



January
26, 2021

Economy News

FATF president urged to remove Pakistan's name from grey list

Economy | Neutral

Senate Standing Committee on Interior Chairman Senator Abdul Rehman Malik has asked the Financial Action Task Force (FATF) to remove Pakistan's name from its grey list after unearthing of Indian propaganda campaign. (BR) | [Click for more info.](#)

Economic indicators, social spending on upward trajectory

Economy | Neutral

The Pakistan Tehreek-I-Insaaf (PTI) government has started yielding results in the form of improved economic indicators, which was providing necessary cushion to further strengthen the social safety nets. "Putting the economic indicators back on the positive trajectory was a Herculean task for the present government as it inherited an economy with a major balance of payment crisis which led to high inflation and low growth," said a press release received here on Monday. (BR) | [Click for more info.](#)

Most stressed out nations: PM for SDR step to help alleviate BoP pressures

Economy | Neutral

Prime Minister Imran Khan has emphasised allocation of Special Drawing Rights (SDRs) of \$500 billion to help alleviate balance-of-payment pressures for most-stressed countries and a framework for equitable and affordable supply of Covid vaccine to the developing countries. (BR) | [Click for more info.](#)

Pakistani Rupee Continues to Lose Value against Most Major Currencies

Economy | Negative

The Pakistani Rupee (PKR) lost four paisas against the US Dollar (USD) in the interbank currency market on the opening day of this week after it had closed with a loss of 13 paisas on the final day of last week. It had closed at Rs. 160.79 to the USD on Monday (25 January) as compared to Rs. 160.74 on Friday. (Propakistani) | [Click for more info.](#)

Five-month domestic debt servicing jumps by 38pc

Economy | Negative

The country's domestic debt servicing soared by 38 per cent in the first five months of this fiscal year, reflecting excessive borrowing by the government to bridge widening fiscal deficit, shows a latest report of the State Bank of Pakistan (SBP). (Dawn) | [Click for more info.](#)

Oil & Gas

Crackdown against Illegal Petrol Pumps Continues Across Pakistan

Oil | Neutral

Around 1,556 illegal fuel stations have been sealed so far during an ongoing countrywide crackdown against the sale of smuggled petroleum products. From January 11, 1,556 illegal petrol pumps have been sealed so far, while 3 million litres of petrol and 10.6 million litres of diesel were seized. (Propakistani) | [Click for more info.](#)

Gas moratorium forestall; Cabinet may review CCoE decision today

Gas | Neutral

The Federal Cabinet, which is scheduled to meet on Tuesday (Jan 26) with Prime Minister Imran Khan in the chair, is expected to review the decision of "gas moratorium for industry" taken by the Cabinet Committee on Energy (CCoE), on January 21, 2021 as the entire industry is up at arms, saying that the decision is ill-planned and taken without taking it on board, well-informed in Petroleum Division told. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,840.9	31,950.5	109.5	0.3%
KSE100	45,868.0	46,087.6	219.6	0.5%
KSE30	19,061.0	19,165.5	104.5	0.5%
KMI30	72,850.2	73,046.4	196.2	0.3%

Top Five Gainers

	Open	Close	Chg.	%
PAKT	1,601.8	1,650.0	48.2	3.0%
BHAT	826.1	870.0	43.9	5.3%
AKDCL	399.2	429.2	29.9	7.5%
MFFL	450.0	471.7	21.7	4.8%
FZCM	213.7	229.7	16.0	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	4.1	4.1	0.0	36.61
UNITY	32.9	34.3	1.4	36.26
TRG	106.9	114.9	8.0	29.80
ANL	28.7	30.8	2.1	25.10
FFL	19.2	19.0	-0.2	18.67

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	0.00	0.01
F-Corporates	1.45	-2.44	-0.99
O/S Pakistanies	10.89	-14.92	-4.03
Net	12.35	-17.37	-5.02
LIPI			
Individuals	155.19	-150.94	4.25
Companies	17.45	-15.30	2.16
Comm. Banks	3.88	-7.53	-3.65
NBFC	0.02	-0.07	-0.06
Mutual Funds	13.33	-14.35	-1.03
Other	1.19	-1.19	0.00
Brokers Proprietary	38.17	-36.48	1.69
Insurance	3.83	-2.17	1.66
Net	233.05	-228.04	5.02

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	52.77	1.0%
Brent oil	USD/bbl.	55.88	0.8%
Gold	USD/t oz.	1855.93	0.0%
Silver	USD/t oz.	25.35	-0.6%
Coal	USD/ton	90.65	-0.1%
Steel Scrap (LME)	USD/ton	458.00	0.2%
Steel Rebar (LME)	USD/ton	635.00	0.5%
USD/PKR	Interbank	160.96	0.1%

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



Private LNG importers seek long-term gas terminal, pipeline capacities

Gas | **Neutral**

Private LNG importers have asked the government to ensure long-term gas terminal and pipeline capacities for attracting investors to the country's booming LNG market. (The News) | [Click for more info.](#)

Power

Power generation up 4.3pc

Power | **Positive**

Power generation went up 4.3 percent to 7,880GWh (10,591MW) during December 2020, compared with 7,557GWh (10,157MW) during December 2019, official data suggests on Monday. (The News) | [Click for more info.](#)

Receivables/payables dispute; Federal govt, KE fail to evolve consensus

KEL | **Neutral**

The Federal Government and Karachi Electric (KE) teams are said to have failed to evolve a consensus on course of action to resolve receivables/payables dispute, well-informed sources in Power Division told. Power Division summoned the KE top brass to convey the Prime Minister's message to them that no further delay will be accepted in resolution of issues, which are hindering the sale-off of 66.4 per cent stake of M/s Abraaj to Chinese company, M/s Shanghai Electric Power (SEP). (BR) | [Click for more info.](#)

Finance ministry to immediately pay Rs180bn to IPPs as part of new deal

IPPs, Power | **Positive**

The Ministry of Finance is obligated to immediately pay Rs180 billion to the independent power producers (IPPs) as part of a new Rs450-billion payment deal signed on Monday. According to the deal documents, two dozen IPPs, including the Hub Power Company Limited (HUBCO), had entered into a preliminary agreement with the government under which the finance ministry would pay the IPPs 40% of the Rs450-billion payment — or Rs180 billion — immediately, whereas the remaining 60% — or Rs270 billion — will be paid in the next financial year. (The News) | [Click for more info.](#)

Fertilizer

Urea offtake down 35pc, DAP sales up 6pc YoY in December

Fertilizer | **Negative**

Urea offtake in December 2020 clocked in at 881,000 tonnes, up 65pc month-on-month (MoM) when compared with Nov 2020, but down 35pc year-on-year (YoY) as compared to Dec 2019, according to data released by the National Fertilizer Development Centre. (PT) | [Click for more info.](#)

Communication

Avanceon Ltd's share capital increases under Employees Share Option Scheme

AVN | **Positive**

Avanceon Limited's paid-up capital has been enhanced from 211,790,007 to 213,827,798 shares after CDC allotment of 2,037,791 shares to all eligible employees who have exercised their share option under Employee Share Option Scheme. (Mettis) | [Click for more info.](#)

Banks

Unencumbered land of park; MoF seeks Cabinet's nod to issue Ijara Sukuk

MEBL, BAFL | **Positive**

Ministry of Finance (MoF) has sought Federal Cabinet's nod to issue domestic and international Ijara Sukuk with the unencumbered land of D-9 Park, Islamabad as the underlying asset, valued at Rs 930 billion with the support of three banks - Meezan Bank, Bank Alfalah and Dubai Islamic Bank. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	30,159.0	711.16	2.41%
PAK (KSE-100)	46,087.6	219.60	0.48%
PHILP - PSEi	7,071.5	25.67	0.36%
CHINA - Shanghai	3,624.2	17.49	0.48%
KSA - Tadawul	8,847.0	17.43	0.20%
US - S&P 500	3,855.4	13.89	0.36%
US - Dow 30	30,960.0	-36.98	-0.12%
INDONESIA - IDX	6,258.6	-48.56	-0.77%
Taiwan - TWII	15,946.5	-72.49	-0.45%
INDIA - SENSEX	48,347.6	-530.95	-1.09%

Board Meetings

Scrip	Day	Agenda	Time
FFBL	Tuesday	ANN A/c 31-Dec-20	10:30 AM
ALNRS	Tuesday	1Q A/c 31-Dec-20	11:30 AM
NRL	Tuesday	HY A/c 31-Dec-20	2:00 PM
APL	Tuesday	HY A/c 31-Dec-20	3:00 PM
AHL	Tuesday	HY A/c 31-Dec-20	4:00 PM
ATRL	Tuesday	HY A/c 31-Dec-20	4:00 PM
ACPL	Tuesday	HY A/c 31-Dec-20	6:00 PM
AABS	Wednesday	1Q A/c 31-Dec-20	10:30 AM
HCAR	Wednesday	3Q A/c 31-Dec-20	11:30 AM
BAHL	Wednesday	ANN A/c 31-Dec-20	12:00 PM
HINO	Wednesday	3Q A/c 31-Dec-20	12:30 PM
HABSM	Wednesday	1Q A/c 31-Dec-20	1:00 PM
MFFL	Wednesday	ANN A/c 30-Sep-20	2:00 PM
POL	Wednesday	HY A/c 31-Dec-20	5:00 PM
COLG	Wednesday	HY A/c 31-Dec-20	5:00 PM
PCAL	Thursday	HY A/c 31-Dec-20	9:00 AM
FFC	Thursday	ANN A/c 31-Dec-20	9:30 AM
ARPL	Thursday	1Q A/c 31-Dec-20	11:00 AM
ICI	Thursday	HY A/c 31-Dec-20	11:00 AM
MIRKS	Thursday	1Q A/c 31-Dec-20	11:00 AM
NRSL	Thursday	HY A/c 31-Dec-20	11:30 AM
FRSM	Thursday	ANN A/c 30-Sep-20	12:30 PM
SANSMS	Thursday	1Q A/c 31-Dec-20	12:30 PM
SHJS	Thursday	1Q A/c 31-Dec-20	12:30 PM
SML	Thursday	1Q A/c 31-Dec-20	12:30 PM
SIEM	Thursday	1Q A/c 31-Dec-20	1:00 PM
HSM	Thursday	1Q A/c 31-Dec-20	2:00 PM
ISL	Thursday	HY A/c 31-Dec-20	3:00 PM
ASL	Thursday	HY A/c 31-Dec-20	3:30 PM
DWSM	Thursday	1Q A/c 31-Dec-20	3:30 PM

Source: PSX



Miscellaneous

Auto import bill surges by 194pc in July-December

Autos | Neutral

Revival in demand and soaring imports of brand-new cars, sports utility vehicles (SUVs) and pickups by new entrants in the auto sector have pushed up the overall import bill of completely built up (CBU) vehicles by 193.7 per cent to \$94 million in the first half of the current fiscal year (1HFY21) from \$32m in the same period last year. (Dawn) | [Click for more info.](#)

Panther Tyres to issue 40m ordinary shares

Capital Market | Positive

Panther Tyres Limited has planned to issue 40 million ordinary shares (28.57 percent of post IPO paid-up capital) with floor price of Rs47 (face value Rs10) and the cap of Rs65.8 (40 percent upside). (BR) | [Click for more info.](#)

Imported sugar soon to land for price support

Sugar | Neutral

Imported sugar is soon to be available in the market that will further reduce the sweetener's prices for domestic consumers, industries minister said on Monday. (The News) | [Click for more info.](#)

Political News

New India-China border brawl

Indian and Chinese troops had a new brawl on their contested Himalayan border, leaving injuries on both sides, military officials said Monday. The fighting on January 20 came six months after a pitched battle which left at least 20 Indian troops dead as well as an unknown number of Chinese casualties. (The News) | [Click for more info.](#)

International News

Asian stocks set for soft start, dollar mostly steady

Asian stocks came under pressure on Tuesday as worries about U.S. stimulus and surging coronavirus infections led to a mixed Wall Street session, while the dollar consolidated overnight gains. (Reuters) | [Click for more info.](#)

Oil Holds Gain near \$53 as Tightening Supply Offsets Virus Woes

Oil held gains near \$53 a barrel as more signs of tightening supply offset concerns that a resurgent Covid-19 outbreak in some regions and a slow roll-out of vaccinations will blunt near-term demand. (Bloomberg) | [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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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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