



December
3, 2020

Economy News

Fitch sees real growth at meagre 0.8pc

Economy | Neutral

The real GDP growth forecast for Pakistan for fiscal year 2020-21, even after factoring in base effects, stands at a meagre 0.8 percent, and could see further downsides, as the recent second wave of the Covid-19 infections derail hopes for recoveries in private consumption and investment inflows, says Fitch Solutions. (BR) | [Click for more info.](#)

Govt raises Rs382.3bln via MTBs

Economy | Positive

The government on Wednesday raised Rs382.3 billion through the auction of Market Treasury Bills, slightly higher than the pre-auction target of Rs350 billion. (The News) | [Click for more info.](#)

Rs70b plan to tackle Covid, other calamities okayed

Economy | Positive

The federal government on Wednesday approved a Rs70 billion umbrella project to improve its response to the coronavirus pandemic and other calamities. The Central Development Working Party (CDWP) agreed with the recommendations of a committee for a project titled 'Covid-19 Responsive and Other Natural Calamities Control Programme' costing Rs70 billion with proposed changes, according to a handout issued by the planning and development ministry. (ET) | [Click for more info.](#)

Govt to start Covid-19 vaccination drive in April

Economy | Neutral

Pakistan will launch a Covid-19 vaccination drive in the second quarter of 2021, providing the vaccine to all citizens free of charge, Nausheen Hamid, parliamentary secretary on Health said on Wednesday. (ET) | [Click for more info.](#)

Oil & Gas

Oil sales increase 11 percent to 8.1mln tons in July-November

OMCs | Positive

Sales of petroleum products increased 11 percent to 8.1 million tons during the first five months of the current fiscal year of 2020/21 as reopening of economy boosted energy demand, analysts said on Wednesday. Major contributors were motor spirit (MS) and high speed diesel (HSD) with sales of 3.4 million tons and 3.1 million tons, respectively. Demand for furnace oil soared 31 percent. (The News) | [Click for more info.](#)

Gas circular debt surges to Rs350 billion

SSGC, SNGP | Negative

The monster of circular debt into the gas sector has escalated to a staggering Rs350 billion because of different inefficiencies and policy inactions. (The News) | [Click for more info.](#)

Power

NEPRA approves reduction in industrial tariff

Economy | Positive

In line with the prime minister's promise to the small & medium industries, the National Electric Power Regulatory Authority (NEPRA) has decided to decrease industrial tariff by Rs4.96 per unit. According to NEPRA, the commercial electricity price for small industries has been reduced from Rs12.96 to Rs8 per unit, effective from November 1, 2020. (PT) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,204.7	29,407.8	203.0	0.7%
KSE100	41,665.3	42,027.4	362.1	0.9%
KSE30	17,533.5	17,668.3	134.8	0.8%
KMI30	67,147.5	67,849.5	702.1	1.0%

Top Five Gainers

	Open	Close	Chg.	%
MTL	1,044.7	1,123.0	78.3	7.5%
INDU	1,144.3	1,218.5	74.2	6.5%
BATA	1,425.0	1,484.3	59.3	4.2%
NESTLE	6,500.0	6,550.0	50.0	0.8%
AGTL	372.7	400.7	28.0	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITY	27.5	27.2	-0.3	39.76
TRG	67.4	71.3	3.8	38.58
PRL	19.4	19.6	0.2	34.60
MLCF	40.1	40.2	0.1	31.56
HUMNL	6.0	6.1	0.0	25.60

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	19.61	-0.12	0.74
F-Corporates	4.40	-11.67	-7.27
O/S Pakistanies	7.85	-8.06	-0.22
Net	12.37	-19.86	-7.48
LIPI			
Individuals	111.54	-109.60	1.94
Companies	8.95	-7.38	1.57
Comm. Banks	2.77	-4.02	-1.25
NBFC	0.03	-0.02	0.02
Mutual Funds	7.95	-7.90	0.05
Other	1.00	-0.44	0.56
Brokers Proprietary	28.16	-25.97	2.19
Insurance	3.65	-1.23	2.41
Net	164.05	-156.57	7.48

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	45.28	1.6%
Brent oil	USD/bbl.	48.25	1.8%
Gold	USD/t oz.	1831.28	0.9%
Silver	USD/t oz.	24.10	0.4%
Coal	USD/ton	84.60	0.8%
Steel Scrap (LME)	USD/ton	378.50	1.7%
Steel Rebar (LME)	USD/ton	555.50	0.2%
USD/PKR	Interbank	160.44	0.5%

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



Govt-IPPs MoUs granted cabinet sanction

IPPs, Power | **Positive**

The Federal Cabinet has granted "explicit" approval to the Memoranda of Understanding (MoUs) signed between four dozen Independent Power Producers (IPPs) and Government of Pakistan (GoP) to be converted into agreements, well-informed sources told. (BR) | [Click for more info.](#)

Miscellaneous

PM Imran Khan announces reduction in ex-mill price of sugar by Rs20/kg

Sugar | **Negative**

Prime Minister Imran Khan on Wednesday announced that the government, through effective intervention, has finally reduced the ex-mill prices of sugar by Rs20 per kilogramme. According to a report by Geo News, last month, the prices of sugar had skyrocketed to Rs99-100 per kg from October's price of Rs98 per kg. The PM took to his Twitter account and wrote that ex-mill prices of sugar have been reduced within 20 days. (The News) | [Click for more info.](#)

PIA issues transfer orders for 450 employees for the first time

PIAA | **Neutral**

For the first time, Pakistan International Airline's (PIA) management has ordered the transfer of 450 employees from Karachi to Islamabad, Geo News reported Wednesday, citing sources. All PIA offices in Sindh — except the ones in Larkana — have been closed, sources said, adding that the officers were first transferred from interior Sindh to Karachi. (The News) | [Click for more info.](#)

PIA offers 30pc discount on domestic fares

PIAA | **Neutral**

In order to facilitate passengers during winter holidays and school vacations, Pakistan International Airlines (PIA) has introduced special fares, offering up to 30pc discount on domestic flights operating between Karachi, Lahore, Islamabad, Quetta, Faisalabad, Sialkot and Peshawar from December 3 (Thursday) onwards. (PT) | [Click for more info.](#)

Removal of 5pc RD approved by ECC

Textile | **Positive**

A meeting of the ECC of the Cabinet has approved removal of 5% regulatory duty (RD) on import of cotton yarn to increase value-added exports, however, the Karachi Transformation Plan proposal was put off till the next meeting for a detailed discussion. | [Click for more info.](#)

SBP amends guidelines on auction for govt securities

Economy | **Neutral**

SBP has made amendments to the guidelines (Master Circular) on auction of government securities as a step towards more market-driven pricing in the auction of government securities and diversification of the investor-base of the securities. | [Click for more info.](#)

Political News

Afghan govt, Taliban reach breakthrough deal

Afghan government and Taliban representatives reached a preliminary deal on Wednesday to press on with peace talks, their first written agreement in 19 years of war and welcomed by the United States as a chance to halt the violence. (BR) | [Click for more info.](#)

International News

Oil drops as OPEC+ resume talks on output cut extension after impasse

Oil prices fell on Thursday as producers including Saudi Arabia and Russia locked horns over the need to extend record production cuts set in place in the first wave of the COVID-19 pandemic. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	42,027.4	362.11	0.87%
Taiwan - TWII	13,989.1	103.47	0.75%
INDONESIA - IDX	5,814.0	89.25	1.56%
PHILP - PSEi	7,080.6	71.06	1.01%
US - Dow 30	29,883.8	59.87	0.20%
US - S&P 500	3,669.0	6.56	0.18%
CHINA - Shanghai	3,449.4	-2.56	-0.07%
KSA - Tadawul	8,694.1	-27.99	-0.32%
HK - Hang Seng	26,532.6	-35.10	-0.13%
INDIA - SENSEX	44,618.0	-37.40	-0.08%

Board Meetings

Scrip	Day	Agenda	Time
FPJM	Friday	ANNUAL ACCOUNT	3:00 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.

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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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