



December  
31, 2020

## Economy

### Govt amends AML, CFT laws to comply with FATF conditions

#### Economy | Neutral

In order to comply with the Financial Action Task Force (FATF) conditions, the government has bound the State Bank of Pakistan (SBP) and all branches of commercial banks by enforcing the amended Anti-Money Laundering (AML) and Counter Financing of Terrorist (CFT) laws. According to Statutory Regulatory Order (SRO), issued by the Finance Division on Wednesday, "These regulations shall apply to the Central Directorate of National Savings (CDNS) and any other office of the issue dealing with the NSS as defined under regulations 2(1)." (BR) | [Click for more info.](#)

### Rupee likely to hover around Rs161-166 against dollar in 2021

#### Economy | Neutral

The rupee is likely to hover in the range of Rs161 and 166 against the US dollar in the coming year, taking cue vividly now much from market forces and that means imported inflation and Covid management will guide its direction, analysts said on Wednesday. The rupee is forecast to weaken next year, said analysts. (The News) | [Click for more info.](#)

### Banks crowd into 3-month tenors in T-bill auction

#### Economy | Neutral

The government on Wednesday raised RsRs638 billion at the auction of treasury bills. It received bids of Rs659.2bn. It raised Rs592bn for three-month T-bills against the bids of Rs623.2bn at the cut-off yield 7.14 per cent. Raising the highest amount for shortest period of three-month indicates that prevailing interest rate at 7pc could see a change in the next three to six months. (Dawn) | [Click for more info.](#)

## Oil & Gas

### Price of POL products may be increased

#### Oil | Positive

The federal government may increase the prices of petroleum products based on the working paper forwarded by the Oil and Gas Regulatory Authority (Ogra), sources said. Ex-depot prices have been calculated on 17 percent general sale tax (GST) and the rate of petroleum levy (PL) notified for December 16-31, 2020. According to the sources, the Ogra recommends petrol prices increase at Rs2.75 per liter, while high-speed diesel (HSD) may go up by Rs3.15 per litre. (BR) | [Click for more info.](#)

### Govt floats tender to import 280,000cm LNG for April

#### Gas | Neutral

Government issued a tender to import 280,000 cubic meters of liquefied natural gas for delivery in April from the spot market, acting promptly after a cold-shoulder response to the delayed tenders for January cargoes. (The News) | [Click for more info.](#)

## Power

### Rs1.06 per unit increase in tariffs of Discos calculated

#### Power | Positive

National Electric Power Regulatory Authority (Nepra) on Wednesday calculated Rs 1.06 per unit increase in tariffs of Discos for months of October - November, 2020 under monthly fuel price adjustment mechanism, after a fierce fight between Chairman Nepra and CFO, CPPA-G on deduction of Rs 862 million for running expensive furnace oil-fired plants in October. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,424.1	30,733.9	309.8	1.0%
KSE100	43,282.3	43,694.8	412.5	1.0%
KSE30	18,001.4	18,139.7	138.3	0.8%
KMI30	70,682.8	71,149.5	466.8	0.7%

### Top Five Gainers

	Open	Close	Chg.	%
RMPL	9,450.0	9,799.0	349.0	3.7%
NESTLE	6,619.0	6,845.0	226.0	3.4%
PMPK	1,418.3	1,480.0	61.7	4.3%
MUREB	576.7	601.8	25.1	4.4%
ATLH	480.0	503.1	23.1	4.8%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PRL	21.7	23.3	1.6	55.27
TRG	85.0	90.9	5.9	31.22
UNITY	31.6	32.0	0.4	18.50
HASCOL	14.5	14.7	0.2	18.38
KEL	4.0	4.0	-0.1	14.61

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	3.84	0.00	3.83
F-Corporates	1.90	-1.86	0.04
O/S Pakistanies	8.07	-8.68	-0.62
<b>Net</b>	9.99	-10.54	-0.55
<b>LIPI</b>			
Individuals	137.70	-135.71	1.99
Companies	5.39	-4.91	0.48
Comm. Banks	1.94	-12.65	-10.72
NBFC	0.05	-0.04	0.02
Mutual Funds	8.46	-9.56	-1.10
Other	0.72	-1.09	-0.36
Brokers Proprietary	31.12	-25.97	5.16
Insurance	7.49	-2.40	5.09
<b>Net</b>	192.87	-192.32	0.55

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	48.40	0.8%
Brent oil	USD/bbl.	51.45	0.7%
Gold	USD/t oz.	1894.39	0.9%
Silver	USD/t oz.	26.67	1.7%
Coal	USD/ton	87.65	-1.2%
Steel Scrap (LME)	USD/ton	423.50	1.1%
Steel Rebar (LME)	USD/ton	593.00	0.2%
USD/PKR	Interbank	160.38	-0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055



## Banks

**HBL, Dolmen Group partner to expand accessibility of premium real estate**

**HBL, DCR | Positive**

HBL Islamic Banking and Dolmen Group had entered into a strategic partnership last month, as per which, they are to provide access to Premium Real Estate using the Islamic Home Financing facility. (PT) | [Click for more info.](#)

## Miscellaneous

**Steel bar makers again raise prices**

**Steel | Positive**

Manufacturers of steel bars have again raised the prices by up to Rs7,000 per tonne. From mid November till to date, the makers had increased prices of rebar by over Rs22,000 per tonne on the pretext of rising raw material prices on the world markets. (Dawn) | [Click for more info.](#)

**Engro Polymer successfully undertakes IPO of preference shares**

**EPCL | Positive**

Engro Polymer and Chemicals Limited has successfully undertaken the Initial Public Offering (IPO) of its preference shares. The public subscription was held successfully on December 17 and 18, 2020. The listing of the said shares will take place on December 31, 2020. (BR) | [Click for more info.](#)

**Covid-19; NCOC authorises procurement of over 1m vaccines**

**Pharmaceutical | Positive**

The head of the National Command and Operations Centre (NCOC) — the body leading Pakistan's fight against the coronavirus — on Wednesday said that he had authorised the procurement of more than one million vaccines. (BR) | [Click for more info.](#)

## International News

**UK parliament approves Brexit trade deal with EU as both sides look to future**

British lawmakers approved Prime Minister Boris Johnson's post-Brexit trade deal with the European Union on Wednesday, as both sides looked to begin a new chapter of relations just days before their divorce becomes a reality. Britain and the European Union signed the deal on Wednesday and the British parliament will finalise its implementation, ending over four years of negotiation and safeguarding nearly a \$1 trillion of annual trade. (Reuters) | [Click for more info.](#)

**Asian shares hover near record high, risk currencies in favor**

Asian shares are set to end a tumultuous 2020 by hovering near record highs on Thursday while riskier currencies cruised near 2-1/2-year peaks, buoyed by hopes that COVID-19 vaccine rollouts will help the world beat the pandemic. (Reuters) | [Click for more info.](#)

**Oil set for 20% drop in 2020 as lockdowns weigh**

Global crude oil markets have lost about a fifth of their value in 2020 as strict coronavirus lockdowns paralyzed much of the global economy, but prices have rebounded strongly from their lows as governments rolled out more stimulus. (Reuters) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	27,147.1	578.62	2.18%
PAK (KSE-100)	43,694.8	439.21	1.02%
Taiwan - TWII	14,687.7	215.65	1.49%
INDIA - SENSEX	47,746.2	133.14	0.28%
US - Dow 30	30,409.6	73.89	0.24%
CHINA - Shanghai	3,414.5	35.41	1.05%
PHILP - PSEi	7,139.7	17.46	0.25%
KSA - Tadawul	8,760.1	13.32	0.15%
US - S&P 500	3,732.0	5.00	0.13%
INDONESIA - IDX	5,979.1	-57.11	-0.95%

### Board Meetings

Scrip	Day	Agenda	Time
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



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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.

## Analyst Certification <sup>AC</sup>

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