in mutually-beneficial collaboration, particularly in the economic, trade, energy, security and people-to-people domains.
- **RE projects; PPIB willing to alter draft pact with Saudi Arabia (BR):** The Private Power & Infrastructure Board (PPIB) has expressed willingness to alter draft framework agreement with Saudi Arabia to proceed further on renewable energy projects. Saudi Arabia's Ministry of Energy recently raised questions on the need for new agreement on development of renewable energy projects in the presence of existing a Memorandum of Understanding (MoU).
- **SBP raises Rs55.95bn through PIB auction, yields drop by up to 15bps (Mettis):** The State Bank of Pakistan (SBP) raised Rs55.95 billion against a target of Rs190bn through the sale of fixed-rate Pakistan Investment Bonds (PIBs).
- **SBP reserves rise, still face external financing challenge (The News):** The foreign exchange reserves held by the central bank saw a modest increase of \$17 million to \$7.913 billion in the week ending March 8, according to the State Bank of Pakistan (SBP). The country's total forex reserves, including holdings by commercial banks, rose by \$131 million to \$13.151 billion, with commercial banks' reserves increasing by \$114 million to \$5.238 billion.
- **Pakistan to repay \$4.33bn in debt servicing in last quarter of FY2024 (The News):** The newly sworn-in Minister for Finance Muhammad Aurangzeb will have to manage heavy external debt servicing repayments of \$4.33 billion during the last quarter (April-June) period, including \$1 billion on account of the maturity of international bond.
- **Pakistan's oil reserves dip 14 percent y/y amid production decline (The News):** Pakistan's oil reserves have seen a significant decline of 14 percent year-on-year, dropping to 193 million barrels in December 2023 from 224 million barrels in the previous year, according to data released by Pakistan Petroleum Information Services.
- **Construction sector; IMF asks FBR to abolish special tax regime (BR):** The International Monetary Fund (IMF) has recommended the Federal Board of Revenue (FBR) to abolish the special tax regime for the construction sector, bringing it into the ambit of the normal income tax regime.
- **IMF Demands Pakistan to End Cheap Gas Supply to Fertilizer Companies (Propakistani):** The International Monetary Fund (IMF) Mission has expressed concerns over Pakistan's supply of cheap gas to fertilizer plants and has demanded an end to this practice, Finance Ministry sources told.
- **Car sales soar 118pc in February, outpacing 41pc fiscal year-to-date fall (The News):** The automotive sector experienced a sharp contrast in fortunes, with passenger car sales witnessing a sharp year-on-year increase in February 2024, even as sales for the fiscal year to date showed a significant decline, the latest data from the Pakistan Automotive Manufacturers Association (PAMA) showed on Tuesday.
- **PIACL sell-off plan termed 'priority' (BR):** Federal Minister for Defence, Defence Production and Aviation Khawaja Muhammed Asif on Thursday said that the privatization of PIACL would be the priority of the government.

Commodities

WTI increase 3.0% WoW

Commodity	Unit	23-Feb-24	01-Mar-24	08-Mar-24	15-Mar-24
WTI	bbl	78.61	78.26	78.93	81.26
Brent	bbl	83.67	81.91	82.96	85.42
Arab Light	bbl	83.53	83.39	83.50	85.21
Coal	MT	92.15	101.10	99.75	99.00
Natural Gas	mmbtu	1.83	1.86	1.82	1.74
Polypropylene	MT	0.51	0.52	0.56	0.57
Ethanol	MT	2.16	2.16	2.16	2.16
Urea	MT	379.00	380.00	366.50	365.00
DAP	MT	582.50	585.00	625.00	630.00

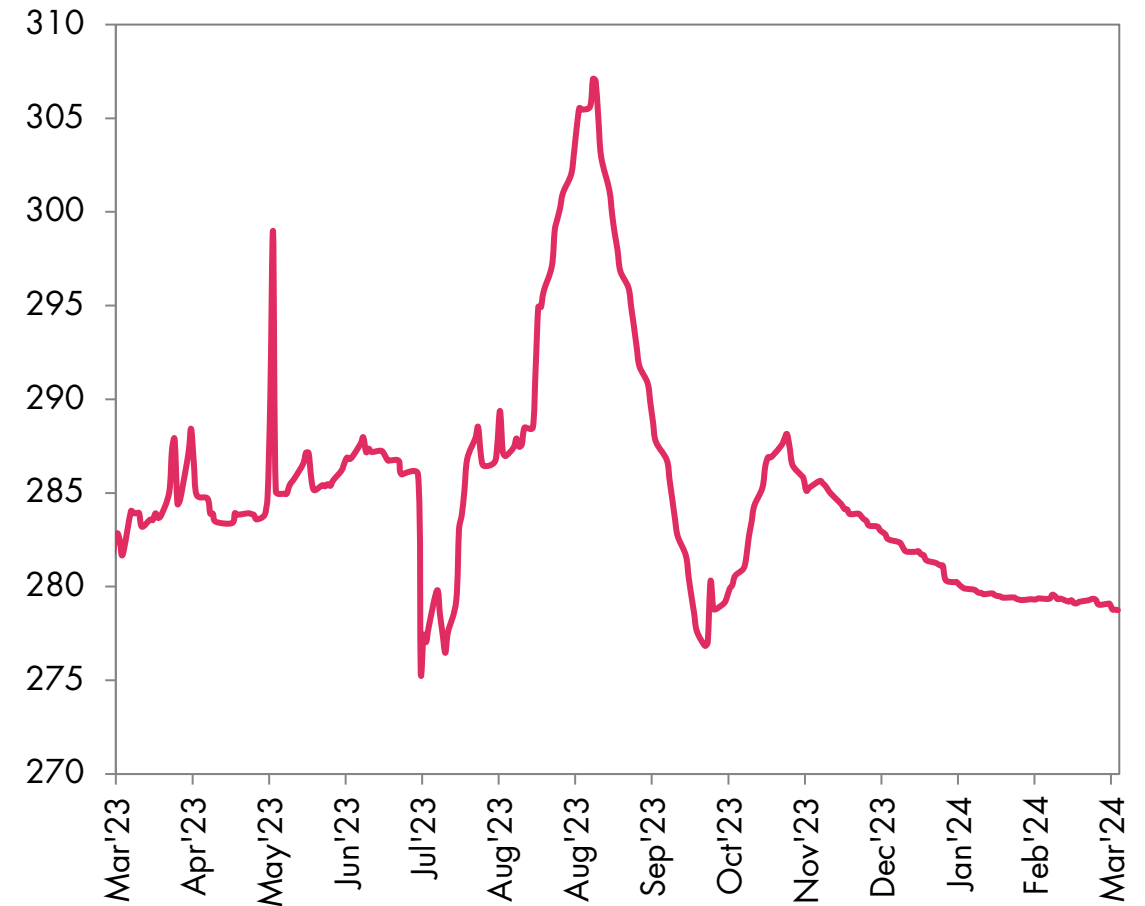
Commodity	Unit	23-Feb-24	01-Mar-24	08-Mar-24	15-Mar-24
Cotton	lb	94.46	99.57	99.28	93.48
Gold	Ounce	2,030.7	2,054.70	2165.20	2,167.50
Silver	Ounce	22.78	22.89	24.58	25.06
Copper	lb	3.89	3.85	3.93	4.05
Iron Ore	MT	958.00	964.50	994.00	833.00
Steel Scrap LME	MT	417.00	413.37	397.00	381.50
Steel Rebar LME	MT	605.00	607.69	577.00	574.00
Rubber	KG	160.80	160.50	159.90	168.20

Source: Bloomberg, Mettis, other websites, Next Research

Currencies

PKR appreciated against USD (Interbank)

Currency	16-Feb-24	23-Feb-24	01-Mar-24	08-Mar-24	15-Mar-24
PKR / USD	279.36	279.36	279.19	279.04	278.74
PKR / EUR	300.66	302.55	302.06	305.20	303.33
PKR / GBP	351.41	353.95	352.87	357.68	355.17
PKR / JPY	1.86	1.85	1.85	1.89	1.88
PKR / CAD	207.23	207.29	205.49	207.67	205.91
PKR / AUD	182.12	183.61	181.48	185.17	183.13

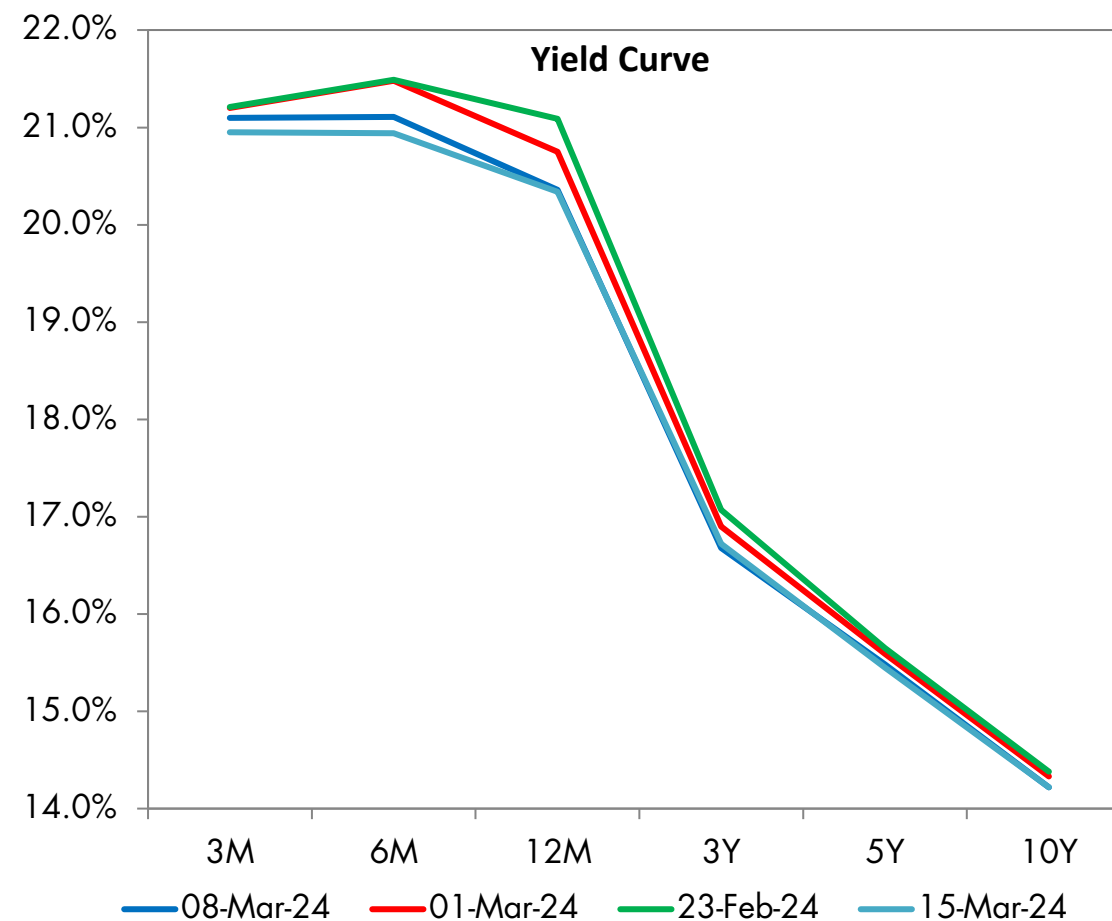


Source: SBP, Next Research

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%	21.3%
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%	13.5%
CIC – Growth YoY	9.9%	8.3%	5.4%	1.7%
NDA – Banking Growth YoY	17.5%	12.0%	12.6%	10.4%
NFA – Banking Growth YoY	11.7%	-17.8%	-16.5%	-21.6%
Private Sector Credit Growth YoY	0.1%	-1.8%	0.4%	1.0%
Govt. Borrowing W/ SBP Growth YoY	-37.4%	-26.9%	-22.0%	-16.1%



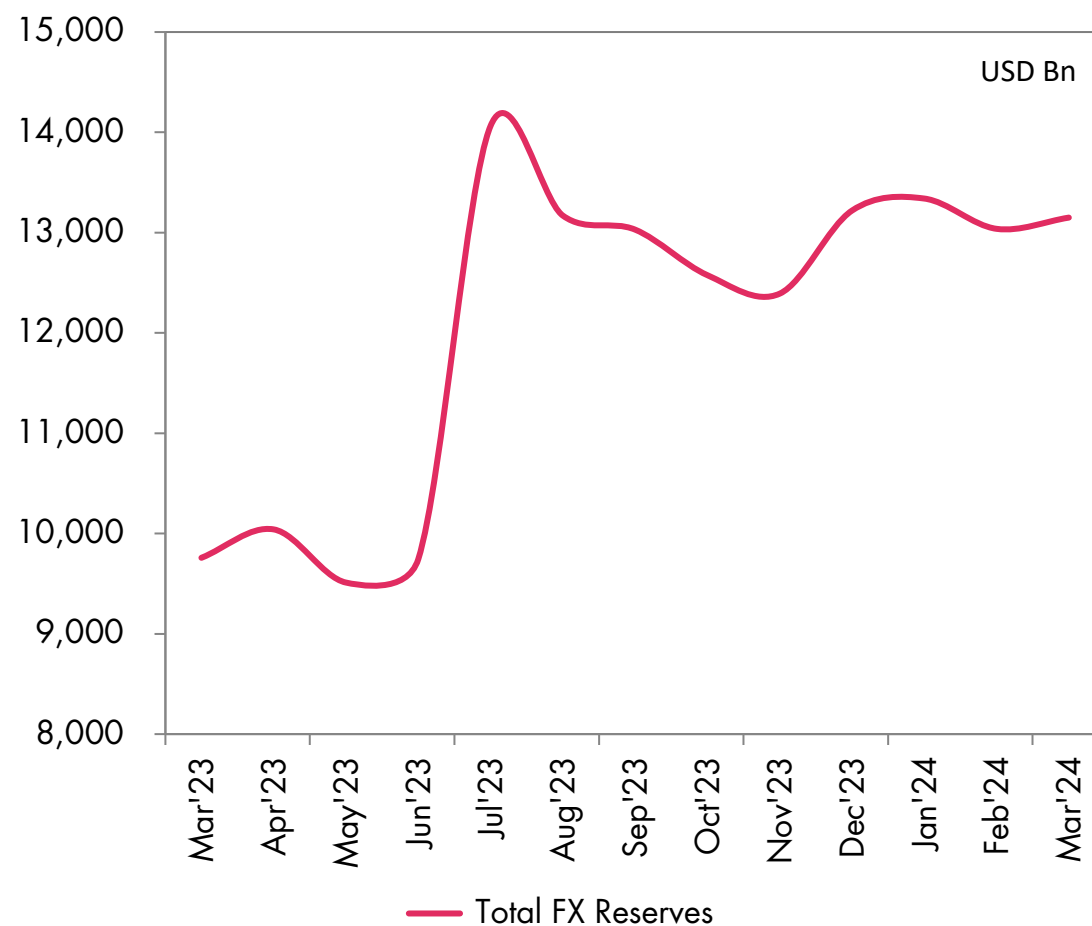
*Latest Number Available

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	2,398	2,250
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

Disclaimer

Analyst Certification: All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) named herein is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report.

Disclaimer

This information and opinion contained in this report have been compiled by our research department from sources believed by it to be reliable and in good faith, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. All opinions and estimates contained in the document constitute the department's judgment as of the date of this document and are subject to change without notice and are provided in good faith but without legal responsibility.

This report is not, and should not be construed as, an offer to sell or a solicitation of an offer to buy any securities. Next Capital Limited (the company) or persons connected with it may from time to time have an investment banking or other relationship, including but not limited to, the participation or investment in commercial banking transactions (including loans) with some or all of the issuers mentioned therein, either for their own account or the account of their customers. Persons connected with the company may provide or have provided corporate finance and other services to the issuer of the securities mentioned herein, including the issuance of options on securities mentioned herein or any related investment and may make a purchase and/or sale, or offer to make a purchase and/or sale of the securities or any related investment from time to time in the open market or otherwise, in each case either as principal or agent.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward looking statements. NCEL expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Exchange rate fluctuations may affect the return to investors. Neither the company or any of its affiliates, nor any other person, accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or the information contained therein.

Next Capital Limited, its respective affiliate companies, associates, directors and/or employees may have investments in securities or derivatives of securities of companies mentioned in this report, and may make investment decisions that are inconsistent with the views expressed in this report.