



November
20, 2020

Economy News

State Bank's forex reserves hit a 2.5-year high

Economy | Positive

The central bank on Thursday said its foreign exchange reserves rose to their highest in more than two and a half years this month, which can be attributed to better balance of payment position, inpouring dollars, and new exchange rate regime. (The News) | [Click for more info.](#)

C/A stays surplus for 4th month

Economy | Positive

The country has posted its fourth consecutive monthly current account (C/A) surplus of \$382 million for October 2020, taking the first four months of FY21 surplus to \$1,160 million. (BR) | [Click for more info.](#)

Pakistan, China sign \$14mln deals

Economy | Positive

Pakistan and China signed agreements worth \$14 million during the recently held Pakistan Industrial Expo 2020, a statement said on Thursday. This was the fourth edition of the expo arranged by the Everest International, playing the role of a bridge between Pakistani and Chinese entrepreneurs and attracting certain investment and technology from foreign countries, especially China, it added. (The News) | [Click for more info.](#)

Region should keep investing in technology infrastructure: IMF

Economy | Neutral

The region should keep investing in technology infrastructure especially in the 5G as it could be one main driver for growth and mitigating the impacts of current pandemic, said Jihad Azour, Director of the International Monetary Fund (IMF)'s Middle East and Central Asia Department. (BR) | [Click for more info.](#)

Global economic recovery from Covid-19 'remains difficult': IMF

Economy | Neutral

The global economy faces a hard road back from the Covid-19 downturn, and nations should remove trade barriers on medical technologies to aid the recovery, the IMF chief said on Thursday. The call from Managing Director Kristalina Georgieva ahead of this week's G20 leaders summit comes as countries grapple with the fallout from a pandemic that has killed hundreds of thousands and caused a sharp contraction in growth. (Mettis) | [Click for more info.](#)

Oil & Gas

Oil pipeline projects key to ensure cheap access to petroleum products

Oil | Neutral

With the demand of petroleum products expected to bounce back in fiscal 2020-21, investments in the ongoing oil pipeline projects will help in safe, reliable and cheap transportation of petroleum products across Pakistan, industry sources said. (BR) | [Click for more info.](#)

No decision on unbundling of SSGC, SNGPL

SSGC, SNGP | Neutral

The Cabinet Committee on Energy (CCoE) on Thursday deferred a final decision relating to unbundling of gas utilities — Sui Northern Gas Pipelines Ltd (SNGPL) and Sui Southern Gas Company Ltd (SSGCL) — and instead decided to constitute a sub-committee to examine the proposal at length and see if domestic consultants could come up with a way forward. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,390.6	28,431.5	41.0	0.1%
KSE100	40,514.7	40,540.7	26.0	0.1%
KSE30	17,056.5	17,056.6	0.1	0.0%
KMI30	64,494.9	64,517.5	22.6	0.0%

Top Five Gainers

	Open	Close	Chg.	%
UPFL	12,749.0	13,498.0	749.0	5.9%
NESTLE	6,470.0	6,522.3	52.3	0.8%
RMPL	8,255.0	8,300.0	45.0	0.5%
KHTC	387.2	415.6	28.4	7.3%
ICI	692.2	714.9	22.7	3.3%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	53.8	55.8	2.0	27.14
UNITY	22.9	23.3	0.5	17.81
FABL	16.6	17.0	0.4	9.12
ASL	15.5	15.5	0.0	8.34
NETSOL	69.8	75.1	5.2	7.63

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	8.47	0.00	8.40
F-Corporates	1.58	-3.31	-1.73
O/S Pakistanies	4.14	-2.39	1.75
Net	5.78	-5.71	0.08
LIPI			
Individuals	47.81	-48.27	-0.47
Companies	3.33	-1.60	1.73
Comm. Banks	0.90	-0.64	0.26
NBFC	0.05	-0.02	0.04
Mutual Funds	2.81	-4.07	-1.26
Other	0.14	-0.22	-0.08
Brokers Proprietary	10.95	-11.22	-0.28
Insurance	2.82	-2.82	0.00
Net	68.79	-68.87	-0.08

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	41.74	-0.2%
Brent oil	USD/bbl.	44.20	-0.3%
Gold	USD/t oz.	1866.54	-0.3%
Silver	USD/t oz.	24.05	-1.2%
Coal	USD/ton	67.50	0.7%
Steel Scrap (LME)	USD/ton	323.00	0.9%
Steel Rebar (LME)	USD/ton	497.50	0.3%
USD/PKR	Interbank	160.57	1.0%

News Source: Local / Int'l Newspapers and websites

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REP-055



MoU for virtual LNG pipeline signed

Gas | **Neutral**

The Karachi Port Trust on Thursday signed a memorandum of understanding with the Pakistan Railways, LNG Easy Ltd and Metrogas Ltd for the development of a Virtual Pipeline facility, a press release said. (Dawn) | [Click for more info.](#)

Power

KE wants to compensate Rs7.5bln bad debts through tariff adjustment

KEL | **Positive**

K-Electric has sought a regulatory approval to make up for its Rs7.5 billion of bad debts through revising up tariffs, although it may face taxation issue in any such possibility, people familiar with the matter said on Thursday. (The News) | [Click for more info.](#)

Autos

Honda's profit jumps 29%

HCAR | **Positive**

Earnings of Honda Atlas Cars (Pakistan) jumped 28.9% to Rs656.9 million in the quarter ended September 30, 2020 on the back of a spike in sales coupled with a sharply lower finance cost. (ET) | [Click for more info.](#)

Cement

CCP seizes record of cement makers

Cement | **Negative**

The Competition Commission of Pakistan (CCP) team on Thursday carried out a search and inspection of the All Pakistan Cement Manufacturers Association (APCMA) offices in Karachi to investigate possible anti-competitive activities by manufacturers. (Dawn) | [Click for more info.](#)

Miscellaneous

Pakistan's pharma exports mount by 22% YoY during 4MFY21

Pharmaceutical | **Positive**

The exports of Chemical and Pharmaceutical Products witnessed an increase of 29.5% MoM and 34.7% YoY to value at USD 107.7 million during the month of October 2020. (Mettis) | [Click for more info.](#)

Financial restructuring of PIA will be finalised soon: CEO

PIAA | **Neutral**

Chief Executive Officer of Pakistan International Airlines (PIA) Air Marshal Arshad Malik said on Thursday that financial restructuring of PIA is well on the way and would be finalised soon. (BR) | [Click for more info.](#)

Onward submission to ECC; PM approves incentive-laden textile policy

Textile | **Positive**

According to the draft policy, the government will provide consistent, long-term policies for the foreseeable future, while undertaking following measures: (i) electricity will be provided at cents 9/kWh; (ii) RLNG at \$6.5/MMBtu; (iii) system gas at Rs. 786/MMBtu during the policy period; (iv) Long-Term Financing Facility (LTFF) and Export Financing Scheme (EFS) rates will not be changed; (iv) review of LTFF and refinance scheme for SMEs and indirect exporters and building cost will be included; and (v) Brand Development Fund will be launched. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	29,483.2	44.81	0.15%
INDONESIA - IDX	5,594.1	36.54	0.66%
PAK (KSE-100)	40,540.7	26.03	0.06%
CHINA - Shanghai	3,363.1	15.79	0.47%
US - S&P 500	3,581.9	14.08	0.39%
KSA - Tadawul	8,578.4	-42.77	-0.50%
Taiwan - TWII	13,722.4	-50.86	-0.37%
PHILP - PSEi	6,997.6	-54.16	-0.77%
HK - Hang Seng	26,357.0	-187.32	-0.71%
INDIA - SENSEX	43,600.0	-580.09	-1.31%

Board Meetings

Scrip	Day	Agenda	Time
WAHN	Thursday	1Q/A/C - 30SEP20	12:00 PM
SIEM	Thursday	N A/C - 30SEP20	1:00 PM

Source: PSX



JS Global withdraws its intention to acquire 77.12% shares of BIPL Securities Ltd

BIPL | Neutral

JS Global has withdrawn its intention to acquire up to 77.12% shares of the BIPL Securities Limited (Target Company) under Regulation of the Takeovers Regulations. (Mettis) | [Click for more info.](#)

Political News

Pakistan steps up Afghan peace efforts

Prime Minister Imran Khan on Thursday had wide-ranging talks with Afghanistan's President Ashraf Ghani to review efforts during the past two years to promote shared objectives of strengthening Pakistan-Afghanistan bilateral relations and achieving lasting peace and stability in Afghanistan. (The News) | [Click for more info.](#)

International News

Vaccine arrival expected to trigger dollar slump in 2021

Wall Street analysts expect the arrival of a vaccine against coronavirus to send the dollar sinking next year as confidence returns to the global economy. (The News) | [Click for more info.](#)

Oil slips a second day as coronavirus cases spiral amid stimulus talks

U.S. oil prices slipped on Friday, dropping for a second day as concerns mounted about the hit to demand from the surge in COVID-19 infections forcing new lockdowns, but prices were supported by signs of movement on a stimulus deal in Washington. (Reuters) | [Click for more info.](#)

Stocks wobble after Mnuchin pulls plug on U.S. stimulus

Global stocks came under pressure on Friday after U.S. Treasury Secretary Steven Mnuchin called for an end to pandemic relief for struggling businesses, sparking a rare clash between the central bank and Treasury and weighing on sentiment. (Reuters) | [Click for more info.](#)

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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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