



February
9, 2021

Economy News

Jan exports decline 9.89pc, imports slide 5.43pc MoM

Economy | Neutral

Pakistan's exports declined by 9.89 percent, standing at \$2.132 billion in January 2021 against \$2.366 billion in December 2020, says the Pakistan Bureau of Statistics (PBS). The PBS on Monday released trade figures, showing that Pakistan's trade deficit widened by 21.03 percent to \$2.601 billion in January 2021 compared to \$2.149 billion in January 2020. (BR) | [Click for more info.](#)

Fiscal deficit; Govt plans to borrow Rs4.9trn in 3 months

Economy | Negative

In order to finance the fiscal deficit, the federal government has planned to borrow Rs 4.9 trillion from banking sector during the next three months (Feb-April) of 2021. The State Bank of Pakistan (SBP) has issued two calendars for the sale of Pakistan Investment Bonds (PIBs) and Market Treasury Bills (MTBs). (BR) | [Click for more info.](#)

Govt plans to increase budget for medical treatment, welfare work

Economy | Neutral

A parliamentary panel on Monday was informed the government has planned to increase the budget for medical treatment and other welfare works from Rs6.1 billion to Rs8 billion. (BR) | [Click for more info.](#)

Oil & Gas

MPCL matter likely to land in Cabinet meeting today

MARI | Neutral

The removal of 45 percent dividend distribution cap on Mari Petroleum Company Limited (MPCL) under Gas Pricing Agreement will land in the Federal Cabinet on Tuesday (today) for final decision as the Economic Coordination Committee (ECC) of the Cabinet has rejected the viewpoints of SAPM on Petroleum Nadeem Babar and Secretary Finance Kamran Ali Afzal. The Petroleum Division noted that it was incorporated in 1984 as a wholly-owned Public Limited Company with Fauji Foundation, Government of Pakistan and OGDCL as shareholders with 40%, 40%, and 20% shareholding respectively. (BR) | [Click for more info.](#)

Power

ECC approves amended deals with 46 IPPs

IPPs | Positive

In a landmark development, the Cabinet Committee on Energy (CCOE) and Economic Coordination Committee (ECC) here on Monday accorded approval to the conversion of MoUs into amended agreements and the payment mechanism of dues of 46 IPPs of Rs403 billion in two installments. The remaining one wind IPP is also likely to sign the amended power purchase agreement before the deadline of February 12, 2021. The implementation of amended PPAs of 47 IPPs will help ensure discounted tariff of Rs836 billion in their remaining periods. (The News) | [Click for more info.](#)

Pay Rs161bln instantly to IPPs: ECC

IPPs | Positive

The government has decided to pay outstanding amount of Rs403 billion to 46 independent power producers (IPPs) and Rs161 billion will be released instantly, sources said on Monday. The sources said the payment of Rs403 billion will be made in two instalments. First instalment will be 40 percent of the payable and will be paid one-third each in five-year sukuk and 10-year Pakistan Investment Bonds, while remaining 60 percent will be cleared within six months of the first instalment via the similar means. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	32,386.1	32,246.9	-139.2	-0.4%
KSE100	46,905.8	46,721.9	-183.9	-0.4%
KSE30	19,576.0	19,499.9	-76.1	-0.4%
KMI30	76,326.9	75,984.7	-342.2	-0.4%

Top Five Gainers

	Open	Close	Chg.	%
BHAT	826.0	888.0	62.0	7.5%
SAPT	1,000.0	1,043.6	43.6	4.4%
GATI	500.0	537.5	37.5	7.5%
SUTM	494.0	531.0	37.0	7.5%
MARI	1,649.0	1,675.1	26.0	1.6%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.1	1.2	0.1	52.91
TELE	3.9	4.9	1.0	35.63
TRG	115.0	123.6	8.6	33.18
HASCOL	12.2	11.2	-1.0	25.04
PRL	28.2	28.5	0.3	18.03

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	0.00	0.01
F-Corporates	1.44	-2.38	-0.94
O/S Pakistanies	7.77	-8.21	-0.44
Net	9.23	-10.59	-1.36
LIPI			
Individuals	135.61	-135.51	0.10
Companies	11.40	-8.22	3.19
Comm. Banks	7.91	-12.58	-4.66
NBFC	0.03	-0.04	0.00
Mutual Funds	6.26	-6.15	0.11
Other	0.93	-1.44	-0.50
Brokers Proprietary	33.30	-31.24	2.06
Insurance	2.28	-1.21	1.07
Net	197.73	-196.37	1.36

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	57.97	3.1%
Brent oil	USD/bbl.	60.56	2.9%
Gold	USD/t oz.	1830.81	2.1%
Silver	USD/t oz.	27.27	3.5%
Coal	USD/ton	87.35	2.9%
Steel Scrap (LME)	USD/ton	415.00	0.0%
Steel Rebar (LME)	USD/ton	600.00	0.3%
USD/PKR	Interbank	160.03	-0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055



Banks

BOP signs up with six MFIs to promote low-cost housing finance

BOP | Positive

The Bank of Punjab (BOP) has taken onboard six microfinance institutions within the Punjab Microfinance Network in a bid to extend financing for low-cost housing and agriculture to up to Rs10 billion. (PT) | [Click for more info.](#)

Senate panel asks NBP to furnish details of non-performing loans

NBP | Negative

The Senate's Standing Committee of Finance and Revenue on Monday directed the National Bank of Pakistan to submit details of non-performing loans. Citing non-performing loans as reason, the NBP officials had informed the committee that the bank has closed two branches in Bangladesh and Afghanistan due to continuous losses. Overall, NBP has 23 branches in different countries, including six in South Asia. (PT) | [Click for more info.](#)

Commercial Banks' deposits soar by 16% YoY in Jan'21

Banks | Positive

The total deposits held by Commercial Banks have shown a robust growth of 16% YoY to Rs 17.1 trillion in January 2021. While, on monthly basis, commercial banks' deposits showed a decline of 4% MoM. (Mettis) | [Click for more info.](#)

Govt planning to launch country's first-ever IPG

Banks | Positive

The government is planning to launch Pakistan's first-ever "International Payment Gateway (IPG)" to advance the nation's digital infrastructure in order to provide ease of doing business to the digital users globally. (BR) | [Click for more info.](#)

Miscellaneous

Basmati exports plunge by 38pc in 1HFY21

MATCO | Negative

Pakistan's rice exports remained subdued in the first half of the current fiscal year (1HFY21) due to low prices offered by India for non-basmati and issues of higher freight and shipments from October 2020 amid the Covid-19 pandemic. The country's overall rice export plunged by 10 per cent in quantity to 1.824 million tonnes and 6.74pc in value to \$963m in July-Dec 2020-21. (Dawn) | [Click for more info.](#)

Avanceon Ltd's share capital increases by over 2 million

AVN | Positive

The Paid-up Capital of Avanceon Limited has been enhanced from 211,790,007 to 231,827,798 shares after CDC allotment of 2,037,791 shares to all eligible employees who have exercised their share option under Employee Share Option Scheme(s). (Mettis) | [Click for more info.](#)

IT exports surge by 40pc in H1 FY 2020-21

Tech. & Comm. | Positive

The country's IT sector exports have registered a 40 percent increase during the first half of the current fiscal year (July-December), said the performance report of Pakistan Software Export Board (PSEB). (BR) | [Click for more info.](#)

China's CanSino Covid vaccine efficacy in Pakistan almost 75%: PM's aide

Pharmaceutical | Positive

Special Assistant to the Prime Minister (SAPM) on Health Dr Faisal Sultan on Monday said that CanSino Biologics Inc's coronavirus shot has an efficacy rate of 65.7% at preventing symptomatic cases based on multi-country analysis, making it the latest vaccine candidate to show protection against Covid-19. (ET) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	51,348.8	617.14	1.22%
US - Dow 30	31,385.8	237.52	0.76%
KSA - Tadawul	8,809.3	191.47	2.22%
Taiwan - TWII	15,802.4	96.18	0.61%
INDONESIA - IDX	6,208.9	57.14	0.93%
CHINA - Shanghai	3,532.5	36.12	1.03%
HK - Hang Seng	29,319.5	30.79	0.11%
US - S&P 500	3,915.6	28.76	0.74%
PHILP - PSEI	7,024.5	5.30	0.08%
PAK (KSE-100)	46,721.9	-183.92	-0.39%

Board Meetings

Script	Day	Agenda	Time
BIPLS	Tuesday	ANN A/c 31-Dec-20	12:00 PM
CEPB	Tuesday	HY A/c 31-Dec-20	6:00 PM
CHCC	Wednesday	HY A/c 31-Dec-20	11:00 AM
MCB	Wednesday	ANN A/c 31-Dec-20	11:00 AM
EMCO	Wednesday	HY A/c 31-Dec-20	11:30 AM
EPCL	Wednesday	ANN A/c 31-Dec-20	2:00 PM
PTC	Wednesday	ANN A/c 31-Dec-20	2:00 PM
EPQL	Thursday	ANN A/c 31-Dec-20	10:30 AM
CSAP	Thursday	HY A/c 31-Dec-20	11:00 AM
CPPL	Thursday	HY A/c 31-Dec-20	11:00 AM
BWHL	Thursday	HY A/c 31-Dec-20	11:00 AM
AGIL	Thursday	QTR A/c 31-Dec-20	12:30 PM
NPL	Friday	HY A/c 31-Dec-20	11:00 AM
RPL	Friday	HY A/c 31-Dec-20	11:00 AM
AKBL	Monday	ANN A/c 31-Dec-20	10:00 AM
EFERT	Monday	ANN A/c 31-Dec-20	10:00 AM
FCCL	Wednesday	HY A/c 31-Dec-20	11:00 AM
KAPCO	Thursday	HY A/c 31-Dec-20	10:30 AM
PPP	Thursday	HY A/c 31-Dec-20	11:00 AM

Source: PSX



Govt mulling reducing taxes on imported food items

Economy | Neutral

Prime Minister Imran Khan on Monday said the government was giving priority to the uplift of common man by providing them financial relief. Imran Khan said poor and underprivileged segments of the society were most affected by financial difficulties, particularly the direct taxation. He also directed his economic team to give proposals on reduction in taxes of imported food items. (BR) | [Click for more info.](#)

SECP's New Business Center Records Highest Ever Incorporations of Companies

Economy | Positive

The newly established Business Center of Securities and Exchange Commission of Pakistan (SECP) recorded 24 percent growth in the incorporation of new companies. The center registered 837 new companies in January 2021. It is the highest ever incorporation by a single Company Registration Office (CRO). (Propakistani) | [Click for more info.](#)

Political News

Sindh govt to challenge presidential ordinance in court: Bilawal

Chairman Pakistan Peoples Party (PPP) Bilawal Bhutto Zardari on Monday alleged that PTI-led federal government was attempting to make the Senate election controversial like 2018 general elections adding that the Sindh government will challenge the presidential ordinance on the open ballot in court. (BR) | [Click for more info.](#)

International News

Stocks, oil rise in Asia after U.S. records

Asian stock markets rose on Tuesday after a record-setting day on Wall Street, while Bitcoin paused for breath after an overnight endorsement from Tesla Inc sent the cryptocurrency up 20%. (Reuters) | [Click for more info.](#)

Oil climbs to 13-month highs, as supply cuts, demand optimism support

Oil prices edged up on Tuesday to their highest in 13 months as supply cuts by major producers and optimism over fuel demand recovery support energy markets. (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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