

## Economy News

### IMF projects: Pak growth rate at 1.5pc for current fiscal

#### Economy | Positive

The International Monetary Fund (IMF) has projected Pakistan's GDP growth rate at 1.5 percent for the current fiscal year 2020-21 compared to negative 0.4 percent for the previous fiscal year 2019-20. (The News) | [Click for more info.](#)

### World Bank to invest \$2bn in different sectors: Firdous

#### Economy | Positive

Special Assistant to Chief Minister on Information Dr Firdous Ashiq Awan has said that the World Bank's Country Director for Pakistan Najy Benhassine during his meeting with the Chief Minister Usman Buzdar discussed about investing US\$2 billion in five important sectors adding that the investment will be made in 5Gs sectors including girls' education, clean and green Pakistan and last but not the least improving governance standards. (BR) | [Click for more info.](#)

### Turkey invites Pakistan's private sector to explore JVs

#### Economy | Positive

Turkey on Tuesday invited Pakistan's private sector to explore opportunities of joint-ventures in trade and investment with its counterparts, while expressing interest to help develop tourism sector and cooperate in the information and technology field. (The News) | [Click for more info.](#)

### Profit repatriation jumps 26pc in July-December

#### Economy | Neutral

Repatriation of profits was 26 per cent higher than the inflow of foreign investment during the first half of the current fiscal year. The State Bank of Pakistan (SBP) reported on Tuesday that the total outflow of profits and dividends was \$892 million while the total foreign investment was \$708m during the July-December period of 2020-21. (Dawn) | [Click for more info.](#)

### First 5 months of FY21; Fiscal deficit stands at 1.8pc of GDP

#### Economy | Neutral

The fiscal deficit during the first five months of the current fiscal year stood at 1.8 percent of GDP, 0.2 percent higher over 1.6 percent last year, however, primary balance remained in surplus of Rs216 billion (0.5 percent of GDP) as opposed to 0.3 percent of GDP or Rs117 billion for the same period a year before, according to monthly economic update and outlook for Jan 2021 uploaded by Finance Ministry on its website. The Federal Board of Revenue (FBR)'s provisional net tax collection grew by five percent to Rs2,206 billion (Rs2,101 billion last year). (BR) | [Click for more info.](#)

### \$3.6bn foreign debt retired in Q1

#### Economy | Neutral

Pakistan paid \$3.593 billion in external debt servicing during the first quarter of this fiscal year, reported the State Bank of Pakistan (SBP). The debt servicing has become the biggest problem for the government as it has to borrow continuously to pay back the previous debts. In FY20, the country had to pay \$14.578bn in debt servicing. (Dawn) | [Click for more info.](#)

## Oil & Gas

### MoF opposes 16pc increase in margins of OMCs

#### OMCs | Positive

Ministry of Finance (MoF) has reportedly opposed 16 per cent increase in margins of Oil Marketing Companies (OMCs), saying that upward revision of 6.58 per cent is sufficient till PIDE completes its study, sources close to SAPM on Petroleum Nadeem Babar told. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,950.5	32,025.5	75.0	0.2%
KSE100	46,087.6	46,287.4	199.7	0.4%
KSE30	19,165.5	19,259.0	93.5	0.5%
KMI30	73,046.4	73,608.4	561.9	0.8%

### Top Five Gainers

	Open	Close	Chg.	%
COLG	3,100.0	3,175.0	75.0	2.4%
NESTLE	6,420.0	6,470.0	50.0	0.8%
AKDCL	429.2	461.3	32.2	7.5%
ICI	847.2	879.1	31.9	3.8%
HINOON	634.4	659.8	25.4	4.0%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
JSBL	7.5	7.3	-0.3	65.35
TRG	114.9	118.4	3.5	36.20
FFBL	28.8	27.9	-0.9	36.02
HASCOL	14.1	14.8	0.6	31.25
UNITY	34.3	34.5	0.1	30.86

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.05	-0.04	0.01
F-Corporates	1.11	-2.72	-1.60
O/S Pakistanies	10.77	-11.39	-0.61
<b>Net</b>	11.94	-14.15	-2.21
<b>LIPI</b>			
Individuals	186.50	-183.85	2.65
Companies	14.39	-13.85	0.55
Comm. Banks	8.23	-9.50	-1.27
NBFC	0.04	-0.05	-0.01
Mutual Funds	16.69	-15.80	0.89
Other	2.09	-1.79	0.31
Brokers Proprietary	44.30	-44.34	-0.03
Insurance	3.37	-4.23	-0.86
<b>Net</b>	275.62	-273.41	2.21

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	52.61	-0.3%
Brent oil	USD/bbl.	55.91	0.1%
Gold	USD/t oz.	1850.92	-0.3%
Silver	USD/t oz.	25.47	0.5%
Coal	USD/ton	90.95	0.3%
Steel Scrap (LME)	USD/ton	458.00	0.0%
Steel Rebar (LME)	USD/ton	633.00	-0.3%
USD/PKR	Interbank	160.83	-0.1%

News Source: Local / Int'l Newspapers and websites

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## Pakistan gets up to 38pc lower LNG rates through revised bids

Gas | **Positive**

Amid falling international market, Pakistan on Wednesday received significantly cheaper bids for three cargoes of liquefied natural gas (LNG) to be delivered in March under an urgent tendering process. The state-run Pakistan LNG Limited (PLL) had last week cancelled bids for LNG deliveries in March for three windows as prices in the international spot market started to crash. For replacement, the PLL went for a revised urgent tender on January 22 with deadline of January 26. The revised bids attracted 26 to 38 per cent cheaper rates when compared with the cancelled bids. (Dawn) | [Click for more info.](#)

## Hi-Tech Lubricants Starts Expansions At Plant Site Of Its Subsidiary

HTL | **Positive**

The Executive Management of Hi-Tech Lubricants Limited (HTL) has initiated expansions at the Plant Site of Hi-Tech Blending (Pvt.) Ltd. (HTBL) (a wholly-owned subsidiary of HTL) considering future high volumes of sales projections and increase in demand of locally blended products. (Mettis) | [Click for more info.](#)

## ECC likely to approve allocation of gas from Mari Petroleum wells to SSGC

Mari, SSGC | **Neutral**

The federal cabinet's Economic Coordination Committee (ECC) is likely to approve the allocation of around 22 million cubic feet per day (mmcf) gas from three different gas fields of Sujawal block to the Sui Southern Gas Company Ltd (SSGCL). According to sources, the Petroleum Division has request the committee to approve the allocation of up to 15mmcf gas from Sujawal-1, up to 3mmcf gas from Sujawal-X-1 and up to 4mmcf gas from Aqeeq-1 to SSGCL. (PT) | [Click for more info.](#)

## NRL's Net Losses Shrink By 72% YoY during 1HFY21

NRL | **Neutral**

National Refinery Limited (NRL) has incurred losses of Rs 822 million during 1HFY21 ended December 31, 2020, depicting a decline of 72.44% YoY against a net loss of Rs 2.98 billion in the same period of last fiscal year. This has translated into a loss per share which clocked in at Rs 10.29 against the loss per share of Rs 37.33 in the aforementioned period. (Mettis) | [Click for more info.](#)

## Finance ministry attributes growing December import bill to oil rise

Oil | **Negative**

Ministry of finance has conceded that the increase in international oil prices and import of additional food products enhanced import bill by \$1.2 billion as it stood \$5 billion in December 2020 compared to \$3.8 billion in the same month of last year. (The News) | [Click for more info.](#)

## Gas circular debt to hit Rs140 bn after winter

SNGP | **Negative**

The state-owned Sui Northern Gas Pipelines Limited (SNPGL) is currently unable to recover the cost of RLNG of 576 million cubic feet per day (mmcf) being diverted to domestic sector as system gas (local gas) is contributing to circular debt in the gas sector. It also shows that Sui Northern is currently importing 1,085mmcf RLNG of which it is selling 509mmcf to power sector besides other sectors. However, the rest of Rs567mmcf is being diverted to the domestic sector as system (local gas) due to which the circular debt in the RLNG sector for the current winter season is likely to increase by Rs42-45 billion, jacking up the total volume of circular debt to Rs119 billion. (The News) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	46,287.4	199.74	0.43%
US - S&P 500	3,849.6	-5.74	-0.15%
US - Dow 30	30,937.0	-22.96	-0.07%
CHINA - Shanghai	3,569.4	-54.81	-1.51%
KSA - Tadawul	8,789.9	-57.08	-0.65%
PHILP - PSEi	6,977.2	-94.34	-1.33%
INDONESIA - IDX	6,140.2	-118.40	-1.89%
Taiwan - TWII	15,658.9	-287.69	-1.80%
INDIA - SENSEX	48,347.6	-530.95	-1.09%
HK - Hang Seng	29,391.3	-767.75	-2.55%

### Board Meetings

Scrip	Day	Agenda	Time
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
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 30-Sep-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
SANSM	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
SINDM	Friday	HY A/c 31-Dec-20	10:45 AM
ATLH	Friday	3Q A/c 31-Dec-20	11:00 AM
EXIDE	Friday	3Q A/c 31-Dec-20	11:00 AM
HACC	Friday	HY A/c 31-Dec-20	11:00 AM
JDWS	Friday	1Q A/c 31-Dec-20	11:00 AM
NONS	Friday	1Q A/c 31-Dec-20	11:00 AM
SEPL	Friday	HY A/c 31-Dec-20	11:00 AM
GADT	Friday	HY A/c 31-Dec-20	11:30 AM
SASML	Friday	1Q A/c 31-Dec-20	11:30 AM
FEROZ	Friday	HY A/c 31-Dec-20	12:15 PM
DNCC	Friday	1Q A/c 31-Dec-20	12:30 PM
KPUS	Friday	1Q A/c 31-Dec-20	2:30 PM
TRIPF	Friday	ANN A/c 31-Dec-20	2:30 PM
IML	Friday	1Q A/c 31-Dec-20	3:00 PM
LUCK	Friday	HY A/c 31-Dec-20	3:30 PM
MRNS	Friday	1Q A/c 31-Dec-20	4:00 PM
MACTER	Saturday	HY A/c 31-Dec-20	2:00 PM

Source: PSX



## Autos

**Revision of duties, taxes on EVs import; Ordinance aimed at amending ST Act, other laws under study - Neutral**

The government is planning to promulgate a Presidential Ordinance to rationalise duties and taxes on the import of electric vehicles. The plan also includes abolition of three percent additional sales tax on the import of electric vehicles and its parts in CKD kits. Sources told that, the proposed Ordinance would amend the federal tax laws including Sales Tax Act, 1990. (BR) | [Click for more info.](#)

## Banks

**NBP Decides to Shut Down Several Branches in Different Countries**

**NBP | Neutral**

The management of the National Bank of Pakistan (NBP) has decided to shut down several foreign branches in different countries. Seven overseas franchises are already in the process of being closed, and the bank's position on another seven branches will be decided in the next phase, said the quarterly report of SBP without identifying the selected branches. (Propakistani) | [Click for more info.](#)

## Fertilizer

**Fauji Fertilizer posts profit**

**FFC | Positive**

The winter results season kicked off on Tuesday with Fauji Fertiliser Bin Qasim (FFBL) announcing profit-after-tax (PAT) at Rs2.192 billion for the CY20, translating into earnings per share (EPS) at Rs1.70 as against loss of Rs5.92bn (EPS: Rs4.60) in CY19. (Dawn) | [Click for more info.](#)

**FBR launches audit of fertilizer businesses to plug tax leakages**

**Fertilizer | Neutral**

The Federal Board of Revenue (FBR) has launched a composite audit of fertiliser manufacturers after unearthing various incidences of sales suppression in the growing sector. (The News) | [Click for more info.](#)

## Miscellaneous

**No plan to privatize Roosevelt Hotel, Senate told**

**PIAA | Neutral**

As the opposition smelled a rat in the closure of a PIA-owned luxury hotel in New York, the government on Tuesday told the Senate there was no plan to privatize Roosevelt Hotel. (Dawn) | [Click for more info.](#)

**Valuation of PSM's core assets likely to be completed by 31st**

**Economy | Neutral**

The valuation of core assets of Pakistan Steel Mills (PSM), which will be transferred to a new subsidiary, is underway and the exercise is likely to be completed by January 31. (PT) | [Click for more info.](#)

## International News

**Asian Stocks Gain; U.S. Tech Rises after Hours: Markets Wrap**

Asian stocks recovered Wednesday from their biggest slide in two months as investors mulled a slew of earnings reports amid worries over virus variants and hurdles to stimulus. Nasdaq futures climbed. (Bloomberg) | [Click for more info.](#)

**Oil Companies Fear Nigerian Plan May Deter Offshore Investment**

International energy companies working in Nigeria are worried that proposals in the country's long-delayed oil industry law will deter investment in new offshore projects. (Bloomberg) | [Click for more info.](#)



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**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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