



# WEEKLY REVIEW

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PAKISTAN EQUITIES

March 29, 2024

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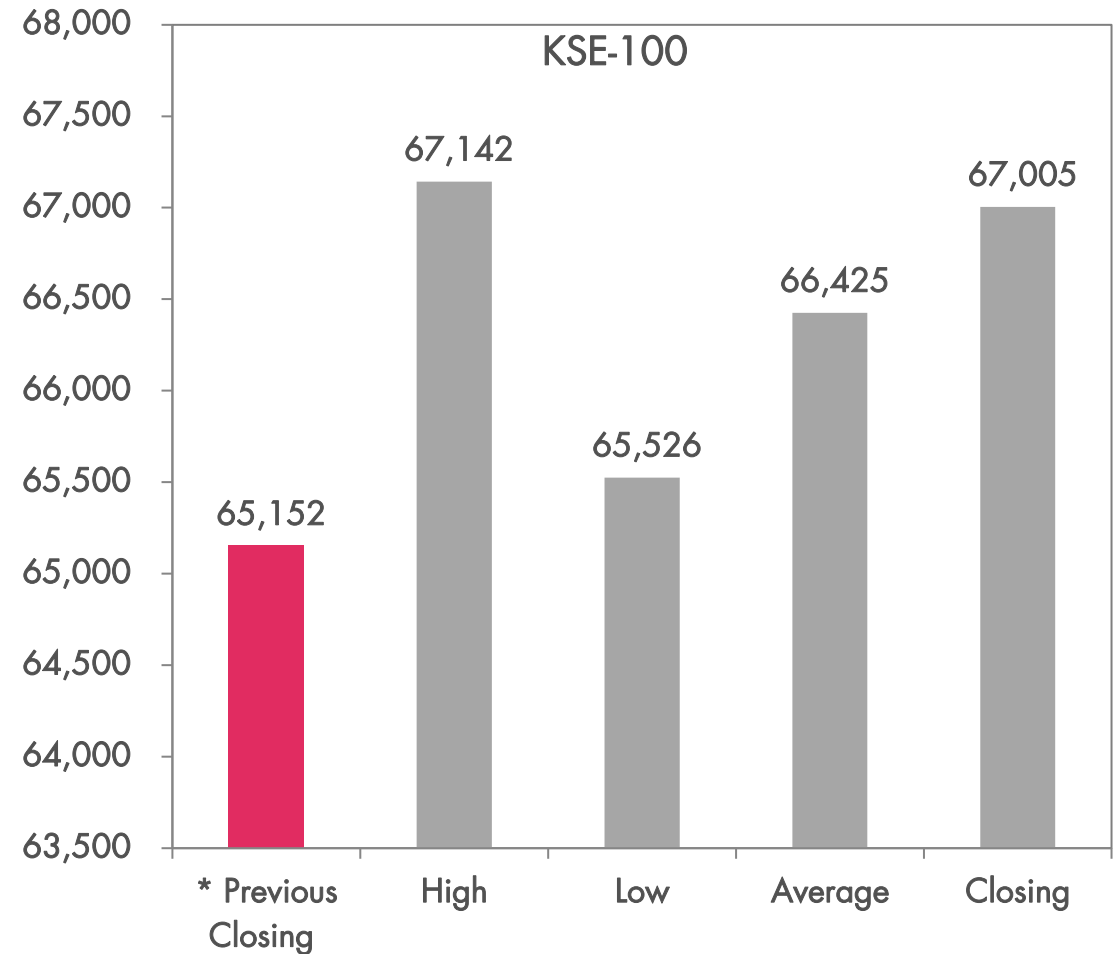
Research Entity Notification No.: REP-116

See last page for analyst certification and other important disclosures

# PSX Indices

KSE100 Gain 2.8% w/w

| PSX Indices | Level   | w/w  |
|-------------|---------|------|
| KSE-100     | 67,005  | 2.8% |
| KSE-30      | 22,021  | 2.7% |
| KSE-ALL     | 44,563  | 3.1% |
| KMI-30      | 112,364 | 2.9% |
| KMI-ALL     | 31,563  | 2.5% |
| OGTi        | 15,609  | 1.5% |
| BKTi        | 16,600  | 3.8% |

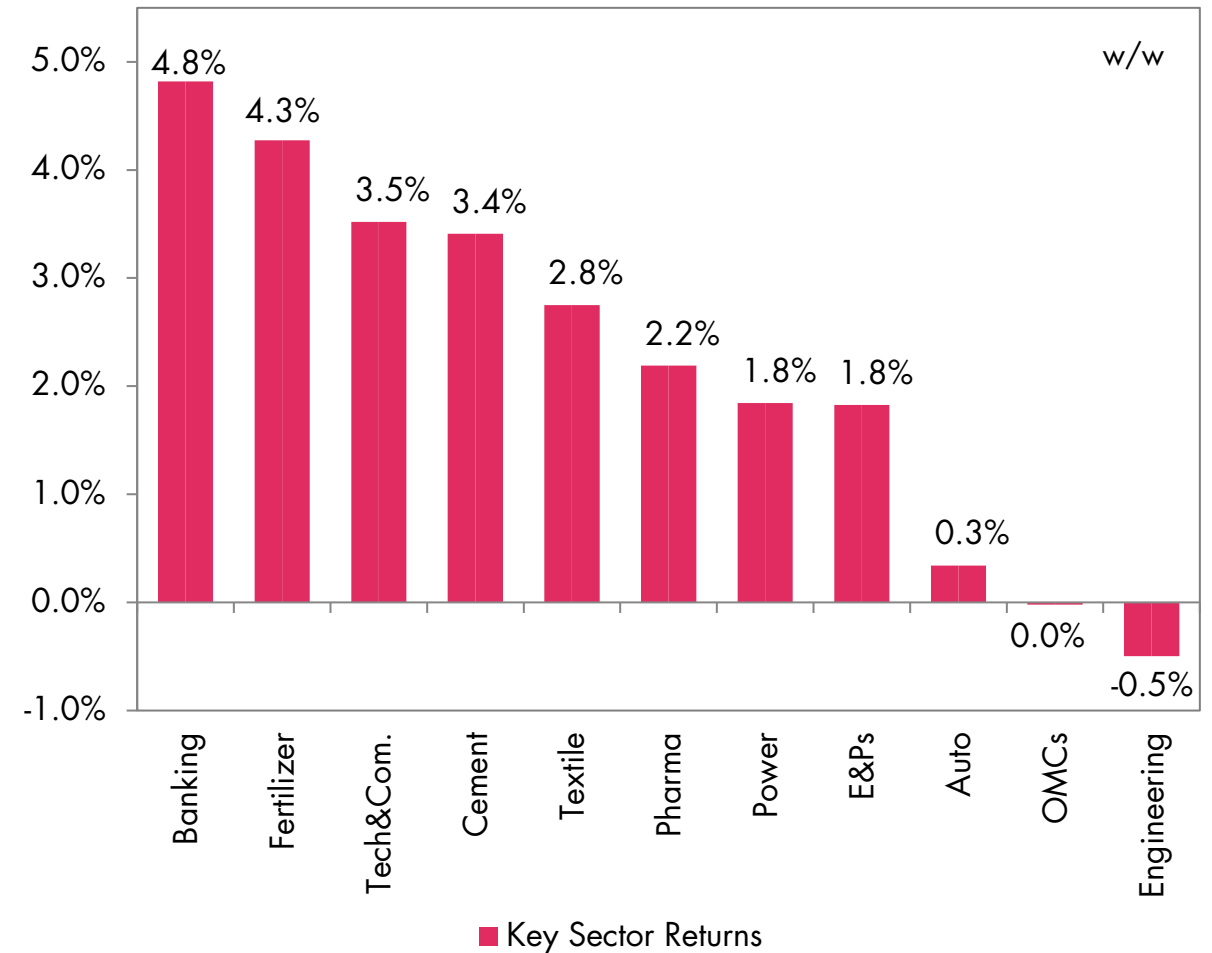
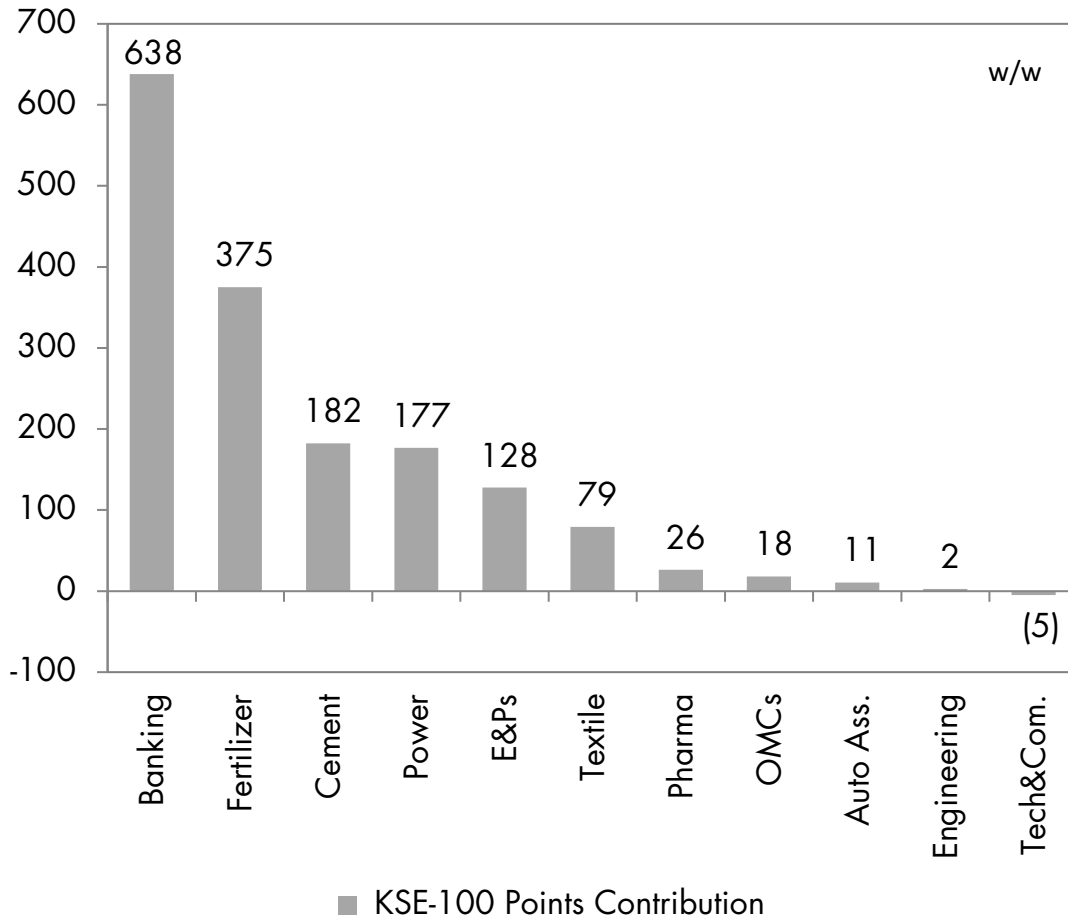


\* Last week closing

Source: PSX , Next Research

# Banking sector took 638 points to KSE100 Index

Engineering sector dropped 0.5% w/w



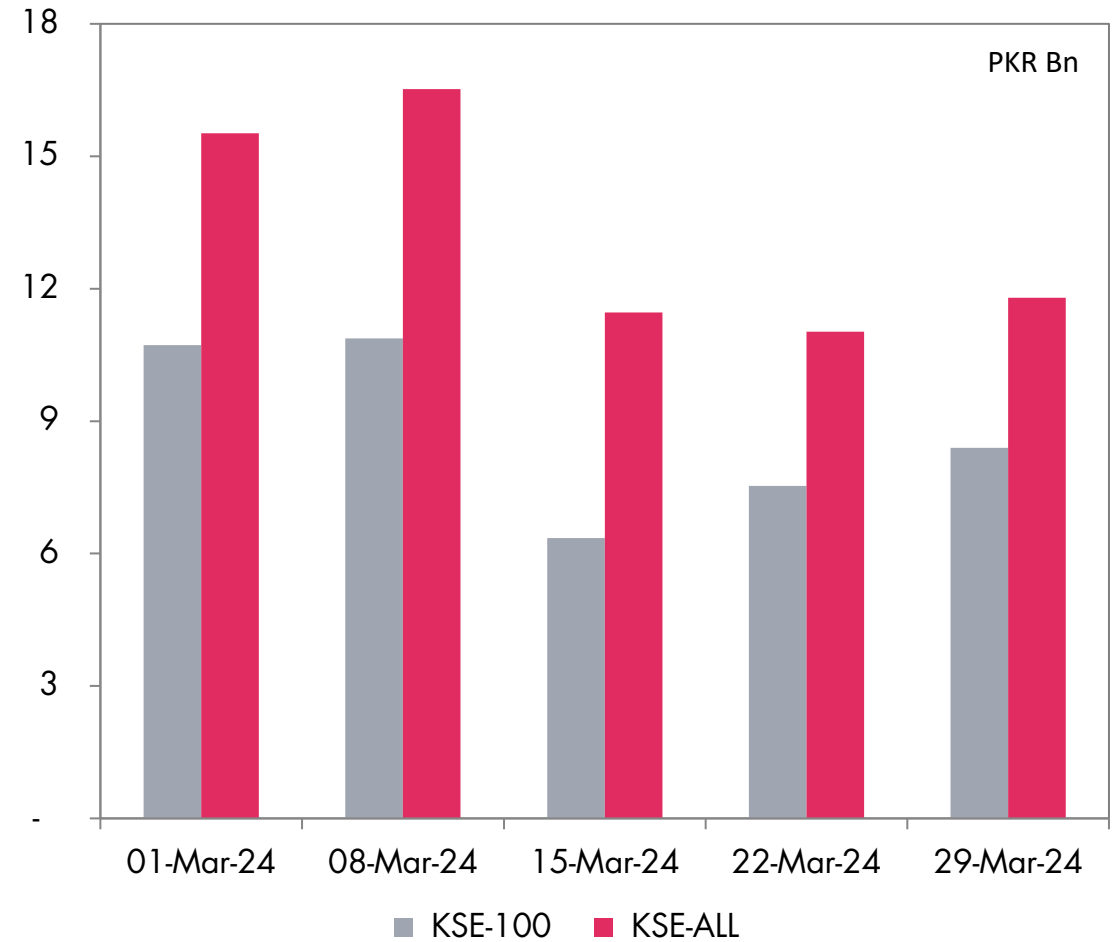
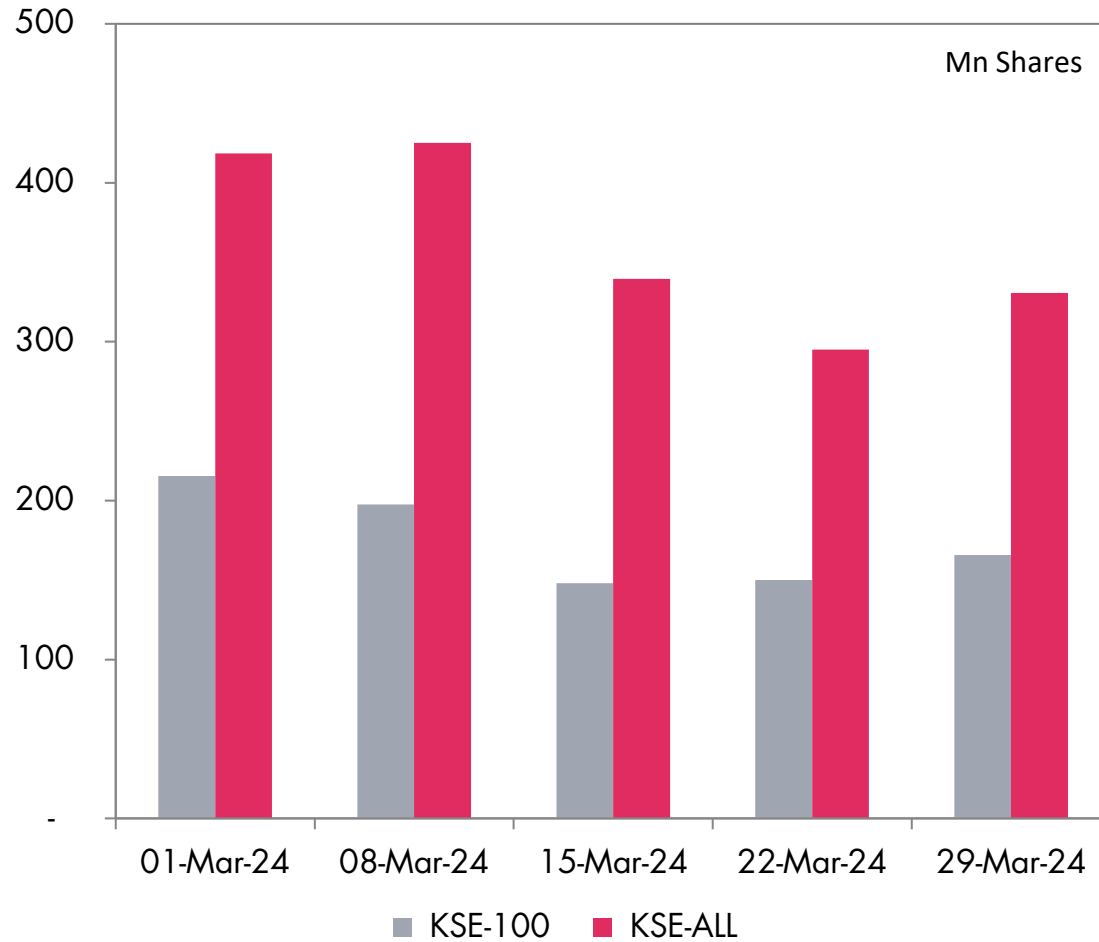
# Top 10 positive contributors added 681 points to KSE100 Index

Top 10 negative contributors took 161 points from KSE100 Index

| Top 10 Positive Contributors | Index Points | Top 10 Negative Contributors | Index Points |
|------------------------------|--------------|------------------------------|--------------|
| MEBL                         | 228.90       | SYS                          | (57.66)      |
| HUBC                         | 180.24       | BAFL                         | (25.49)      |
| ENGRO                        | 160.54       | SHEL                         | (13.27)      |
| FFC                          | 111.71       | TRG                          | (12.88)      |
| MCB                          | 108.85       | SRVI                         | (11.79)      |
| UBL                          | 93.94        | HBL                          | (10.45)      |
| BAHL                         | 86.46        | DAWH                         | (9.36)       |
| OGDC                         | 73.76        | CENERGY                      | (7.21)       |
| PTC                          | 66.98        | AICL                         | (6.68)       |
| HMB                          | 50.98        | APL                          | (6.55)       |

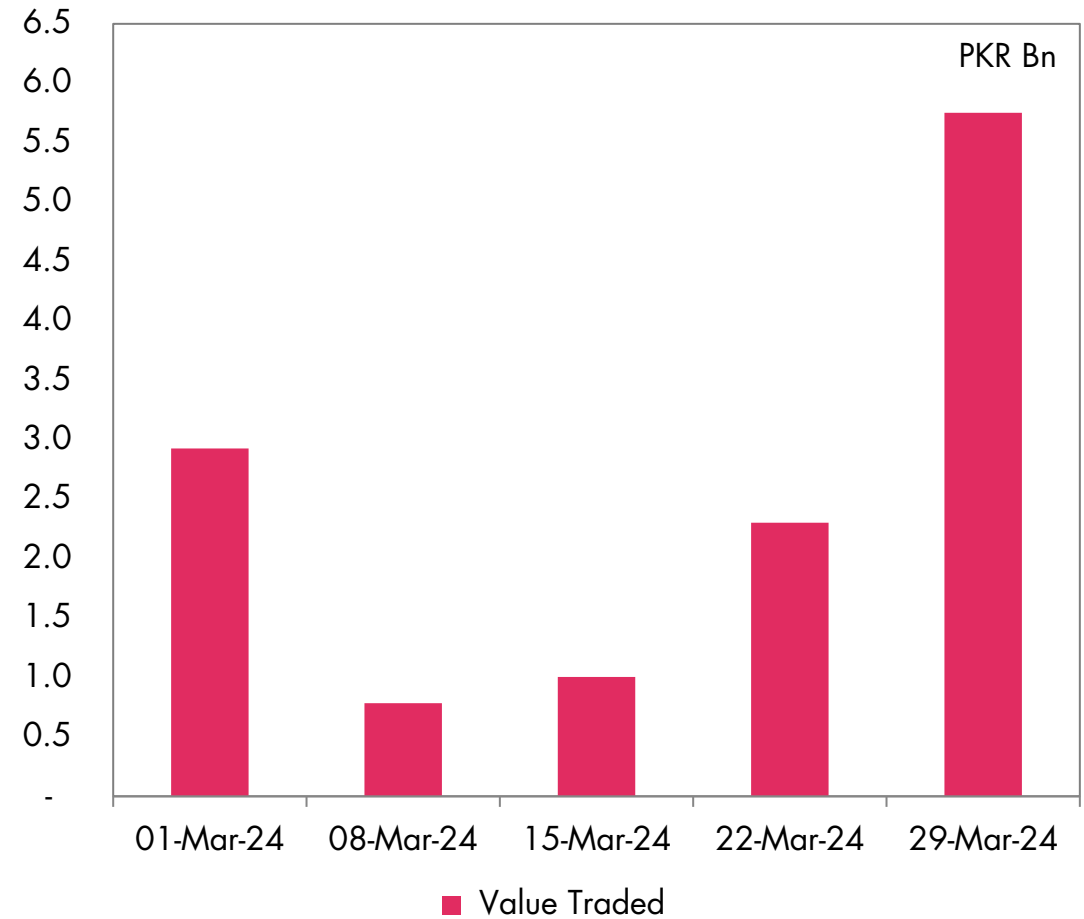
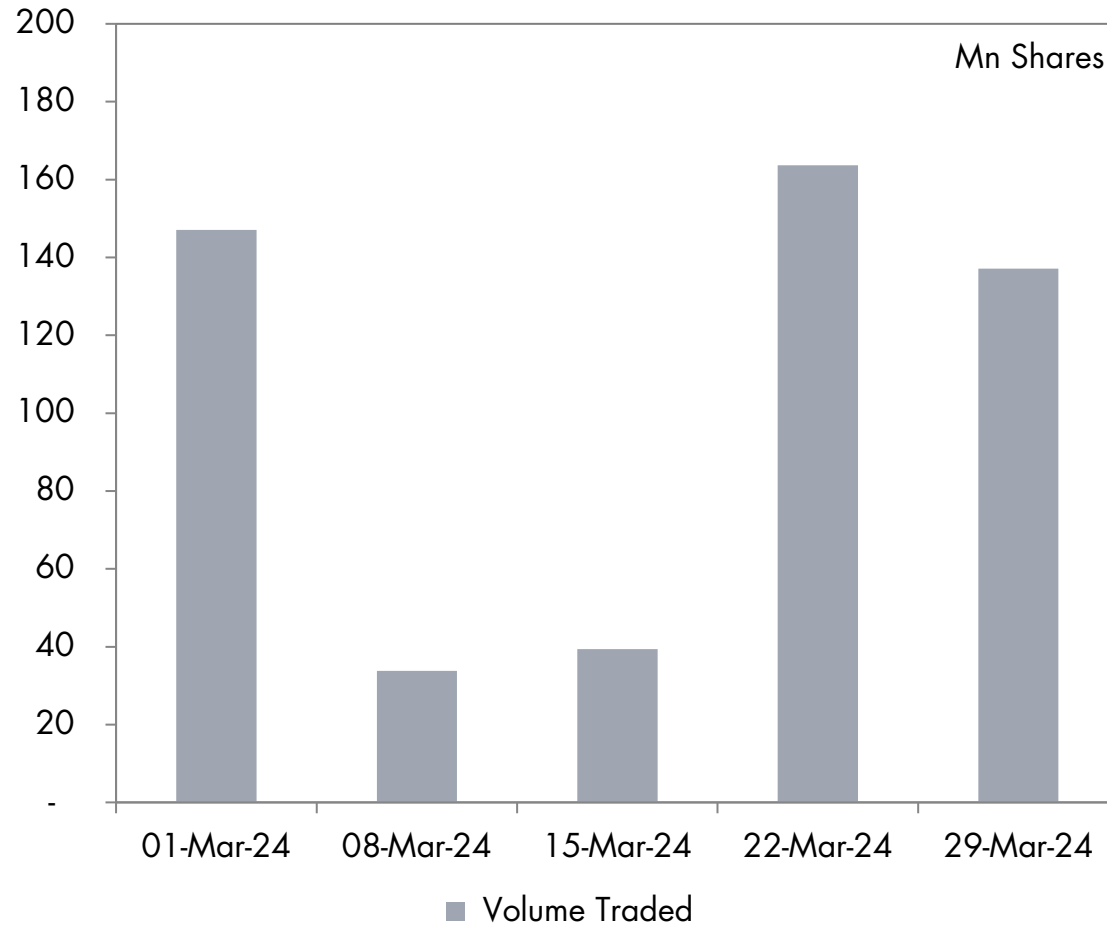
# Average volume increased 12% w/w

Average value traded increased 7% w/w



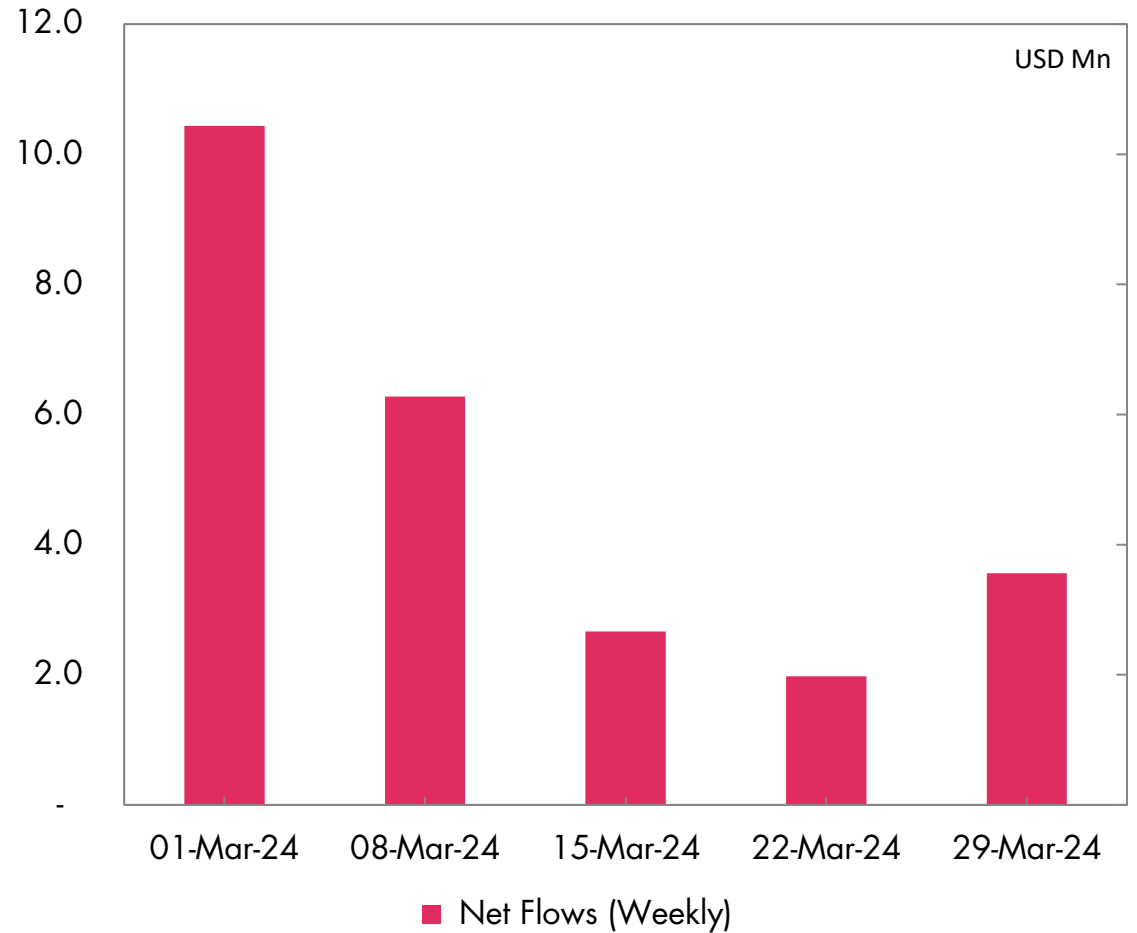
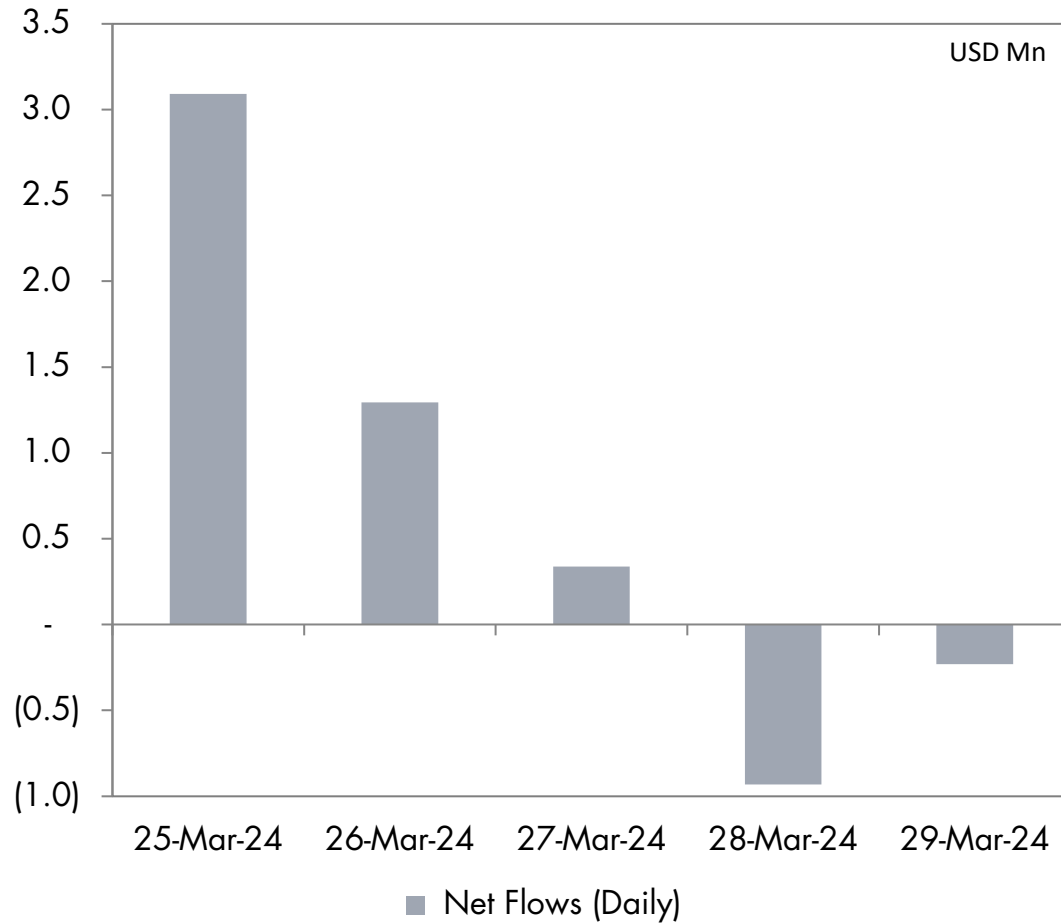
# Off-market volume was 137mn shares during the week

Off-market value traded was PKR 5.8bn during the week



# Foreigners were buying during the week

Foreign buying stood at USD 3.6mn 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          | 1.51        | (1.04)      | 2.33          | (2.62)        | (0.27)      | (0.64)      | 0.02          | 0.68        | 0.04          |
| Cement                     | 0.21        | (0.51)      | (0.12)        | (0.01)        | 0.20        | (0.22)      | 0.08          | 0.38        | (0.00)        |
| Commercial Banks           | 1.44        | 0.81        | (3.47)        | (6.22)        | 0.11        | 0.92        | (1.15)        | 7.55        | 0.01          |
| Fertilizer                 | (0.32)      | (0.30)      | (3.49)        | 0.52          | 0.22        | (0.07)      | (1.98)        | 5.38        | 0.04          |
| Consumers                  | 0.81        | (0.04)      | 0.09          | 0.30          | (0.48)      | (0.03)      | (0.04)        | (0.30)      | (0.30)        |
| Oil and Gas Exploration    | 0.68        | 2.38        | 0.82          | (0.29)        | 0.95        | 0.45        | (0.00)        | (5.04)      | 0.06          |
| Oil and Gas Marketing      | (0.03)      | (0.86)      | 0.70          | (0.06)        | 0.06        | 0.08        | 0.04          | 0.07        | (0.00)        |
| Power                      | (0.03)      | (0.15)      | (1.73)        | 0.12          | 0.43        | 0.98        | 0.08          | 0.32        | (0.01)        |
| Technology & Communication | (0.66)      | 0.22        | (0.39)        | 0.23          | (0.04)      | 0.67        | (0.07)        | 0.05        | 0.00          |
| Textile Composite          | (0.06)      | (0.17)      | 0.04          | 0.08          | 0.18        | (0.03)      | 0.01          | (0.05)      | 0.00          |
| <b>Total</b>               | <b>3.56</b> | <b>0.29</b> | <b>(5.22)</b> | <b>(7.57)</b> | <b>1.01</b> | <b>2.10</b> | <b>(3.02)</b> | <b>9.03</b> | <b>(0.17)</b> |

Source: NCCPL , Next Research



## Pakistan to discuss Extended Fund Facility with IMF next month

- **Pakistan to discuss Extended Fund Facility with IMF next month, says finance minister (Dawn):** Finance Minister Muhammad Aurangzeb said on Friday that the matter of an Extended Fund Facility (EFF) with the International Monetary Fund (IMF) will be discussed in Washington next month as the country looks to alleviate a full-scale economic crisis.
- **IMF board yet to fix date to consider SBA review for release of \$1.1bn (The News):** The International Monetary Fund (IMF)'s executive board has not yet fixed any date for considering the completion of second review and release of the third tranche of \$1.1 billion under the Standby Arrangement (SBA) programme.
- **IMF-WB meetings in April; Talks on privatisation likely (BR):** Privatisation may come under discussion between the Pakistani economic team and the International Monetary Fund (IMF) on the sideline of the IMF-World Bank spring meetings scheduled for 15th to 20th April. Spokesperson of Privatisation Commission told Business Recorder that it held no discussions with the IMF during the second review of Stand-By Arrangement (SBA) from March 14 to 19, 2024.
- **Pakistan's GDP grows 1% in 2QFY24 (Mettis):** Pakistan's Gross Domestic Product (GDP) has shown a nominal growth of 1.00% in 2QFY24 as compared to the revised growth of 2.5% in the previous quarter, estimates released by the Pakistan Bureau of Statistics (PBS) showed on Thursday. The GDP growth rate came in lower than expectations of around 2-3%.
- **CCP set to strengthen ties with China's SAMR (Nation):** The Competition Commission of Pakistan (CCP) is poised to sign a Memorandum of Understanding (MoU) with China's State Administration for Market Regulation (SAMR), marking a significant milestone in bilateral cooperation. China has made significant investments in Pakistan through the China-Pakistan Economic Corridor (CPEC) and various Chinese companies operating in the country.
- **WB approves \$149.7m projects for flood-hit areas (The News):** The World Bank (WB) has approved two projects of \$149.7 million for flood affected areas of Pakistan. According to WB's announcement, the Bank's Board of Executive Directors approved to support two projects for Pakistan.
- **Pakistan, IDB finalise \$200m loan agreement (ET):** Pakistan and the Islamic Development Bank (IDB) have finalised a \$200 million loan agreement during a visit by an IDB delegation to Pakistan.
- **\$300m Panda bonds planned (ET):** Federal Finance Minister Muhammad Aurangzeb announced on Friday that Pakistan will introduce Panda bonds worth \$300 million into the Chinese market this year.
- **SBP-held foreign exchange reserves gain \$4mn, now stand at \$8.022bn (BR):** Foreign exchange reserves held by the State Bank of Pakistan (SBP) increased marginally by \$4 million on a weekly basis, clocking in at \$8.022 billion as of March 22, data released on Thursday showed. Total liquid foreign reserves held by the country stood at \$13.428 billion. Net foreign reserves held by commercial banks stood at \$5.406 billion. (BR)
- **Tax collection gap stands at whopping Rs5.8tr in Pakistan (The News):** Pakistan faces a whopping tax-evasion (tax compliance gap) of around Rs5.8 trillion annually, making 6.9 percent of GDP.
- **Carbon tax under consideration for next budget (The News):** The government is contemplating upon different options for imposing Carbon Tax in the next budget in a bid to reduce the demand for carbon emitting fossil fuels. Instead of accepting the IMF demand for imposing 18 percent General Sales Tax (GST) on POL products on top of the Petroleum Development Levy (PDL), Pakistani authorities have floated the idea of slapping Carbon Levy in the upcoming budget 2024-25 for reducing the demand for POL products and other carbon emitting goods.
- **US 'doesn't support' Pakistan-Iran gas pipeline (Dawn):** The US said on Tuesday it does not support a Pakistan-Iran gas pipeline project from going forward and cautioned about the risk of sanctions in doing business with Tehran.
- **Govt to offer OGDCL shares to Gulf investors (ET):** Pakistan's government is expected to ask friendly nations to invest in the country's largest hydrocarbon explorer – Oil and Gas Development Company Limited (OGDCL) – in order to fetch a better price for the company.
- **Refineries set to resume fuel oil export after local demand wanes (The News):** The refining sector is set to resume exporting furnace oil as one of the refineries recently received approval from the Oil & Gas Regulatory Authority (OGRA) to export 25,000 tonnes of High Sulphur Furnace Oil (HSFO), industry officials said. The permission, detailed in an OGRA letter, comes after Cnergyico Pk Limited (CPL) requested to export fuel oil, with the shipment expected by April 5, 2024.
- **PIA privatisation plan okayed by newly-formed board (The News):** The privatisation and restructuring plan of Pakistan International Airlines (PIA) on Tuesday was approved by its recently constituted board of directors. The 83rd meeting of the PIA's board of directors was held on Tuesday (March 25) during which the scheme of arrangement for the airline's privatisation and restructuring was approved, as per the official announcement.
- **Private sector borrowings decline by 70pc (Dawn):** Bank advances to the private sector plunged over 70 per cent in more than eight months of the current fiscal year indicating the lowest private sector participation for a troubled economy.
- **Tobacco industry: IMF recommends uniform tax structure (BR):** The International Monetary Fund (IMF) has recommended implementation of a uniform tax structure on the tobacco industry to increase revenue.

# Commodities

WTI increase 3% WoW

| Commodity     | Unit  | 08-Mar-24 | 15-Mar-24 | 22-Mar-24 | 29-Mar-24 |
|---------------|-------|-----------|-----------|-----------|-----------|
| WTI           | bbl   | 78.93     | 81.26     | 81.07     | 83.17     |
| Brent         | bbl   | 82.96     | 85.42     | 85.24     | 87.00     |
| Arab Light    | bbl   | 83.50     | 85.21     | 86.38     | 87.96     |
| Coal          | MT    | 99.75     | 99.00     | 98.50     | 98.30     |
| Natural Gas   | mmbtu | 1.82      | 1.74      | 1.69      | 1.75      |
| Polypropylene | MT    | 0.56      | 0.57      | 0.57      | 0.57      |
| Ethanol       | MT    | 2.16      | 2.16      | 2.16      | 2.16      |
| Urea          | MT    | 366.50    | 365.00    | 365.00    | 632.00    |
| DAP           | MT    | 625.00    | 630.00    | 632.50    | 626.50    |

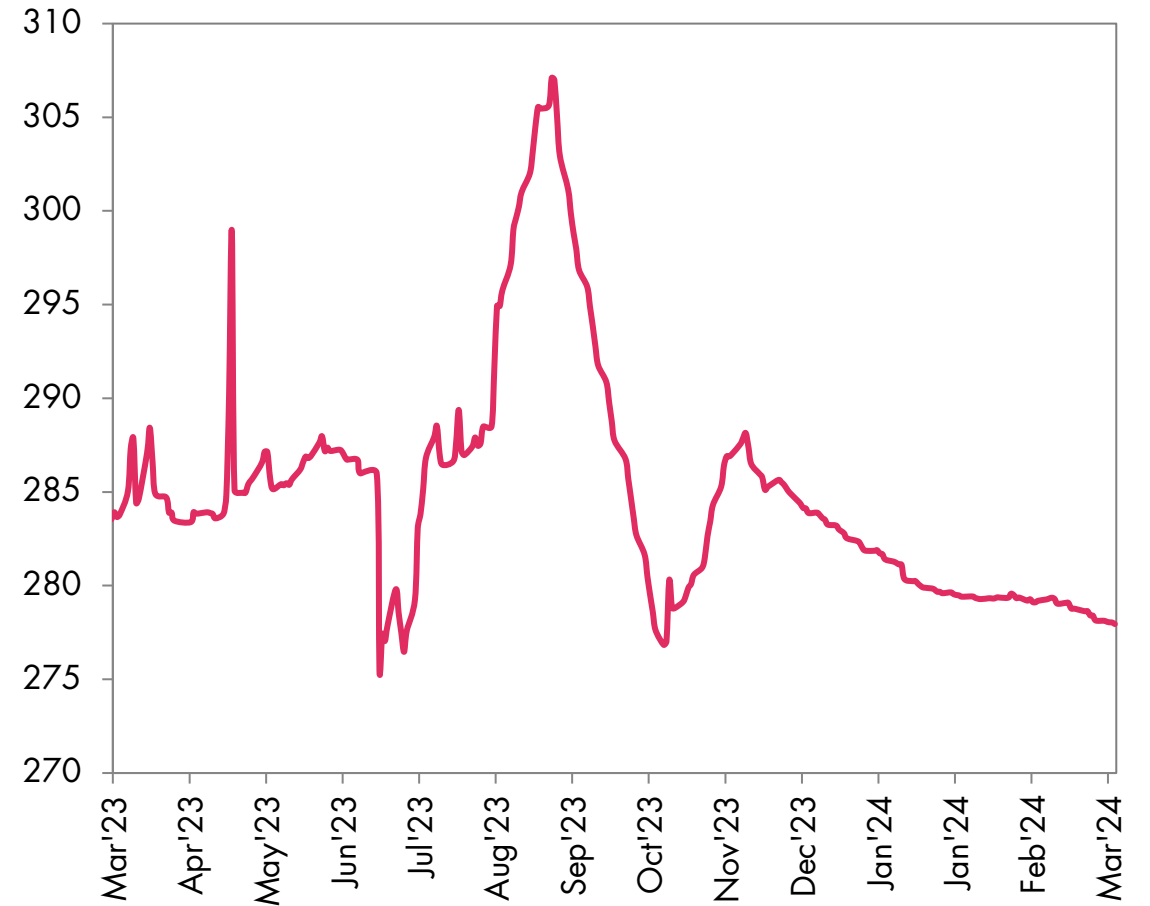
| Commodity       | Unit  | 08-Mar-24 | 15-Mar-24 | 22-Mar-24 | 29-Mar-24 |
|-----------------|-------|-----------|-----------|-----------|-----------|
| Cotton          | lb    | 99.28     | 93.48     | 92.21     | 91.38     |
| Gold            | Ounce | 2165.20   | 2,167.50  | 2,184.70  | 2,238.40  |
| Silver          | Ounce | 24.58     | 25.06     | 25.01     | 24.92     |
| Copper          | lb    | 3.93      | 4.05      | 4.06      | 4.01      |
| Iron Ore        | MT    | 994.00    | 833.00    | 852.00    | 816.50    |
| Steel Scrap LME | MT    | 397.00    | 381.50    | 382.50    | 382.06    |
| Steel Rebar LME | MT    | 577.00    | 574.00    | 583.00    | 589.00    |
| Rubber          | KG    | 159.90    | 168.20    | 169.90    | 164.30    |

Source: Bloomberg, Mettis, other websites, Next Research

# Currencies

## PKR appreciated against USD (Interbank)

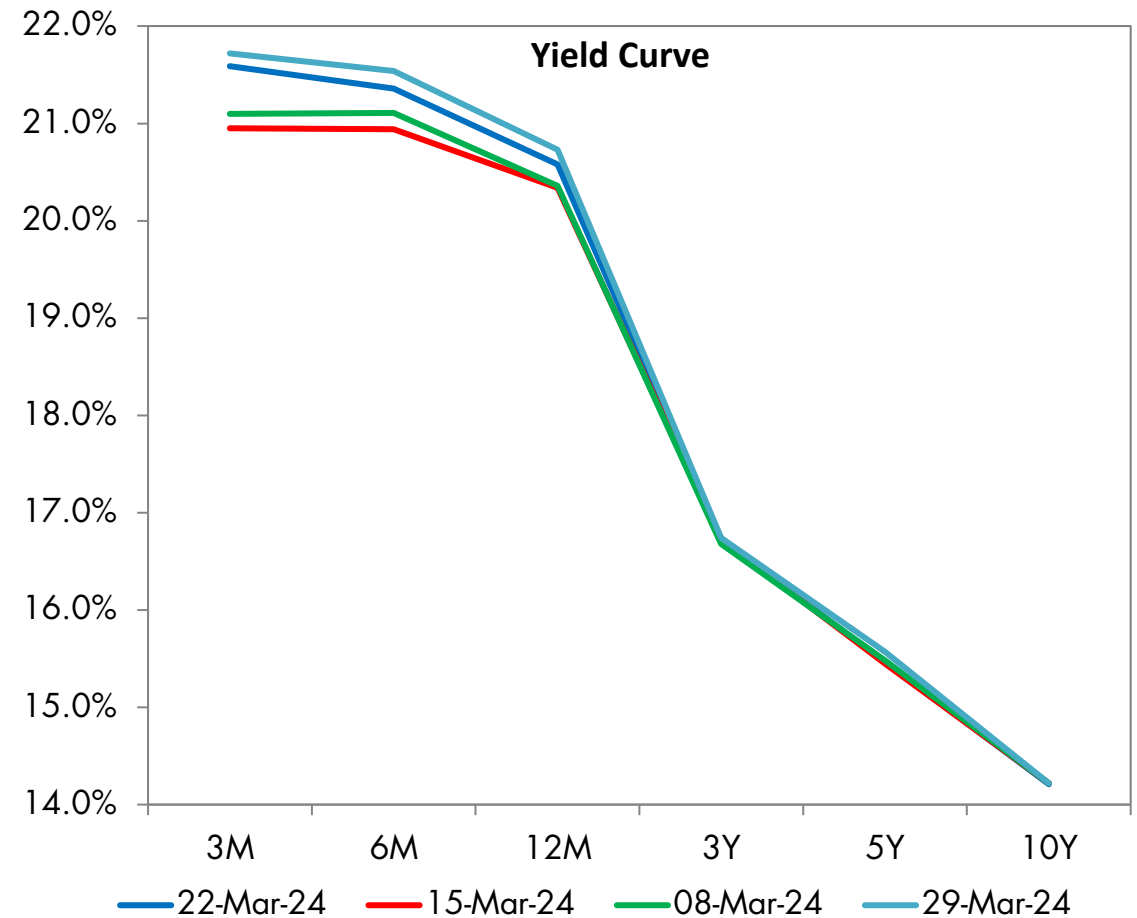
| Currency  | 01-Mar-24 | 08-Mar-24 | 15-Mar-24 | 22-Mar-24 | 29-Mar-24 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| PKR / USD | 279.19    | 279.04    | 278.74    | 278.14    | 277.95    |
| PKR / EUR | 302.06    | 305.20    | 303.33    | 301.03    | 299.56    |
| PKR / GBP | 352.87    | 357.68    | 355.17    | 350.65    | 350.87    |
| PKR / JPY | 1.85      | 1.89      | 1.88      | 1.84      | 1.84      |
| PKR / CAD | 205.49    | 207.67    | 205.91    | 204.91    | 205.13    |
| PKR / AUD | 181.48    | 185.17    | 183.13    | 181.24    | 180.89    |



# 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%  | 15.3%  | 13.2%   |
| CIC – Growth YoY                  | 9.9%   | 8.3%   | 5.4%   | 5.3%    |
| NDA – Banking Growth YoY          | 17.5%  | 12.0%  | 12.4%  | 10.1%   |
| NFA – Banking Growth YoY          | 11.7%  | -17.8% | -17.0% | -21.4%  |
| Private Sector Credit Growth YoY  | 0.1%   | -1.8%  | 0.4%   | -0.5%   |
| Govt. Borrowing W/ SBP Growth YoY | -37.4% | -26.9% | -22.0% | -17.4%  |



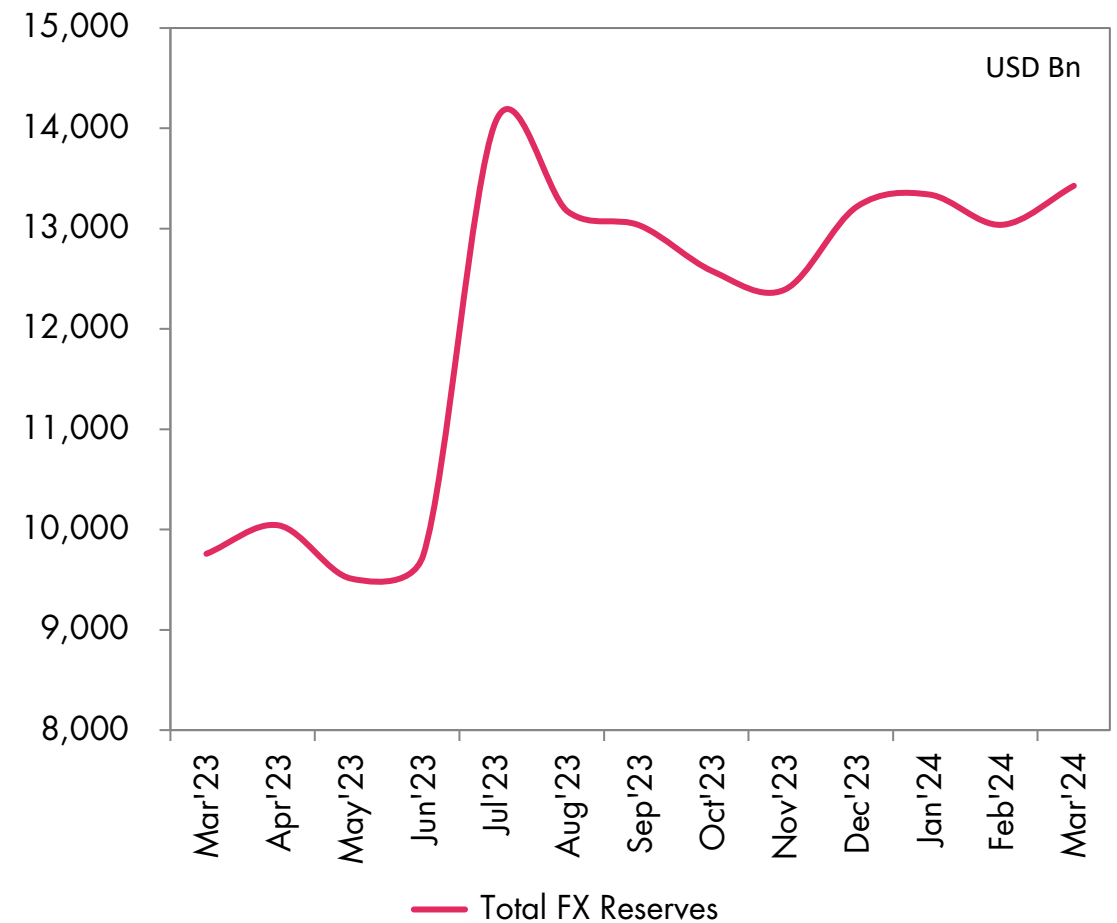
\*Latest Number Available

Source: SBP, PBS, Next Research

# Economic Indicators

## External account

| USD Million               | Nov-23  | Dec-23  | Jan-24  | Feb-24  |
|---------------------------|---------|---------|---------|---------|
| Current Account           | (15)    | 404     | (303)   | 128     |
| Financial Account         | (361)   | 1,222   | (119)   | (235)   |
| Balance of Payment        | (540)   | 1,479   | (641)   | (158)   |
| FDI                       | 131     | 211     | (173)   | 131     |
| Remittances               | 2,259   | 2,382   | 2,398   | 2,250   |
| Commodities Exports – SBP | 2,724   | 2,795   | 2,697   | 2,556   |
| Commodities Imports – SBP | 4,442   | 4,101   | 4,554   | 4,275   |
| Trade Balance – SBP       | (1,718) | (1,306) | (1,857) | (1,719) |
| Exports – PBS             | 2,573   | 2,822   | 2,792   | 2,583   |
| Imports – PBS             | 4,539   | 4,650   | 4,771   | 4,326   |
| Trade Balance – PBS       | (1,966) | (1,828) | (1,979) | (1,743) |



Source: SBP, PBS, Next Research

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# Annexure

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