

December  
7, 2020

## Economy News

**Pakistan among Top Five countries with highest investment commitments: WB Report**

**Economy | Positive**

Pakistan has emerged as one of the top five countries with the most investment commitments in H1 2020, as per the World Bank's IBRD IDA latest report titled Private Participation in Infrastructure (PPI) 2020 Half Year Report. As per the report, Pakistan had the fourth-highest investment commitments—a new entrant to the top five countries this year—with \$1.9 billion of investment commitments, accounting for 0.69 percent of its GDP. This can be attributed to the financial closure of the Thar Block-I Coal-Fired Power Plant, which was the only project to reach financial closure in the country during this time period. (BR) | [Click for more info.](#)

**Pakistan decides to contact World Bank for corona vaccine funding**

**Economy | Positive**

Pakistan has decided to contact the World Bank for COVID-19 vaccine funding, a private channel reported on Saturday, citing sources. Pakistan will seek \$153mn from the WB for advance purchases of the COVID-19 vaccines. The request will be formally made by the Economic Coordination Division, said the sources. (The News) | [Click for more info.](#)

**Trade deficit widens to \$9.6b**

**Economy | Neutral**

Pakistan's trade deficit marginally widened to \$9.6 billion in first five months of current fiscal year on the back of a nominal increase in both exports and imports, the Pakistan Bureau of Statistics (PBS) reported on Friday. During July-November 2020, exports slightly increased by 2.1% and stood at \$9.7 billion as compared to \$9.5 billion in the same period of last year, according to the national data collecting agency. (ET) | [Click for more info.](#)

**Covid positivity ratio climbs back to 7.5%**

**Economy | Neutral**

The country's coronavirus positivity ratio again climbed to 7.59pc on Saturday, with the highest positivity ratio observed in Abbotabad at 17.57pc, according to the data released by the National Command and Operation Centre (NCOC). The ratio had decreased to around 7.2pc earlier. After Abbotabad, the second highest positivity ratio was observed in Rawalpindi at 15.26pc, followed by Karachi at 14.31pc and Hyderabad at 12.13pc. (ET) | [Click for more info.](#)

## Oil & Gas

**Gas load management plan: Govt decides to curtail gas supply to RLNG-based power plants**

**Gas | Neutral**

The government has decided to curtail the quota of imported gas to RLNG based power plants from 350 mmcf to 240 mmcf to provide the maximum gas supply to domestic consumers during the months of December 2020 and January 2021, top official sources of the Petroleum Division told (The News) | [Click for more info.](#)

## Power

**Circular debt soars to Rs2.3 trillion**

**Power | Negative**

Chairman, National Electric Power Regulatory Authority (Nepra), Tauseef H. Farooqi, said on Friday that the energy sector's circular debt has touched Rs 2.3 trillion mark. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,409.5	29,549.4	139.9	0.5%
KSE100	42,047.7	42,207.0	159.3	0.4%
KSE30	17,664.6	17,682.5	17.9	0.1%
KMI30	68,022.4	68,296.6	274.2	0.4%

### Top Five Gainers

	Open	Close	Chg.	%
SFL	970.0	1,025.0	55.0	5.7%
NESTLE	6,560.3	6,585.1	24.8	0.4%
OTSU	304.0	325.0	21.0	6.9%
KHYT	254.0	273.1	19.1	7.5%
MFFL	272.4	288.9	16.5	6.1%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	70.1	72.6	2.5	42.63
PRL	19.6	20.1	0.5	30.97
PTC	9.0	9.2	0.2	21.73
ASL	18.0	18.0	0.0	21.41
KEL	3.7	3.7	0.0	18.75

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	5.78	-0.02	1.96
F-Corporates	2.94	-6.57	-3.63
O/S Pakistanies	6.39	-6.63	-0.25
<b>Net</b>	9.36	-13.23	-3.87
<b>LIPI</b>			
Individuals	102.42	-100.32	2.10
Companies	6.69	-6.74	-0.05
Comm. Banks	2.58	-3.62	-1.04
NBFC	0.05	-0.02	0.02
Mutual Funds	5.02	-6.49	-1.46
Other	0.36	-0.37	-0.02
Brokers Proprietary	26.89	-24.39	2.50
Insurance	4.29	-2.48	1.81
<b>Net</b>	148.29	-144.43	3.87

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	46.26	1.4%
Brent oil	USD/bbl.	49.25	1.1%
Gold	USD/t oz.	1838.86	-0.1%
Silver	USD/t oz.	24.19	0.5%
Coal	USD/ton	83.60	0.0%
Steel Scrap (LME)	USD/ton	386.00	0.3%
Steel Rebar (LME)	USD/ton	558.00	0.8%
USD/PKR	Interbank	160.17	-0.3%

**News Source:** Local / Int'l Newspapers and websites

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## KE unveils network upgrade plans

**KEL | Positive**

K-Electric (KE) has planned to upgrade of its existing transmission network from Hub Chowki to Bela Grid as part of its phase-wise plan to transform and improve its entire transmission and distribution network, a statement said on Friday. "These plans will ensure greater availability and reliability of power through enhancement of transmission capacity from 66 kV to 132 kV of both the grids and transmission lines located in Bela, Uthal, and Vinder," the power utility said. (The News) | [Click for more info.](#)

## Electricity supply to AJK; FD to devise formula to release dues of 3 Discos: Nepra

**Power | Neutral**

Finance Division (FD) is to devise a comprehensive formula to release over Rs150 billion outstanding receivables of three power Distribution Companies (Discos) against supply of electricity to Azad Jammu and Kashmir (AJ&K) territory, well informed sources in Nepra told. (BR) | [Click for more info.](#)

## IPPs irked at 'non-seriousness' on part of Power Division

**Power | Neutral**

As many as 53 independent power producers (IPPs) that signed MoUs with the government providing estimated relief of Rs836 billion in their remaining period of PPAs, have got irritated on the non-seriousness on part of the Power Division in finalising payment mechanism for offloading dues of Rs462 billion and implementation of their recommendations mentioned in MoUs. | [Click for more info.](#)

## Kapco, SNGPL lock horns over draft of tripartite agreement

**Power | Neutral**

Kapco and SNGPL are said to have locked horns over the draft of tripartite agreement meant to supply RLNG to the power plant. The multi fuel-fired power plant, which produces 1,600 MW intends to sign RLNG supply agreement with the SNGPL. | [Click for more info.](#)

## Cement

**Cement sales grow 4.19% in Nov**

**Cement | Positive**

The cement sector posted a growth of 4.19% in its sales during November 2020 compared to the same month of last year, which was the lowest monthly growth in current fiscal year after a double-digit rise in September and October 2020. According to data released by the All Pakistan Cement Manufacturers Association (APCMA) on Friday, total cement dispatches during November 2020 were recorded at 4.51 million tons, an increase of 4.19% against 4.33 million tons in November 2019. (ET) | [Click for more info.](#)

## Miscellaneous

**Sugar price starts falling**

**Sugar | Neutral**

Lahore Sugar Dealers Association President Asghar Butt told that since the start of crushing season in the province, prices of sugar have come down by Rs30 per kilograms or Rs300 per 100 kilograms. He said that ex-mill price of the white refined sugar on Saturday was recorded at Rs74 per kilogram. (BR) | [Click for more info.](#)

**SNGPL reduces UFG losses by 1.60pc**

**SNGP | Positive**

Company has declared 1.60% and 1,576 MMCF reduction in UFG losses and volumetric losses against targets of 1.25% and 1,425 MMCF respectively. The Company spokesperson said that this translates into financial savings of Rs. 755 Million.) | [Click for more info.](#)

## World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	45,079.6	446.90	1.00%
US - Dow 30	30,218.3	248.74	0.83%
PAK (KSE-100)	42,207.0	159.28	0.38%
Taiwan - TWII	14,132.4	155.35	1.11%
HK - HangSeng	26,835.9	107.42	0.40%
US - S&P 500	3,699.1	40.44	1.11%
CHINA - Shanghai	3,444.6	2.44	0.07%
INDONESIA - IDX	5,810.5	-12.46	-0.21%
KSA - Tadawul	8,675.0	-19.16	-0.22%
PHILIP - PSEi	7,134.6	-59.57	-0.83%

## Board Meetings

Scrip	Day	Agenda	Time
AGL	Thursday	ANNUAL ACCOUNT	10:00 AM

Source: PSX



## Antidumping duty on Chinese fibers impedes Pakistan's exports growth

Textile | **Neutral**

Pakistan couldn't benefit from the US trade restrictions on China to increase exports due to much reliance on cotton-based textiles contrary to the growing global demand of manmade fibres, analysts said on Saturday. (The News) | [Click for more info.](#)

## Commerce ministry releases Rs1.78b for textile sector under DLT

Textile | **Neutral**

Adviser to the Prime Minister on Commerce and Investment Abdul Razak Dawood on Friday said that ministry of commerce has released Rs1.78 billion for the textile sector under Duty drawback on Local Taxes and Levies (DLTL). (The Nation) | [Click for more info.](#)

## Tracking and trace system by June: FBR

TPLT | **Positive**

The Federal Board of Revenue (FBR) is expected to roll out a Track and Trace (T&T) System for specific goods including tobacco, cement, sugar, and fertiliser by the end of June 2021, the body announced on Friday at the pre-bidding conference. (Dawn) | [Click for more info.](#)

## Political

### Resignations or long march? PDM to make big decisions during tomorrow's meeting

Pakistan Democratic Movement (PDM) is going to announce big decisions in the upcoming Lahore rally on December 13, said PML-N Vice President Maryam Nawaz while addressing a social media workers convention here on Sunday. (The News) | [Click for more info.](#)

## International News

### Asian shares at all-time highs on U.S. stimulus, vaccine hopes

A gauge of Asian shares hit a record peak on Monday on hopes of a much-needed U.S. stimulus package before year-end just as coronavirus vaccines roll out, while oil prices hovered near their highest since March. (Reuters) | [Click for more info.](#)

### Oil prices fall as surging virus cases force more lockdowns

Oil prices fell on Monday as a continued surge in coronavirus globally forced a series of renewed lockdowns, including strict new measures in Southern California. (Reuters) | [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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