

## Economy

### Remittances set another record in Dec

#### Economy | Positive

Remittances received by the country from overseas Pakistanis set another record in December 2020 as inflows stood above \$2 billion for the sixth consecutive month. According to data released by the State Bank of Pakistan (SBP) on Friday, the amount sent home by expatriate Pakistanis reached \$2.4 billion, up 16.2% on a year-on-year basis and 4.2% month-on-month. (ET) | [Click for more info.](#)

### FBR mulls tax reforms for capital market

#### Capital Market | Positive

The Federal Board of Revenue (FBR) has started consultations with stakeholders on the tax reforms for capital markets to attract more foreign and local investors, sources said on Friday. The sources said the committee will act as a forum till budget making exercise for the year 2021/22 to review tax policies and suggest specific short-term and medium to long term measures for the development of debt and equity market, commodity futures, mutual funds, real estate investment trusts, corporate and insurance sector, amongst others. (The News) | [Click for more info.](#)

### Pakistan improves position on WB Ease of Doing Business Index: Report

#### Economy | Positive

Pakistan has improved its position on World Bank (WB) Ease of Doing Business Index for the second consecutive year, according to the annual report issued by Security and Exchange Commission of Pakistan (SECP). As per World Bank's latest rankings on ease of doing business for 2020, Pakistan has improved its position by 28 points from 136 to 108 which is an unprecedented improvement, report said. (The Nation) | [Click for more info.](#)

### IMF spells out govt steps

#### Economy | Neutral

The government of Pakistan's housing package to subsidise mortgages as well as the provision of tax incentives to the construction sector got extended in the context of the second wave of the Covid-19 to the end of December 2021, says the International Monetary Fund (IMF). (BR) | [Click for more info.](#)

### 73pc Pakistanis approve PTI's handling of Covid-19 crisis

#### Economy | Positive

As many as 73 percent respondents of Gallup Pakistan Survey have strongly approved of the government's management of COVID-19 pandemic, which is 21 percent higher than the global average of people expressing satisfaction with their respective government's handling of the pandemic. (The News) | [Click for more info.](#)

### New price monitoring mechanism introduced

#### Economy | Neutral

Prime Minister Imran Khan on Friday approved a Decision Support System for Inflation (DSSI) to record and monitor prices of essential commodities in 17 major cities. The DSSI will monitor the performance of deputy commissioners in these cities in terms of implementation of their price lists commonly known as DC rates of essential food items and a subsequent ranking of better governance will be released each Thursday. (Dawn) | [Click for more info.](#)

### Tax collection surpasses Rs2,205 bn in first half of current fiscal year, says PM

#### Economy | Positive

Prime Minister Imran Khan has said that tax collection has surpassed Rs2,205 billion during the first half of the current fiscal year, local media reported. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,652.4	31,889.5	237.1	0.7%
KSE100	45,344.5	45,654.3	309.8	0.7%
KSE30	19,008.2	19,123.8	115.5	0.6%
KMI30	73,680.0	73,990.1	310.2	0.4%

### Top Five Gainers

	Open	Close	Chg.	%
NESTLE	6,700.0	6,807.1	107.1	1.6%
BHAT	832.0	894.0	62.0	7.4%
COLG	3,015.0	3,055.0	40.0	1.3%
SRVI	804.5	840.5	36.0	4.5%
AKDCL	266.0	286.0	20.0	7.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BYCO	9.8	10.4	0.6	163.81
HUMNL	6.2	6.4	0.3	44.94
PRL	25.3	25.7	0.4	38.01
KEL	3.9	4.0	0.2	37.18
LOTCEM	15.7	16.5	0.8	25.40

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	3.88	-0.03	-1.47
F-Corporates	2.58	-2.99	-0.41
O/S Pakistanies	7.64	-6.90	0.73
<b>Net</b>	10.25	-9.93	0.32
<b>LIPI</b>			
Individuals	109.96	-110.60	-0.64
Companies	7.91	-7.42	0.48
Comm. Banks	4.85	-6.65	-1.80
NBFC	0.06	-0.19	-0.13
Mutual Funds	10.42	-6.50	3.92
Other	1.19	-1.59	-0.41
Brokers Proprietary	24.29	-21.47	2.82
Insurance	2.53	-7.09	-4.56
<b>Net</b>	161.20	-161.52	-0.32

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	52.24	2.8%
Brent oil	USD/bbl.	55.99	3.0%
Gold	USD/t oz.	1849.01	-3.4%
Silver	USD/t oz.	25.42	-6.3%
Coal	USD/ton	89.90	1.6%
Steel Scrap (LME)	USD/ton	488.00	1.5%
Steel Rebar (LME)	USD/ton	660.00	0.3%
USD/PKR	Interbank	160.25	-0.1%

News Source: Local / Int'l Newspapers and websites

Research Team

[research@abaalihabib.com](mailto:research@abaalihabib.com)

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106



## Oil & Gas

### OGDCL achieves milestone of adding massive production, says MD

OGDC | **Positive**

Managing Director/Chief Executive Officer of OGDCL, Shahid Salim Khan has said that Oil and Gas Development Company Limited (OGDCL) has achieved milestone of adding massive production in short span of Last two months of 2020. The company remains a market leader in oil & gas production, contributing 48% in oil, 27% in gas and 37% in LPG production of the country, said Managing Director/Chief Executive Officer of OGDCL, Shahid Salim Khan here Friday. The company has made contribution of Rs. 130 billion to the national exchequer during 2019-20, he said. (The Nation) | [Click for more info.](#)

### Shell, KE to set up EV charging stations in Karachi

SHEL, KEL | **Positive**

Shell Pakistan Limited (SPL) and K-Electric Limited (KE) have signed a Memorandum of Understanding (MoU) to jointly develop the first three Electric Vehicle (EV) charging stations across Karachi and its connecting highways, a statement said on Friday. The statement said over the next 3 to 5 years, SPL and KE would explore the opportunity of additional sites and strategically expand the EV charging network. (The News) | [Click for more info.](#)

### UfG reduction plan; SSGCL yet to introduce fixed bill tariff for Balochistan

SSGC | **Neutral**

Sui Southern Gas Company Limited (SSGCL) has yet to introduce a fixed bill gas tariff in Balochistan for fiscal year 2020/21, which will help in further reduction of 2.35 percentage points (or 10,000 mmcf of gas) UfG. The proposed fixed bill gas tariff for Balochistan is part of a UfG reduction plan of the government, which was shared with the International Monetary Fund (IMF) for its Extended Fund Facility (EFF). The government has given approval to the state-run gas companies' UfG reduction plan to increase their revenues by Rs29.12 billion till financial year 2021/22. (BR) | [Click for more info.](#)

### Moratorium lifted on industrial gas connections in Balochistan

Gas | **Neutral**

The government has decided to remove moratorium on new gas connections for industrial and captive consumers in Balochistan after a gap of almost a decade. For ensuring implementation of the decision, the Cabinet Committee on Energy (CCoE) has constituted a five-member committee to first approve a criterion for fresh connections. (Dawn) | [Click for more info.](#)

### Construction of underground gas storages from August

Gas | **Neutral**

The government has planned to construct the Strategic Underground Gas Storages (SUGS) in August this year to meet the increasing gas demand in future, which were considered mandatory along with the import of LNG as per international practices. (Pakobserver) | [Click for more info.](#)

## Power

### Govt, IPPs agree to sign master agreements

Power, IPPs, Economy | **Positive**

The Federal Government and Independent Power Producers (IPPs) have reportedly agreed to sign Master Agreements, to be annexed to the Power Purchase Agreements (PPAs) instead of making massive amendments in the PPAs. Both sides have already given their consent to payment of agreed amounts in three instalments within one year i.e. by December 2021. (BR) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	48,782.5	689.19	1.43%
HK - Hang Seng	27,878.2	329.70	1.20%
PAK (KSE-100)	45,654.3	309.80	0.68%
Taiwan - TWII	15,464.0	249.95	1.64%
PHILP - PSEi	7,289.9	170.27	2.39%
INDONESIA - IDX	6,257.8	104.21	1.69%
KSA - Tadawul	8,737.2	66.40	0.77%
US - Dow 30	31,098.0	56.84	0.18%
US - S&P 500	3,824.7	20.89	0.55%
CHINA - Shanghai	3,570.1	-6.10	-0.17%

### Board Meetings

Scrip	Day	Agenda	Time
KAPCO	Monday	3Q A/C 31-DEC-20	10:30 AM
EXIDE	Friday	3Q A/C 31-DEC-20	11:00 AM

Source: PSX



## Autos

### Huge increase in valuation to increase tractors prices

MTL, AGTL | **Positive**

The Lahore Chamber of Commerce & Industry has urged the Director General Customs Valuation to withdraw the huge increase in valuation of the import of tractor parts while keeping in view the ground realities. Sudden increase of around five hundred per cent in valuation of the imported tractor parts would hit the tractor industry hard which is already finding it hard to sell its production in the local market. (The Nation) | [Click for more info.](#)

### Automobile stakeholders demand EV board

Autos | **Neutral**

The producers and traders of electrical vehicles have demanded establishment of a separate electric vehicle board under the Electric Vehicle Policy. The Engineering Development Board (EDB) was designed to regulate fuel-based automobiles and it does not have any expertise to manage electric vehicles, said Pakistan Electric Vehicles and Spare Parts Manufacturers and Traders Association General Secretary. (ET) | [Click for more info.](#)

## Banks

### Deposits of Meezan Bank and Bank Al- Habib Cross Rs. 1 Trillion

MEBL, BAHL | **Positive**

Meezan Bank, and Bank Al- Habib have crossed the deposits mark of Rs. 1 trillion. These banks are the sixth and seventh banks in the banking industry that have achieved this milestone recently. According to their financial reports, the deposits of the Meezan Bank stood at Rs. 1.09 trillion by end of the third quarter of 2020, while Bank Al Habib's deposits stood at Rs. 1.08 trillion by the end of the same period. (Propakistani) | [Click for more info.](#)

### Bank credit to private sector stays flat in July-Dec

Banks | **Neutral**

Business lending at banks remained flat in almost six months of this fiscal year, despite central bank efforts to get the credit flowing via various concessionary financing facilities for quick economic recovery. Credit to the private sector stood at Rs118.270 billion during July 1 to December 25, 2020, up 0.17 percent from a year earlier, latest figures from the State Bank of Pakistan (SBP) showed. (The News) | [Click for more info.](#)

## Miscellaneous

### SECP grants license to two new REITs

Real Estate Inv. | **Positive**

According to a SECP report (2020), during the period under review, two new REIT management companies (RMCs) were granted license to undertake REIT management services, raising the number of RMCs to seven. The SECP during this period also accorded approval for registration of the country's first developmental REIT Scheme under the REIT Regulations, 2015. (BR) | [Click for more info.](#)

### Further increase in prices of flour, oil/ghee, milk and sugar witnessed

Food, Vanaspati, Sugar | **Positive**

Wheat flour, cooking oil/ghee, milk and sugar prices have witnessed further increase during the week past as compared to the preceding week revealed a survey conducted by Business Recorder. Sugar price in the wholesale market has jumped from Rs4,050 per 50kg bag to Rs4,500 per bag, and normal quality wheat flour from Rs955 per 15kg bag to Rs975 per bag, while premier quality wheat flour price jumped from Rs980 per 15kg bag to Rs1,010 per 15kg bag. (BR) | [Click for more info.](#)



## Growers lament as DAP subsidy limbo enters 4th month

**Fertilizer | Neutral**

Even after a lapse of over three months since the announcement of Rabi package, the government has not finalised a mechanism for the disbursal of subsidy to farmers for purchasing Di-Ammonium Phosphate (DAP) fertiliser, growers said on Friday. To support the growth of agriculture sector and ensure sufficient crop output, the government had announced “Prime Minister Package for Rabi Crops-Specifically Wheat” in a bid to lower the price of DAP by Rs1,000/50 kg bag. (The News) | [Click for more info.](#)

## Insurance industry shows 16pc growth: Report

**Insurance | Positive**

The insurance industry showed 16 percent increase in life or non-life insurance sector in the last calendar year, according to the annual report of SECP. The total assets of the insurance industry stood at Rs1,784 billion in calendar year compared to Rs1,509 billion as of December 31, 2018, showing 16% increase in asset size, the report said. (The Nation) | [Click for more info.](#)

## Comprehensive policy shift planned to overhaul textile, apparel value chain

**Textile | Neutral**

The government has evolved a comprehensive package for textile and apparel value chain to promote local production and exports from the country. The package will be announced as part of textile policy for specific sectors — cotton, manmade fibres, natural fibres, ginning, spinning, knitting, weaving and processing, apparel and made-ups/home textiles, carpets, and handicrafts. (Dawn) | [Click for more info.](#)

## Italy to deploy new economic missions in Pakistan

**Economy | Positive**

The Ambassador of Italy to Pakistan Andreas Ferrarese on Sunday said the new economic mission would be deployed in Pakistan to further promote bilateral trade and economic cooperation in different potential areas. The ambassador acknowledged that Italy has become the largest contributor from the EU to Pakistan in remittances. (BR) | [Click for more info.](#)

## Pakistan's exports to US show 10.9pc increase

**Economy | Positive**

Pakistan's exports to the United States have registered an increase of 10.9 per cent during the July-November 2020 period, shows the official US data released on Friday. The data, released by the US Commerce Department, also showed that Pakistan's exports to the United States increased from \$1653.2 million in the same period in 2019 to \$1832.6m in 2020. (Dawn) | [Click for more info.](#)

## Pakistan's exports to UK cross \$1bn in six months

**Economy | Positive**

Prime Minister's Adviser for Commerce and Investment Abdul Razak Dawood on Saturday said that for the first time Pakistan's exports to UK crossed \$1 dollar billion in the first six months of a financial year. The adviser tweeted that in July-December 2020, the exports to UK grew by 21 percent to \$1,029 million, as compared with \$856 million in the same period during 2019. In December 2020, these exports grew by 47 percent to \$189 million compared to \$129 million in the same month of 2019. (The News) | [Click for more info.](#)

## Country plunges into darkness

**Economy | Neutral**

Almost all of Pakistan was plunged into darkness around 11:50pm last night after an attack by Baloch insurgents on transmission lines near Naseerabad in Balochistan. The attack caused nearly the entire national grid to trip, shutting down electricity supply to over 80% of the country. (BR) | [Click for more info.](#)



## Pakistan earns \$80 million from export of engineering goods

### Engineering | Positive

Pakistan has earned \$80.002 million from the exports of engineering goods during the first five months of the current fiscal year, Pakistan Bureau of Statistics (PBS) reported. (BR) | [Click for more info.](#)

## International News

### IMF board raises fund's reserve target

The Executive Board of the International Monetary Fund (IMF) has agreed to raise the medium-term target for the fund's precautionary reserves given a sharp increase in financial risks since 2018, the IMF said on Friday. (ET) | [Click for more info.](#)

### Asia stocks hold near highs, yields up on U.S. stimulus plans

Asian shares took a breather on Monday while Treasury yields were at 10-month highs as "trillions" in new U.S. fiscal stimulus plans were set to be unveiled this week, stoking a global reflation trade. (Reuters) | [Click for more info.](#)

### Oil prices fall on renewed coronavirus concerns as China cases mount

Oil prices fell on Monday on renewed concerns about global fuel demand amid strict coronavirus lockdowns in Europe and new movement restrictions in China, the world's second-largest oil user, after a jump in cases there. (Reuters) | [Click for more info.](#)



## Disclaimer

This report has been prepared by Aba Ali Habib Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Aba Ali Habib Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Aba Ali Habib Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents.

In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Aba Ali Habib Securities' Research Department and do not necessarily reflect those of the company or its directors. Aba Ali Habib as a firm may have business relationships, including investment- banking relationships, with the companies referred to in this report. Aba Ali Habib Securities or any of its officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the subject company, may have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company, may serve or may have served in the past as a director or officer of the subject company, may have received compensation from the subject company for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from the subject company for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the subject company.

All rights reserved by Aba Ali Habib Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Aba Ali Habib Securities. Action could be taken for unauthorized reproduction, distribution or publication.

## 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>

The research Analyst(s) hereby certify that the views about the company/companies and the security/securities discussed in this report accurately reflect his or her or their personal views and that s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

## THE TEAM

### CEO

Zahid Ali Habib  
[Zahid@abaalihabib.com](mailto:Zahid@abaalihabib.com)  
(021) 32425022

### RESEARCH TEAM

**Contact:** (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst  
[zubair@abaalihabib.com](mailto:zubair@abaalihabib.com)

Behroze Atique Bahalim – Research Analyst  
[behroz@abaalihabib.com](mailto:behroz@abaalihabib.com)

Ayesha Abid – Research Analyst  
[ayasha.abid@abaalihabib.com](mailto:ayasha.abid@abaalihabib.com)

### SALES TEAM

Zaheer Ahmed - Head of Institutional Sales  
[Zaheer.ahmed@abaalihabib.com](mailto:Zaheer.ahmed@abaalihabib.com)  
(021) 32418693-94

Salman Ahmed - Head of Retail Sales  
(021) 32412491

Syed Khalid Ahmed - Equity Trader  
[Syedkhalid@abaalihabib.com](mailto:Syedkhalid@abaalihabib.com)  
(021) 32429664

Muhammad Faisal - Equity Trader  
[faisal@abaalihabib.com](mailto:faisal@abaalihabib.com)  
(021) 32464835

Ammara Hayat Khan - Sales/Business Development  
[ammara@abaalihabib.com](mailto:ammara@abaalihabib.com)

### Office (PSX Building)

Room # 419, 419 A & 421, 4<sup>th</sup> Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi  
Contact: 021-32429665  
Cell: [+92 3312766771](tel:+923312766771)



[https://twitter.com/Aba\\_Ali\\_Habib](https://twitter.com/Aba_Ali_Habib)



<https://www.facebook.com/aah162>



<https://www.linkedin.com/company/aba-ali-habib-securities/>