2023

WEEKLY NEWSLETTER

by The Zeal

30 October, 2023 – 03 November, 2023

The Zeal

MORE INFO :
www.thzeal.com
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Inside This Issue

KSE-100 INDEX Weekly Performance Review:

The Pakistan equity market showcased impressive resilience, with a robust increase of 2179.20 points, concluding at 53,123.04 points. This spirited performance can be traced back to the country securing a $3 billion Stand-By Arrangement (SBA) from the IMF towards the end of FY23, averting a potential fiscal crisis. The initial disbursement of $1.2 billion under the SBA in July 2023, along with an additional $3 billion in bilateral inflows from Arab nations, provided a substantial boost to the country's dwindling foreign reserves. Consequently, the KSE-100 has seen remarkable gains, climbing 11,670 points or 28.15% during the fiscal year, with the ongoing calendar year witnessing an aggregate increase of 12,703 points, equivalent to 31.43% in the KSE-100.

Recently, the International Monetary Fund (IMF) review mission commended the Pakistani government's commitment to meeting the fund's targets for the first quarter of the fiscal year 2023-24, bolstering investor confidence in a favorable IMF review that could lead to a $700 million installment. Additionally, government-backed administrative measures have propelled the Pakistani Rupee (PKR) to a complete recovery of year-to-date losses against the USD and a significant strengthening to 284 per USD. This positive momentum is further reinforced by strong corporate earnings for the quarter, alongside the market's anticipation of interest rates and inflation having peaked.

Commercial Banks, Power Generation & Distribution, Pharmaceuticals, Oil & Gas Exploration Companies, and Food & Personal Care Products provided substantial support to the KSE-100 index, triggering a notable upward surge that carried the index from 50,971.84 to 53,263.07 points, a vivid reflection of the positive momentum in play. Despite some fluctuations, the week concluded with the index settling at 53,123.04 points.

PSX All Indices – Weekly Performance (%Change)

	Karachi 100	Karachi All Share	Karachi 30	Karachi Meezan 30	KMI All Shares	PSX Dividend 20
%Chg	4.35%	4.57%	1.87%	5.06%	5.00%	6.31%

Karachi 100 Technical Analysis:

The KSE-100 Index is currently in the midst of a remarkable uptrend, building on its prior bullish thrust and comfortably hovering above its 50-day moving average. As we set our sights on the forthcoming week, it appears to be in a highly advantageous position to capitalize on the bullish momentum it diligently cultivated in the preceding week. If the index continues along its present upward path, it has already ventured close to the potential targets, which promise peaks within the substantial range of 51,700 to 53,000 points. Conversely, breaching the pivotal support range nestled between 45,200 and 44,700 points might potentially unlock doors to targets at 43,400 and 41,600 points.

At this very moment, the Relative Strength Index (RSI) confidently rests at 88, signifying an equilibrium in the market. In the meantime, the Moving Average Convergence Divergence (MACD) steadfastly maintains its stance in conveying a predominating bearish sentiment for the forthcoming week. These technical indicators act as invaluable compasses for investors, aiding their navigation of the market terrain in the upcoming days.

Technical Indicators:

Name	Value	Action
RSI(14)	76.78	Overbought
STOCH(9,6)	91.704	Overbought
STOCHRSI(14)	100	Overbought
MACD(12,26)	2053.85	Buy
ADX(14)	56.099	Buy
Williams %R	-0.202	Overbought
CCI(14)	198.2509	Buy
ATR(14)	1477.5628	Less Volatility

Moving Averages:

Period	Simple	Exponential
MA5	50362.17	50608.16
	Buy	Buy
MA10	48155.95	49144.72
	Buy	Buy
MA20	46919.92	47254.45
	Buy	Buy
MA50	43379.89	44872.37
	Buy	Buy
MA100	43293.04	43629.51
	Buy	Buy
MA200	42683.52	43066.8
	Buy	Buy

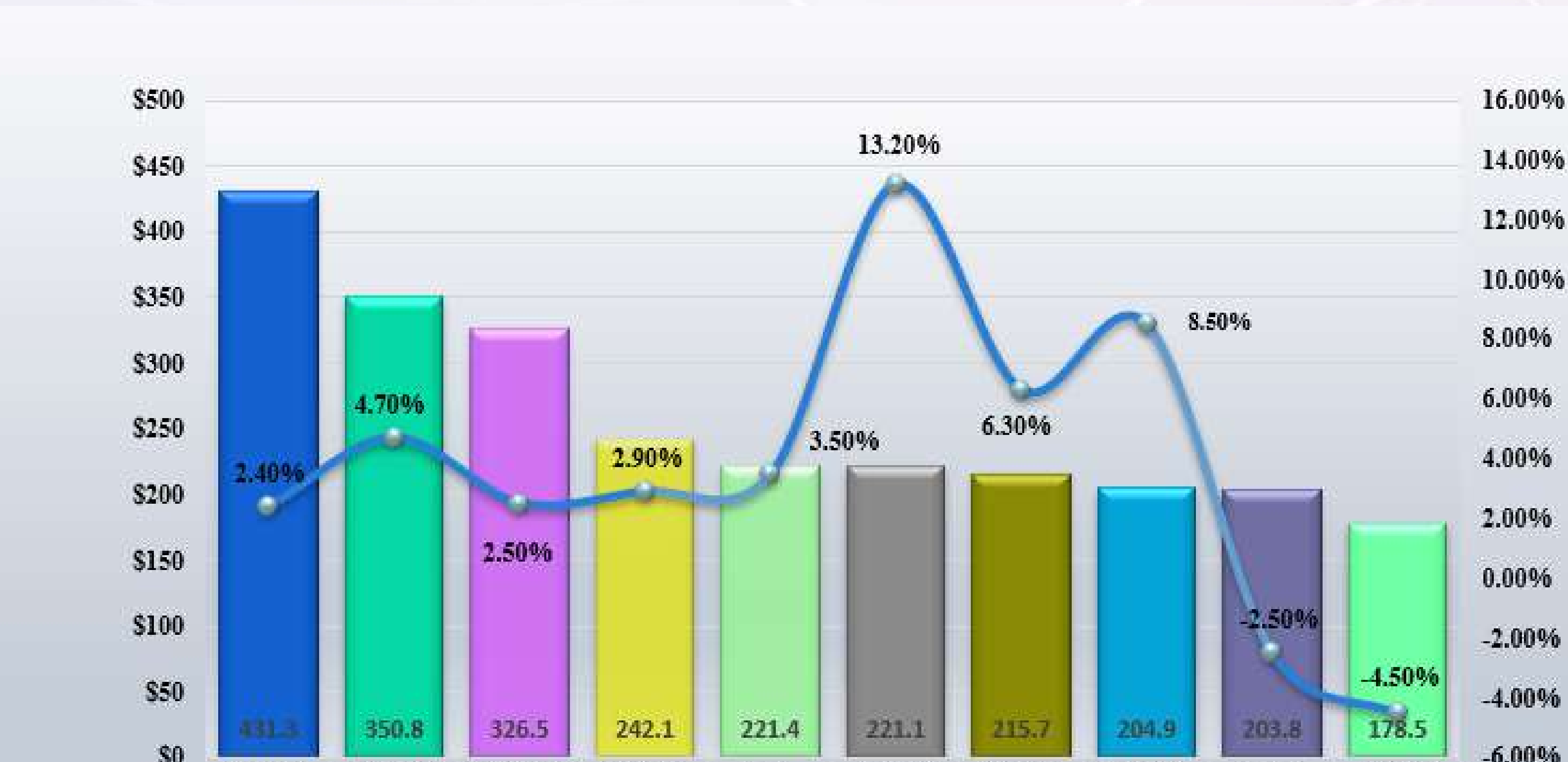
Pivot points of KSE-100:

Name	S3	S2	S1	Pivot Points	R1	R2	R3
Classic	49652.02	50138.2	50548.32	51034.5	51444.62	51930.8	52340.92
Fibonacci	50138.2	50480.59	50692.11	51034.5	51376.89	51588.41	51930.8
Camarilla	50711.97	50794.13	50876.29	51034.5	51040.61	51122.77	51204.93
Woodie's	49614	50119.19	50510.3	51015.49	51406.6	51911.79	52302.9
DeMark's	-	-	50791.42	51156.05	51687.72	-	-

PAK Market Sector Analysis - P/E ratio & Weekly return (Times x & % Chg.)

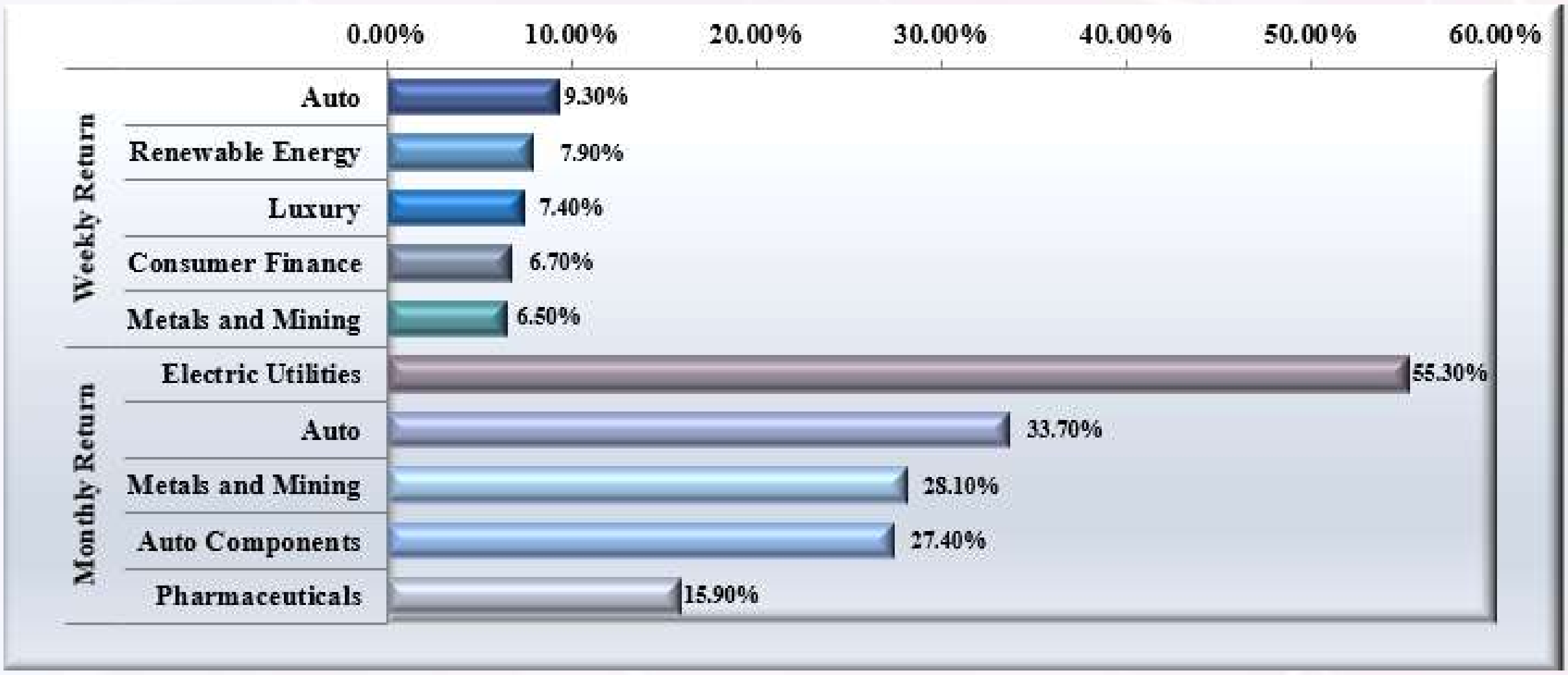
	C. Disc.	Utilities	Materials	C. Staples	Energy	Telecom	Financials	Real Estate	Healthcare	Industrials	Tech
P/E ratio (Times x)	7.5	5.2	5.3	12.9	2.4	-5.4	2.9	2.5	18.5	9.9	12.9
Weekly Return %	6.99%	4.56%	3.61%	2.05%	1.84%	1.80%	1.30%	1.28%	-0.43%	-2.03%	-2.23%

PAK Market Top 10 Market Cap Companies & Weekly return (PKR Bil. & %Chg)

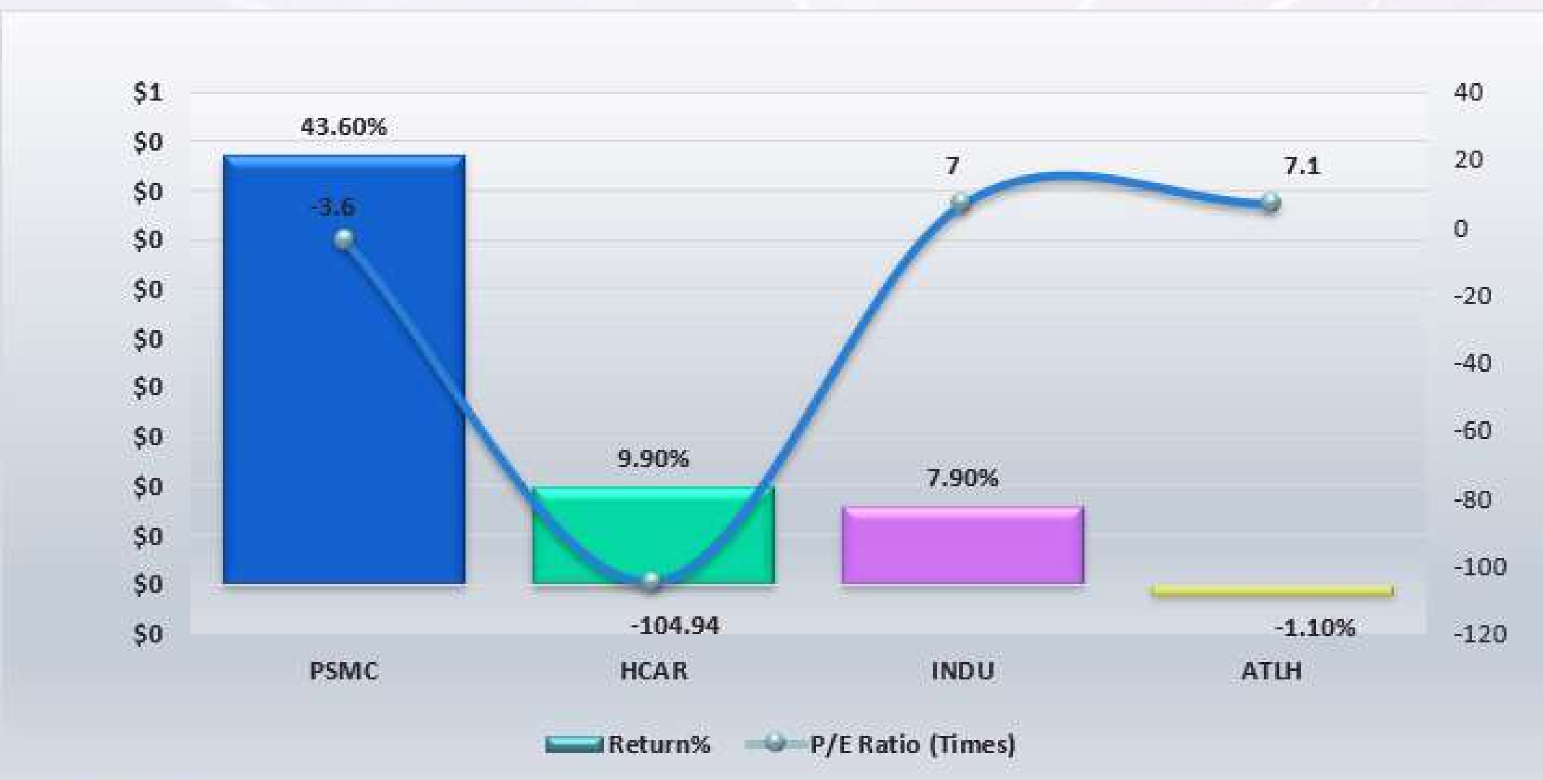


	OGDC	COLG	NESTLE	MEBL	PPL	PAKT	MARI	LUCK	UBL	MCB
Market Cap.	431.3	350.8	326.5	242.1	221.4	221.1	215.7	204.9	203.8	178.5
% Return Chg	2.40%	4.70%	2.50%	2.90%	3.50%	13.20%	6.30%	8.50%	-2.50%	-4.50%

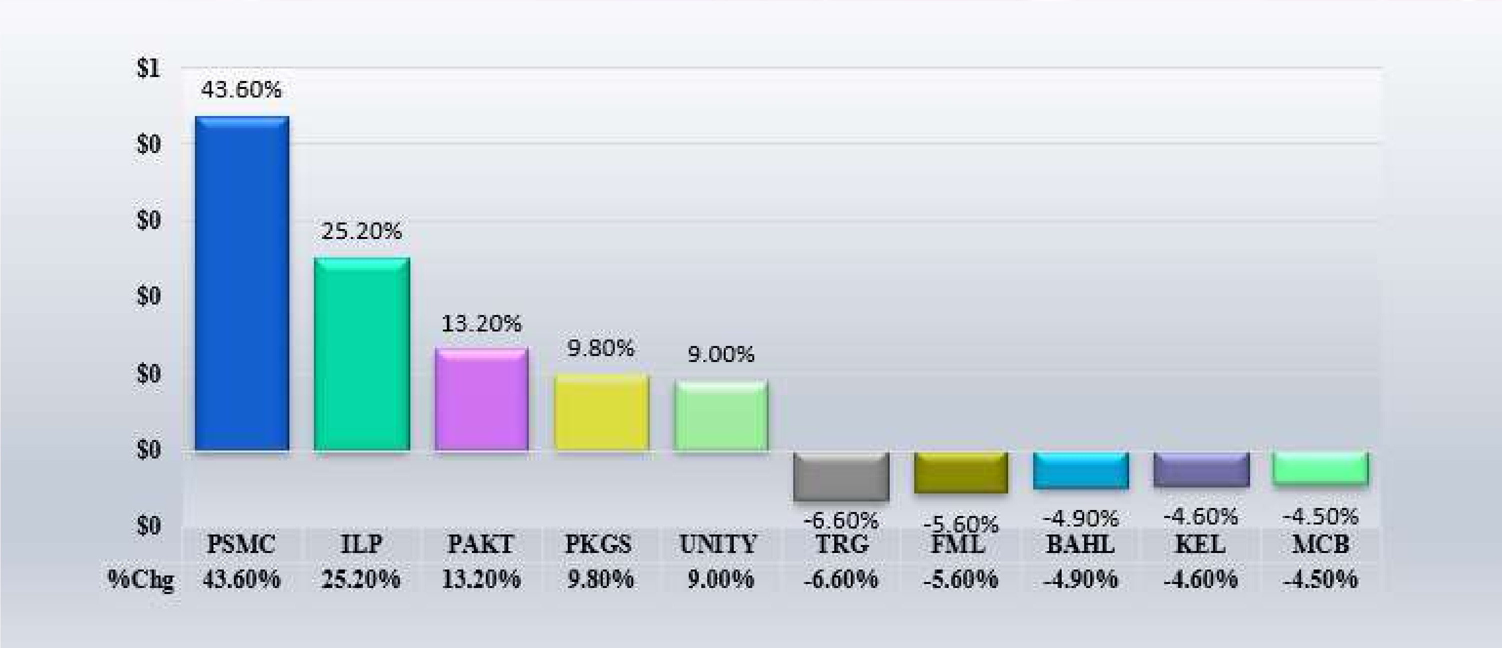
PSX Industries - Weekly and Monthly Returns:



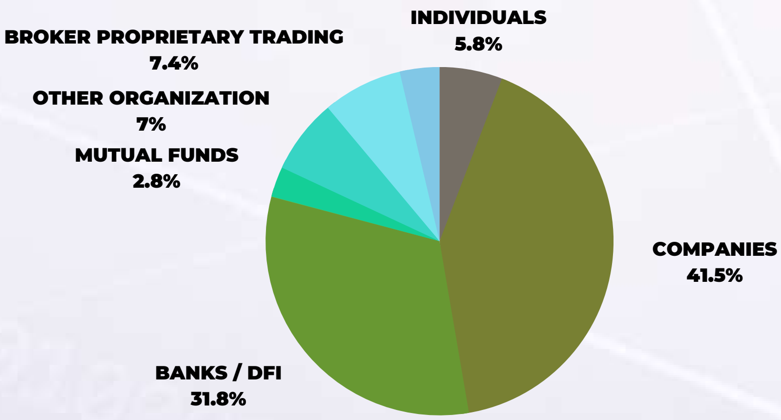
PSX Top industry: Gainers & Losers - P/E Ratio Analysis (Return%, P/E) Times)



PSX Gainers & Losers of the Week:(% Change in Price)



LIPI Net Buy / (Sell) - PKR



LIPI Analysis:

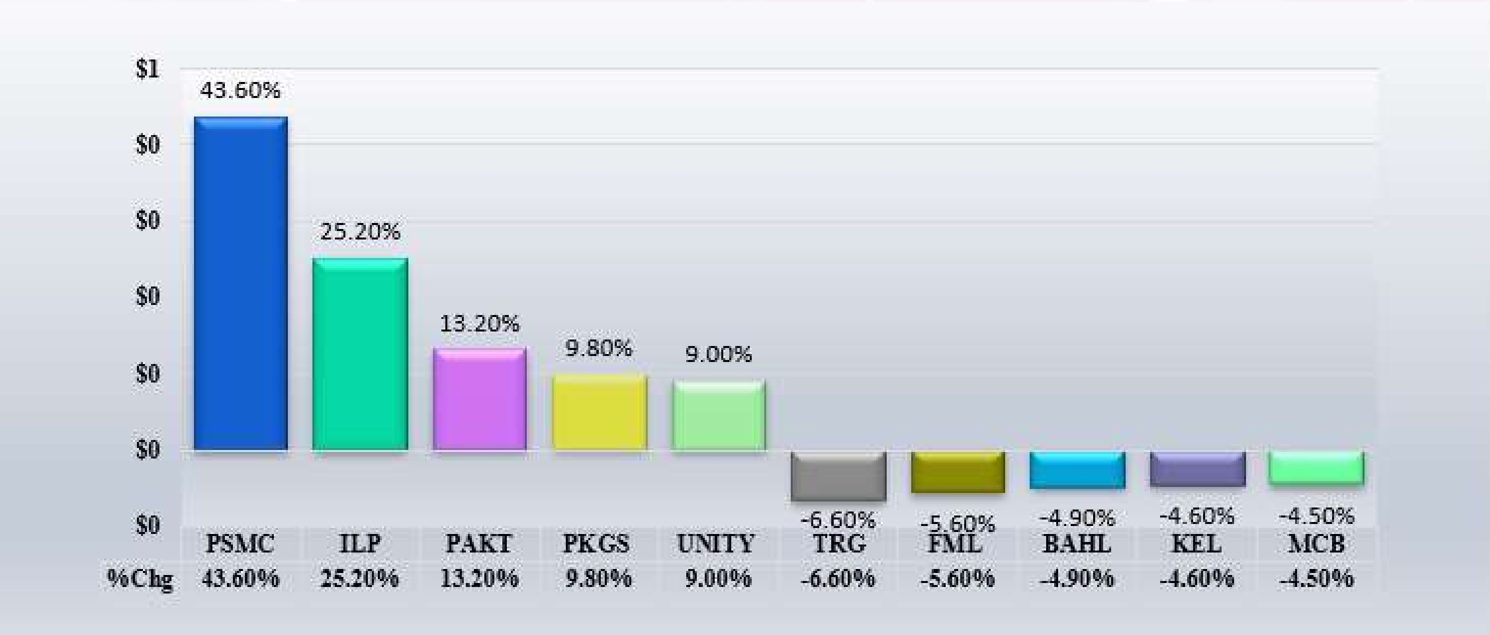
LIPI displayed an overall net-buying trend this week as compared to the previous week.

FIPI Net Buy / (Sell) - PKR

FIPI Analysis:

FIPI (Data of Foreign Individual, Foreign Corporates & Overseas Pakistani), displayed an overall net-selling trend this week as compared to the previous week.

International Major Currency's weekly performance



Nonfarm Payrolls for October posted an increase that fell short of expectations, sending shockwaves through the market. The US Dollar took a nosedive as Treasury bonds surged, causing the US Dollar Index to tumble to lows not seen in over a month, dropping below the 105.30 mark.

EUR/USD seized a wave of bullish momentum, propelling it above 1.0700, marking the first time it reached such heights since late September. The disappointing October jobs report fueled a selloff in the US Dollar, serving as the impetus for the pair's ascent during the American session.

Meanwhile, GBP/USD extended its daily rally, surging above 1.2300 in the early American session on Thursday. The US Dollar faced a dearth of demand following the underwhelming October jobs report from the US, which enabled the pair to maintain its upward trajectory.

The Japanese Yen sustained its recovery into the weekend, primarily driven by prospects of divergent monetary policy. The Bank of Japan (BoJ) has initiated the process of normalizing its policy, while other central banks are nearing the culmination of their tightening cycles. The disappointing Nonfarm Payrolls data led to a sharp decline in USD/JPY, casting doubt on the possibility of further Fed rate hikes.

The AUD/USD pair, which had experienced a late pullback from the 0.6455 region, found itself under selling pressure in the Asian session on Friday. Current spot prices are hovering around the 0.6420-0.6415 range, marking a drop of over 0.10% for the day and ending a two-day winning streak.

USD/CAD took a sharp nosedive below 1.3700 after the release of US/Canada labor market data. The data showed that job growth in both countries slowed more than expected in October. The deceleration in job growth might provide fuel for Fed policymakers to advocate for concluding their rate-tightening campaign.

Major Closing Exchange rates (At 03 November, 2023):

Currency	Symbol	Buying	Selling
Australian Dollar	AUD	181	183
Bahrain Dinar	BHD	751.44	759.44
Canadian Dollar	CAD	205.5	207.75
China Yuan	CNY	38.65	39.05
Euro	EUR	301	304
Japanese Yen	JPY	1.68	1.75
Kuwaiti Dinar	KWD	914.12	923.12
New Zealand $	NZD	166.3	168.3
Qatari Riyal	QAR	77.62	78.32
Saudi Riyal	SAR	75.25	76
Swiss Franc	CHF	311.8	314.3
U.A.E Dirham	AED	79.25	80
UK Pound Sterling	GBP	347	351
US Dollar	USD	282.35	285.1

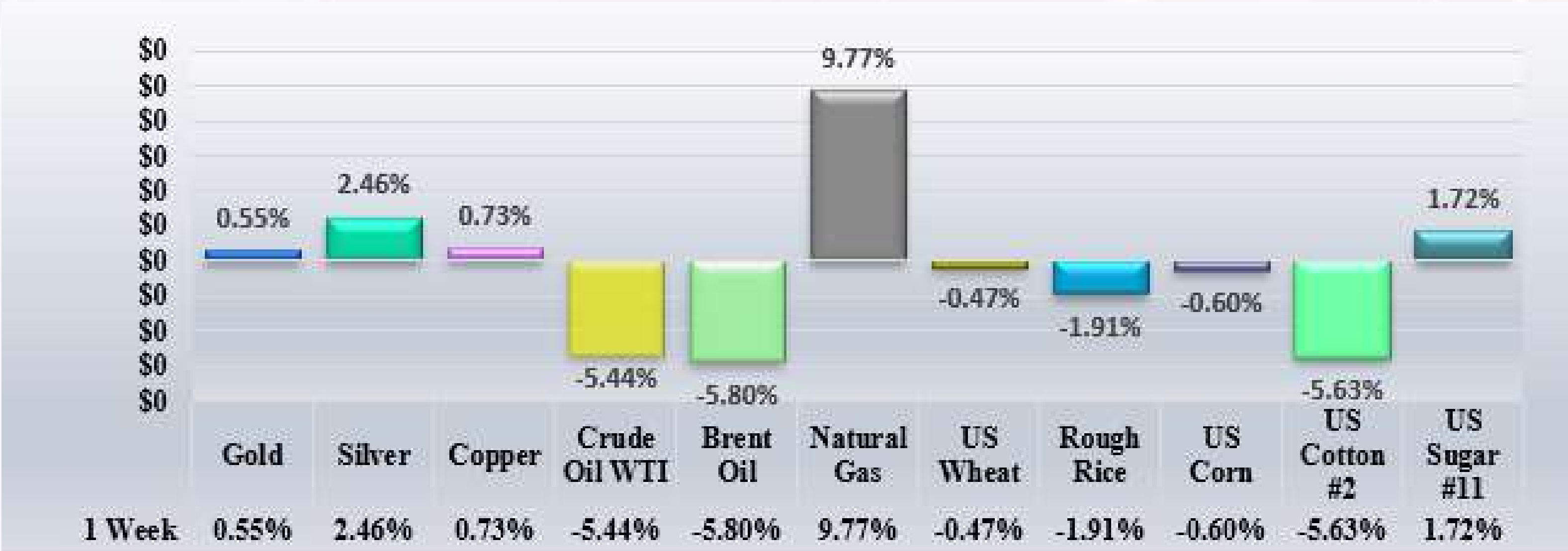
Major News & Events Effect Major Currencies:

Date	Currency	News & Events
Mon, Oct 30	EUR	German Prelim CPI m/m
Tue, Oct 31	CAD	BOC Gov Macklem Speaks
Wed, Nov 1	NZD	Employment Change q/q
Thu, Nov 2	CAD	BOC Gov Macklem Speaks
Fri, Nov 3	CAD	Employment Change

World Major Indices Weekly Performance: % Change

World International Markets Weekly Performance

International Major Commodities Weekly performance / Major News & Events Effect Major Commodities:



- The US crude oil benchmark, Western Texas Intermediate (WTI), is currently hovering at approximately $82.60 on Friday. For the second successive day, WTI prices are enjoying gains, buoyed by a growing risk appetite in the market and the relative softening of the US Dollar (USD).
- Gold shifted its course to the north, surging past the $2,000 mark in response to the October jobs report, which revealed a notable 150,000 increase in Nonfarm Payrolls. However, the favorable change observed in market sentiment toward risk tempered the precious metal's advances, leading to XAU/USD pulling back towards the $1,990 range.

Date	Currency	News & Events
Tue, Oct 31	CNY	Manufacturing PMI
Wed, Nov 1	USD	ADP Non-Farm Employment Change
Thu, Nov 2	USD	Unemployment Claims
Fri, Nov 3	USD	Average Hourly Earnings m/m
	USD	Non-Farm Employment Change
	USD	Unemployment Rate

PAK Market Weekly Earnings Calendar:

Symbol	Company Name	Last Close	BC From	BC To	Payout
ABL	Allied Bank Limited	75.4	08-11-23	10-11-23	D=30%
FABL	Faysal Bank Limited	24.1	08-11-23	10-11-23	D=10%
UPFL	Unilever Pakistan Foods Limited	21900	08-11-23	10-11-23	D=1790%

Major News & Events:

- The benchmark KSE-100 index closed today's session at the highest level in history after 6.5 years, at 53,123.04 points.
- The Pakistani rupee (PKR) maintained its downward trend throughout the week, depreciating by 3.74 rupees against the U.S. Dollar to settle the week at PKR 284.31, as compared to the previous week's closing of PKR 280.57 per USD.
- Gold rates in Pakistan increased on Thursday, in line with rise in the international rate. The yellow metal was priced at Rs213,300 per tola, after moving up by Rs1,500.
- The Weekly Sensitive Price Indicator (SPI) for the Combined Group increased by 0.71% WoW during the week ended November 02, 2023, while the SPI increased by 29.88% YoY compared to the corresponding period from last year.
- Despite the expected respite in October's inflation number, the Monetary Policy Committee of the State Bank of Pakistan (SBP) is likely to maintain its stance by keeping the policy rate "Unchanged" in today's meeting.
- Since almost all the boxes have been checked in terms of the conditions put forth by the International Monetary Fund (IMF), Pakistan is ready to face the delegation of the IMF today without the looming apprehension of reprimand from the fund.
- Foreign exchange reserves held by the State Bank of Pakistan (SBP) slightly increased by $14 million on a weekly basis, clocking in at $7.5 billion as of October 27, data released on Thursday showed.
- Exports of Pakistan's textile sector showed growth in October, clocking in at $1.43 billion compared to $1.36 billion recorded in the same month of the previous year, a year-on-year increase of over 5%, showed provisional data released by the All Pakistan Textile Mills Association (APTMA) on Thursday.
- Pakistan International Bulk Terminal Limited (PSX: PIBTL) 's loss after tax widened significantly to Rs2.16 billion [LPS: 1.21] in fiscal year 2023, compared to the loss of Rs632.39m [LPS: 0.35] reported in the Same Period Last Year (SPLY).
- Security Paper Limited (PSX: SEPL) has revealed its profit and loss statement for the 1QFY24, as per which the company's profitability increased significantly by 74.12% YoY to Rs365.19 million [EPS: 6.16], compared to the profit of Rs209.73m [EPS: 3.54] reported in the Same Period Last year (SPLY).
- The refinery sector turned around in the first quarter of FY24, recording a profit after tax of Rs16.18 billion as compared to a loss of Rs3.3bn incurred in the same period last year (SPLY).

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