



November
10, 2020

Economy News

Rupee ranks Asia's top 3 after hitting six-and-a-half months high

Economy | Positive

Rupee reached six and a half months high of 158.9 against the US dollar in the interbank trade on Monday, clinching the top-3 rank in the list of Asia's best performing currencies with the politically-stressed government struggling to strengthen the country's foreign exchange position to tame imported inflation and appease masses. The rupee closed at 159.09 in the interbank market during the previous session. It appreciated 18 paisas against the dollar during the session. (The News) | [Click for more info.](#)

Hafeez raises the alarm: 'Superfluous' subsidies can invite IMF's ire

Economy | Neutral

Prime Minister Advisor on Finance and Revenue, Dr. Abdul Hafeez Shaikh, has reportedly warned the government that provision of "superfluous" subsidies in power sector can create hurdles in release of next tranche from the International Monetary Fund (IMF). (BR) | [Click for more info.](#)

Oil & Gas

RLNG-based CNG outlets: Ogra starts issuing licences

Gas | Positive

The Oil and Gas Regulatory Authority (Ogra) has started issuing licences for new CNG outlets based on RLNG after careful scrutiny of all the formalities. The government has also lifted the ban on import of CNG kits. Import duty as well as sales tax have been slashed to encourage its imports. (BR) | [Click for more info.](#)

OGDCL produces 36,221 BPD oil, 904 MMCFD gas, 714 TPD LPG in 1st quarter

OGDC | Positive

The Oil and Gas Development Company Limited (OGDCL) has produced around 36,221 BPD crude oil, 904 MMCFD gas and 714 TPD LPG gas during first quarter of the current fiscal year despite coronavirus pandemic and natural decline in existing hydrocarbon deposits. (Pakobserver) | [Click for more info.](#)

CCoE to take decision over unbundling of SSGC, SNGPL on Tuesday

SSGC, SNGPL | Neutral

The Cabinet Committee on Energy (CCoE) scheduled to meet on Tuesday is likely to grant approval for the unbundling of the two state-owned gas utility companies, Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Company (SSGC), into five smaller gas companies. They said that the Petroleum Division has been actively pursuing the break-up to ensure the sector's sustainability. (PT) | [Click for more info.](#)

Byco Petroleum partners with Daraz

BYCO | Neutral

Pakistan's premier energy company, Byco Petroleum Pakistan Limited, has partnered with Daraz, Pakistan's leading online marketplace, to launch its flagship online lubricants store on Daraz. Byco's wide range of high-quality lubricants will now be available on Pakistan's most popular online shopping store - daraz.pk. (BR) | [Click for more info.](#)

Proposed LPG Policy to Abolish WHT and Cut Down GST

BPL | Positive

The incumbent government is likely to reduce the prices of liquefied petroleum gas (LPG). According to news reports, this will be accomplished by removing withholding tax (WHT) of 5.5 percent on imports and reducing general sales tax (GST) to 10 percent from the current 17 percent. (Propakistani) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,667.5	28,670.9	3.4	0.0%
KSE100	40,731.6	40,784.0	52.4	0.1%
KSE30	17,081.8	17,098.2	16.5	0.1%
KMI30	65,175.6	64,983.5	-192.0	-0.3%

Top Five Gainers

	Open	Close	Chg.	%
COLG	2,849.9	3,000.0	150.1	5.3%
RMPL	8,599.0	8,698.0	99.0	1.2%
ILTM	1,069.0	1,149.1	80.2	7.5%
SAPT	911.9	980.3	68.4	7.5%
SFL	807.3	839.6	32.3	4.0%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
POWER	10.7	10.7	0.1	36.54
TRG	53.9	57.5	3.5	31.98
PAEL	34.1	35.2	1.1	19.21
PRL	18.9	19.1	0.3	17.08
UNITY	24.0	23.6	-0.3	15.65

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	1.17	0.00	1.17
F-Corporates	1.88	-3.25	-1.38
O/S Pakistanies	3.65	-5.13	-1.48
Net	5.53	-8.38	-2.85
LIPI			
Individuals	60.25	-55.82	4.43
Companies	3.34	-3.13	0.21
Comm. Banks	1.53	-1.54	-0.01
NBFC	0.02	-0.03	-0.01
Mutual Funds	1.38	-1.91	-0.53
Other	0.37	-0.29	0.09
Brokers Proprietary	13.31	-14.03	-0.73
Insurance	0.67	-1.26	-0.59
Net	80.86	-78.01	2.85

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	40.29	8.5%
Brent oil	USD/bbl.	42.40	7.5%
Gold	USD/t oz.	1863.04	-4.5%
Silver	USD/t oz.	24.11	-5.9%
Coal	USD/ton	64.10	3.2%
Steel Scrap (LME)	USD/ton	308.00	-1.0%
Steel Rebar (LME)	USD/ton	470.00	1.5%
USD/PKR	Interbank	159.09	-0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055



Power

Govt significantly raises licence fee for on-site electricity generation

Power | Neutral

The government has fixed a flat fee of Rs1,000 per kilowatt for distributed, also known as on-site, generation licence, an exorbitant increase for private producers of any capacity and a move that is seen as counterproductive to the goal of increasing renewable energy share, people familiar with the matter said on Monday. (The News) | [Click for more info.](#)

Discos allowed to hike tariff

KEL | Positive

National Electric Power Regulatory Authority (Nepra) has allowed power Distribution Companies (Discos) to increase tariff by paisa 48 per unit across the board except lifeline consumers and KE under monthly Fuel Component Adjustment (FCA) for August 2020. (BR) | [Click for more info.](#)

Reforms approved to usher in competitive power markets

Power | Neutral

In a long outstanding major development, the National Electric Power Regulatory Authority (Nepra) on Monday approved an 18-month roadmap to the electricity stock exchange — Competitive Trading Bilateral Contract Market (CTBCM) — to convert the existing captive (single buyer) electricity market into a liberal multi-buyer environment. (Dawn) | [Click for more info.](#)

Miscellaneous

Sugar price moves up despite 'fine' imports

Sugar | Positive

As the government trumpets decline of Rs15-20 per kg in the price of sugar in coming days, the wholesale rates of the sweetener has further swelled to Rs99-100 per kg from Rs98 per kg. Wholesale sugar price has already witnessed a jump of Rs5 per kg ahead of Rabi ul Awal to Rs98 per kg despite frequent imports by the government and private sector. (Dawn) | [Click for more info.](#)

Sazgar Engineering sells 1,326 units of three-wheelers during Oct'20

SAZEW | Neutral

Sazgar Engineering Works Limited (SAZEW) sold 1,326 units of Three-Wheeler during the month of October 2020, i.e. around 15% lower than the sales made in the previous month. In an announcement regarding the sales and production data of three wheelers for the month of Oct'20, the company informed that the production for the month totaled 1,432 units, i.e. almost 12.6% greater than the units produced during the previous month. (Mettis) | [Click for more info.](#)

Govt may further extend concessional RLNG supply to urea plants till Feb 2021

FATIMA | Positive

The federal government is likely to extend concessional RLNG supply to urea plants till February 2021, it was learnt on Monday. Sources said that the Ministry of Industries and Production has sent a summary to the Economic Coordination of Committee (ECC) seeking extension of subsidized gas supply to Agritech Ltd and Fatima Fertilizer. The ministry opined that local production would help the government overcome any possible shortage of urea. (PT) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	29,158.0	834.57	2.95%
INDIA - SENSEX	42,597.4	704.37	1.68%
HK - Hang Seng	26,016.2	303.20	1.18%
KSA - Tadawul	8,366.5	206.11	2.53%
Taiwan - TWII	13,127.5	153.94	1.19%
CHINA - Shanghai	3,371.3	59.15	1.79%
PAK (KSE-100)	40,784.0	52.43	0.13%
US - S&P 500	3,550.5	41.06	1.17%
INDONESIA - IDX	5,356.0	20.47	0.38%
PHILP - PSEi	6,685.9	0.16	0.00%

Board Meetings

Scrip	Day	Agenda	Time
JOPP	Monday	1QA/C - 30SEP20	11:30 AM
HCAR	Wednesday	HYA/C - 30SEP20	11:00 AM

Source: PSX



Political News

Cabinet meets today: Top agenda items are Biden, economy and Covid-19

The federal cabinet which is scheduled to meet on Tuesday (Nov 10) will discuss the prevalent economic situation, Covid-19 impact, political situation, and the expected US foreign policy change in South Asia, especially towards Afghanistan after election of Joe Biden as President. (BR) | [Click for more info.](#)

International News

Pfizer Vaccine Brings Vision of Relief Even as Pandemic Rages On

One of the Covid-19 vaccines that was accelerated into trials earlier this year seems to work. The experimental shot, developed by American drugmaker Pfizer Inc. and German biotechnology firm BioNTech SE, appears more than 90% effective in stopping SARS-Cov-2 infections, the companies said Monday. (Bloomberg) | [Click for more info.](#)

Stock Rally to Extend in Asia on Vaccine Hope: Markets Wrap

Asian stocks looked poised for gains Tuesday after a large-scale coronavirus vaccine study delivered the most-promising results in the battle against the worst pandemic in a century. Bonds and other haven assets tumbled. (Bloomberg) | [Click for more info.](#)

Oil prices surge as market eyes COVID-19 vaccine breakthrough

Oil futures settled sharply higher Nov. 9 on the back of improved demand outlooks following reports of a breakthrough in COVID-19 vaccine research. (S&Pglobal) | [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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