



November
19, 2020

Economy News

PSX awaits regulatory approvals to increase trading halt ceiling

Capital Markets | Neutral

Pakistan Stock Exchange (PSX) is awaiting regulatory approvals to revise up circuit breakers – a measure to temporarily halt trading – to 10 percent from existing 7.5 percent in a phased manner, its managing director said on Wednesday. (The News) | [Click for more info.](#)

Dollar gains Rs1.52 in interbank market

Economy | Neutral

The US Dollar gained Rs1.52 against Pakistani Rupee in the interbank on Wednesday. According to a State Bank of Pakistan tweet, the US Dollar opened at Rs158.31 and closed at Rs159.83. The greenback gained Re1.67 against the greenback during the last three days. (PT) | [Click for more info.](#)

ADB raises \$11.4mln in first rupee-linked bonds

Economy | Positive

Asian Development Bank (ADB) on Wednesday announced the issuance of rupee-denominated offshore bonds worth \$11.4 million, while reaffirming its support to Pakistan's development efforts. ADB said it has raised Rs1.83 billion (\$11.4 million) in a first issue of local currency Karakoram bonds by a multilateral development bank of which Pakistan is a member. (The News) | [Click for more info.](#)

National savings schemes; Institutional investment disallowed

Economy | Negative

In a major policy decision, the Federal Government has decided to impose ban on institutional investment in National Savings Schemes (NSS) from July 1, 2020, on the recommendations of Governor State Bank of Pakistan (SBP) Dr Reza Baqir. (BR) | [Click for more info.](#)

GDP to grow by 2.5pc in FY21: SBP

Economy | Positive

The State Bank of Pakistan (SBP) expects GDP growth to stay within the range of 1.5–2.5 per cent in FY21 against the target of 2.1pc set by the government, said the annual State of the Economy report for 2019-20 issued on Wednesday. (Dawn) | [Click for more info.](#)

Auction Result: SBP Sells T-Bills worth Rs.364.08 Billion

Economy | Positive

The State Bank of Pakistan (SBP) conducted an auction on Wednesday in which it sold Market Treasury Bills (MTBs) worth Rs.364.08 billion for 3, 6 and 12 months. Auction target was Rs.300.00 billion against a maturing amount of Rs.374.90 billion. (Mettis) | [Click for more info.](#)

Country incurs \$3.181bn debt in 4 months

Economy | Negative

Pakistan incurred foreign debt of \$3.181 billion from multiple financing sources in the first four months (July-October) of 2020-21, including \$566.27 million from foreign commercial banks projected at 26 percent of total budgeted external loans of \$12.233 billion for the entire fiscal year. (BR) | [Click for more info.](#)

Pakistan saw negative economic growth first time after 1952: State Bank

Economy | Negative

The State Bank of Pakistan (SBP) estimated that Pakistan's real GDP has contracted by 0.4 percent in the fiscal year 2019-20, making it the first time since the fiscal year 1951-52 that the country recorded a negative economic growth. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,490.0	28,390.6	-99.4	-0.3%
KSE100	40,652.7	40,514.7	-138.0	-0.3%
KSE30	17,114.3	17,056.5	-57.8	-0.3%
KMI30	64,867.4	64,494.9	-372.5	-0.6%

Top Five Gainers

	Open	Close	Chg.	%
ILTM	1,635.0	1,725.0	90.0	5.5%
RMPL	8,175.0	8,255.0	80.0	1.0%
MEHT	444.0	460.0	16.0	3.6%
KHTC	371.8	387.2	15.4	4.1%
GADT	185.9	198.9	13.0	7.0%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	52.6	53.8	1.2	11.95
UNITY	22.8	22.9	0.0	8.83
SNBL	10.0	9.7	-0.3	6.44
KEL	3.7	3.7	0.0	5.65
AVN	63.5	66.1	2.6	5.16

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.22	0.00	0.20
F-Corporates	1.49	-1.67	-0.19
O/S Pakistanies	2.58	-2.72	-0.14
Net	4.07	-4.40	-0.33
LIPI			
Individuals	37.18	-32.39	4.79
Companies	9.59	-9.67	-0.09
Comm. Banks	0.96	-0.62	0.34
NBFC	0.51	-0.51	0.00
Mutual Funds	1.92	-6.12	-4.20
Other	0.65	-0.07	0.59
Brokers Proprietary	9.23	-10.02	-0.78
Insurance	1.05	-1.37	-0.32
Net	61.10	-60.77	0.33

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	41.82	0.9%
Brent oil	USD/bbl.	44.34	1.3%
Gold	USD/t oz.	1872.24	-0.4%
Silver	USD/t oz.	24.34	-0.6%
Coal	USD/ton	67.05	0.2%
Steel Scrap (LME)	USD/ton	320.00	1.4%
Steel Rebar (LME)	USD/ton	496.00	0.9%
USD/PKR	Interbank	158.97	0.4%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106

REP-055



Oil & Gas

Pakistan, Russia to amend gas project agreement

Gas | **Positive**

Pakistan and Russia on Wednesday concluded three-day technical level government-to-government talks and agreed to amend the agreement signed five year back to complete laying of about 1,200 kilometers long gas pipeline from Karachi to the northern region in the Punjab. (The News) | [Click for more info.](#)

Power

To cope with gas deficit: 'Govt decision to shut RLNG supply to CPPS to hurt exports'

Power | **Neutral**

The government has made its mind to arbitrarily close down RLNG supply to Captive Power Plants (CPPs), which are industrial connections in nature and are providing electricity to the textile sector at Rs10 per unit (6 cents per unit). And to this effect, officials from FIA and Sui Northern conducted a raid on US Apparel — a textile mill whose exports stands at \$400-500 million. (The News) | [Click for more info.](#)

Banks

KE partners with HBL for internet payment gateway

HBL, KE | **Positive**

K-Electric (KE), Pakistan's only vertically integrated power utility, has partnered with HBL, Pakistan's largest bank to provide Karachi's residents with an alternative payment platform. (BR) | [Click for more info.](#)

Textile

Textile exports rise 6pc YoY to \$1.3bn in October – Positive

Textile | **Positive**

Pakistan's textile exports, which account for about 60pc of its overall exports, clocked in at \$1.3 billion in October 2020, up 6pc when compared with October 2019 and 8pc when compared with Sept 2020. In comparison, textile exports of India were down 13pc YoY, while that of Bangladesh registered a slight decline of 1pc YoY in October. (PT) | [Click for more info.](#)

Cotton output shows alarming decline

Textile | **Negative**

The cotton production in the country witnessed an alarming decline of 2.8 million bales, according to a report released by Pakistan Cotton Ginners Association. The report says that more than 4 million bales were produced in the country which is 41.47 percent less as compared to more than 6.8 million bales produced till November 15 last year. (BR) | [Click for more info.](#)

Miscellaneous

Payment of water charges binding on cement factories, SC told

Cement | **Negative**

The Supreme Court was informed on Wednesday that Jhelum's defunct district council had levied water conservancy charges on cement factories and heavy industrial units. (Dawn) | [Click for more info.](#)

July-Oct: export growth inches up 0.62pc

Economy | **Neutral**

The country's exports during July-October, 2020 totaled \$7.576 billion against \$7.529 billion during the corresponding period of last year, showing an increase of 0.62 percent, revealed exports and imports data released by the Pakistan Bureau of Statistics (PBS). (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	44,180.1	227.34	0.52%
Taiwan - TWII	13,773.3	180.28	1.33%
HK - Hang Seng	26,544.3	129.20	0.49%
PHILP - PSEI	7,051.8	92.64	1.33%
KSA - Tadawul	8,621.2	48.46	0.57%
INDONESIA - IDX	5,557.5	27.58	0.50%
CHINA - Shanghai	3,347.3	7.40	0.22%
US - S&P 500	3,567.8	-41.74	-1.16%
PAK (KSE-100)	40,514.7	-138.00	-0.34%
US - Dow 30	29,438.4	-344.93	-1.16%

Board Meetings

Scrip	Day	Agenda	Time
HACC	Friday	1Q/A/C - 30SEP20	10:30 AM
EXIDE	Monday	1A/C - 30SEP20	3:00 PM

Source: PSX



Industrial sector output declines by 2.6pc in FY20

Economy | **Negative**

Provisional National Accounts data shows that industrial sector output declined by 2.6 percent in FY20, compared to a contraction of 2.3 percent in FY19, the SBP Annual Report said. (BR) | [Click for more info.](#)

PM Imran Khan to set off on maiden Afghan visit today

Economy | **Positive**

Prime Minister Imran Khan will leave for his maiden visit to Afghanistan today (Thursday) on the invitation of President Ashraf Ghani and is being seen as building on the sustained engagement between the two countries in recent months for enhancing bilateral cooperation in diverse fields. (The News) | [Click for more info.](#)

International News

Pfizer/BioNTech say results show Covid vaccine 95pc effective

Pfizer and BioNTech said Wednesday a completed analysis of their experimental Covid-19 vaccine found it protected 95 percent of people against the disease and announced they were applying for US emergency approval "within days." (BR) | [Click for more info.](#)

Asian shares fall as fresh outbreaks overshadow vaccine progress

Asian stocks followed Wall Street's sharp selloff on Thursday as concerns about rising coronavirus infections and new shutdowns in major U.S. cities hosed down earlier investor enthusiasm about COVID-19 vaccine developments. (Reuters) | [Click for more info.](#)

Oil prices slip as surging COVID-19 cases overshadow vaccine hopes

U.S. crude futures fell in early trade on Thursday, giving up some of gains from the previous day as surging COVID-19 cases and widening lockdowns raised fears over fuel demand, offsetting further upbeat vaccine news. (Reuters) | [Click for more info.](#)

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Source: PSX



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Rating Criteria

Rating - Expected Total Return

Buy - Greater than 10%

Hold - Neither Buy nor Sell

Sell - Less than and equal to -10%

Valuation Methodology

To arrive at our 12-months Price Target, ABA Ali Habib Research uses different valuation methods which include: 1). DCF methodology, 2). Relative valuation methodology, and 3). Asset-based valuation methodology. In this report, our PT is founded on FCF based DCF methodology.

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THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst
zubair@abaalihabib.com

Radha Krishan Khatri – Research Analyst
rk.khatri@abaalihabib.com

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

Zaheer Ahmed - Head of Institutional Sales
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Salman Ahmed - Head of Retail Sales
(021) 32412491

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Office (PSX Building)

Room # 419, 419 A & 421, 4th Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi
Contact: 021-32429665
Cell: [+92 3312766771](tel:+923312766771)



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