



December  
30, 2020

## Economy

### Wapda allowed to issue \$500m Eurobonds

#### Economy | Positive

The federal cabinet has allowed in principle, Water and Power Development Authority (Wapda) to issue \$ 500 million debut Eurobonds, subject to necessary modalities to be finalized at par with similar securities in consultation with Finance Division and State Bank of Pakistan, sources close to Secretary Water Resources told. (BR) | [Click for more info.](#)

### Different items; Tariff review proposals to be placed before ECC

#### Economy | Neutral

The Tariff Policy Board (TPB) has discussed different proposals to review tariffs of different items proposed by different public and private sector entities, which will be placed before the ECC for final nod, sources in Commerce Ministry told Business Recorder. The meeting was informed that replies from the Ministry of Industries and Production on removal of Additional Customs Duty on 85 tariff lines and rationalization of tariff on solid surface sheet in light of the investigation conducted by NTC, were awaited. (BR) | [Click for more info.](#)

### Real estate sector; Call for addressing concerns of overseas Pakistanis, foreign investors

#### Economy | Neutral

The concerns of the overseas Pakistanis and foreign investors in the real estate sector need to be addressed by empowering the Board of Investment (BOI) to provide one-stop shop for completion of all steps and legal formalities on fast-track basis, for encouraging new investment in the sector. (BR) | [Click for more info.](#)

## Oil & Gas

### Lowest' prices for Feb LNG cargoes offered

#### Gas | Neutral

Limited and ENOC Singapore have offered the lowest prices to supply two liquefied natural gas (LNG) cargoes to Pakistan LNG Limited (PLL) for delivery in February 2021, according to a tender document published on Tuesday. SOCAR offered a cargo for delivery between Feb. 15 to 16 at a percentage of the Brent crude oil futures price, known as a slope rate, of 23.4331% while ENOC offered a slope rate of 20.8483% for a cargo for Feb. 23 to 24, according to the document on the PLL website. (BR) | [Click for more info.](#)

## Power

### KE allocates Rs26bln to improve distribution network

#### KEL | Neutral

K-Electric has earmarked around Rs26 billion under its plan to upgrade infrastructure, strengthen service delivery and mitigate disruptions during the coming year, the company said on Tuesday. (The News) | [Click for more info.](#)

## Cement

### Increase in coal price hurting cement sector

#### Cement | Negative

Drastic increase in international coal and diesel prices is leading to increase in the cost of cement production which may impact cement prices. According to the sources, the cement industry is already facing a continuing increase in the cost of manufacturing due to the escalating price of coal in the international market. The price of coal has increased by the US\$35 per ton in the last six months. In July, 2020 C&F Karachi coal prices were around the US\$60 per ton which has increased to around the US\$95 per ton in December 2020. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,601.8	30,424.1	-177.7	-0.6%
KSE100	43,674.3	43,282.3	-392.0	-0.9%
KSE30	18,213.3	18,001.4	-211.9	-1.2%
KMI30	71,309.2	70,682.8	-626.4	-0.9%

### Top Five Gainers

	Open	Close	Chg.	%
RMPL	9,350.0	9,450.0	100.0	1.1%
SFL	980.0	1,019.0	39.0	4.0%
IDYM	500.0	535.0	35.0	7.0%
MUREB	544.6	576.7	32.1	5.9%
SAPT	950.1	973.0	22.9	2.4%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITY	30.5	31.6	1.1	41.33
KEL	4.1	4.0	-0.1	38.15
PRL	21.6	21.7	0.0	32.05
TRG	84.3	85.0	0.7	29.30
PAEL	38.5	39.4	0.8	26.21

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	9.77	-0.01	7.93
F-Corporates	0.68	-1.63	-0.94
O/S Pakistanies	8.66	-47.64	-38.97
<b>Net</b>	9.41	-49.28	-39.87
<b>LIPI</b>			
Individuals	123.24	-115.41	7.83
Companies	62.60	-22.77	39.83
Comm. Banks	2.04	-13.79	-11.74
NBFC	0.03	-0.02	0.01
Mutual Funds	10.38	-6.96	3.41
Other	1.06	-1.44	-0.38
Brokers Proprietary	32.27	-31.26	1.01
Insurance	2.63	-2.72	-0.10
<b>Net</b>	234.24	-194.37	39.87

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	48.00	0.8%
Brent oil	USD/bbl.	51.09	0.5%
Gold	USD/t oz.	1878.18	0.2%
Silver	USD/t oz.	26.21	-0.1%
Coal	USD/ton	88.70	-2.8%
Steel Scrap (LME)	USD/ton	419.00	-1.8%
Steel Rebar (LME)	USD/ton	592.00	-0.7%
USD/PKR	Interbank	160.52	-0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055



## No extension in amnesty scheme deadline: Dr Waqar

**Cement | Neutral**

Special Assistant to the Prime Minister on Revenue, Dr Waqar Masood Khan has said that the government is not considering any proposal on the extension in the amnesty scheme announced for construction industry beyond the deadline of December 31, 2020. (BR) | [Click for more info.](#)

## Banks

### JS Bank signs Credit Guarantee Agreement with PMRC

**JSBL | Positive**

JS Bank has signed a Credit Guarantee Agreement with the Pakistan Mortgage Refinance Company (PMRC) for providing and promoting affordable housing finance to low-income lenders in the country. The agreement was inked by the State Bank of Pakistan, JS Bank and five other banks for the recently launched mark-up subsidy, Mera Pakistan Mera Ghar initiative. (BR) | [Click for more info.](#)

## Miscellaneous

### Govt sets \$20.86bn textile, apparel export target under new policy

**Textile | Neutral**

The federal government has set a target of \$20.86 billion for textiles and apparel export during the next five years. According to the details, the Commerce Ministry has fixed a \$13.6bn export target of textiles and apparel in the ongoing fiscal year, while the government has set a target to export textile products worth \$14.7bn in 2021-22, \$16.3bn in 2022-23, \$18.3bn in 2023-24, and \$20.8bn in 2024-25. (PT) | [Click for more info.](#)

### Proposed zero-rating for textile sector

**Textile | Neutral**

Ministry of Commerce (MoC) will be eyeball to eyeball with Federal Board of Revenue (FBR) at an Economic Coordination Committee (ECC) meeting on Wednesday (today) on zero-rating for the entire textile sector proposed in Rs 900 billion incentives-based Textile Policy 2020-25. | [Click for more info.](#)

### Supply chains choke as container shortage persists

**Economy | Negative**

As economies around the world emerge from the Covid lockdowns, a new challenge has tripped up supply chains everywhere. A dire shortage of shipping containers in some countries matched by an oversupply in others has created awkward bottlenecks all over the globe, with Pakistan hit particularly hard. (Dawn) | [Click for more info.](#)

### Provisional figures; 29-day tax collection stands at Rs422bn

**Economy | Neutral**

The Federal Board of Revenue (FBR) has provisionally collected Rs422 billion during first 29 days of December 2020 against assigned target of Rs541 billion, reflecting a shortfall of Rs119 billion. Sources told Business Recorder Tuesday that the FBR was expected to achieve the assigned monthly target of Rs541 billion by the end of December 2020. Now, the tax machinery is required to collect an amount of Rs119 billion in the last two days to meet the target of Rs541 billion. (BR) | [Click for more info.](#)

### Chinese envoy lists sectors of prime focus

**Economy | Neutral**

Chinese Ambassador Nong Rong informed that with the start of 2nd phase of the CPEC, socioeconomic, industrialization, agriculture and scientific and technological sectors would be focused. . (BR) | [Click for more info.](#)

## World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	47,613.1	259.33	0.55%
HK - Hang Seng	26,568.5	253.86	0.96%
KSA - Tadawul	8,746.8	31.38	0.36%
PHILP - PSEi	7,139.7	17.46	0.25%
US - S&P 500	3,727.0	-8.32	-0.22%
Taiwan - TWII	14,472.1	-11.02	-0.08%
CHINA - Shanghai	3,379.0	-18.25	-0.54%
INDONESIA - IDX	6,036.2	-57.38	-0.94%
US - Dow 30	30,335.7	-68.30	-0.22%
PAK (KSE-100)	43,255.6	-418.73	-0.96%

## Board Meetings

Scrip	Day	Agenda	Time
PIAA	Wednesday	MULTI. PERIOD	11:00 AM
MRNS	Wednesday	ANN A/C 30-SEP-20	11:30 AM
HSM	Thursday	ANN A/C 30-SEP-20	10:00 AM
NONS	Thursday	ANN A/C 30-SEP-20	11:00 AM
SHJS	Thursday	ANN A/C 30-SEP-20	12:00 PM
SASML	Thursday	ANN A/C 30-SEP-20	3:00 PM
KPUS	Friday	ANN A/C 30-SEP-20	2:30 PM
JDWS	Saturday	ANN A/C 30-SEP-20	11:00 AM
SANSM	Saturday	ANN A/C 30-SEP-20	12:30 PM
IML	Monday	ANN A/C 30-SEP-20	11:00 AM
SML	Monday	ANN A/C 30-SEP-20	11:00 AM
DNCC	Tuesday	ANN A/C 30-SEP-20	3:30 PM

Source: PSX



## Political News

### PPP to contest Senate polls instead of resigning from assemblies: Bilawal

The top leadership of PPP has supported the idea of contesting the upcoming Senate elections against the ruling PTI instead of stepping down from the legislative assemblies, party chairman Bilawal Bhutto-Zardari said. (ET) | [Click for more info.](#)

### Assets beyond means: Khawaja Asif nabbed by NAB

The National Accountability Bureau (NAB) Tuesday arrested PML-N parliamentary leader in the National Assembly Khawaja Muhammad Asif for allegedly amassing assets beyond known sources of income. (The News) | [Click for more info.](#)

## International News

### Asian shares pause recent rally, euro near 2-1/2-year high

Asian shares retreated on Wednesday as investors cashed in on a recent rally, while the euro flirted with highs not seen in more than 2-1/2 years on as hopes of a gradual global economic recovery supported demand for riskier currencies. (Reuters) | [Click for more info.](#)

### Oil Jumps After Industry Group Reports U.S. Crude Supply Decline

Oil extended gains after an industry group reported a larger-than-expected decrease in U.S. crude stockpiles. (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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