



September  
11, 2020

## Economy News

### Tax-to-GDP ratio decreased by 1.4 percent in 2019: ADB

#### Economy | Neutral

Pakistan tax-to-GDP ratio decreased by 1.4 percent in 2019 compared to 2018, said the Asian Development Bank (ADB). The ADB in its latest report, "Key indicators for Asia and the Pacific 2020" stated that comparing 2018 to 2019, the government tax-to-GDP ratio rose in 11 of the 26 reporting economies. (BR) | [Click for more info.](#)

### Roshan' a/c launched to woo NRP

#### Economy | Neutral

Prime Minister Imran Khan on Thursday launched "Roshan Digital Account", and stated it was a big step towards providing opportunities to overseas Pakistanis or Non-Resident Pakistanis (NRPs) to investment in the country's mega projects. (BR) | [Click for more info.](#)

### SBP's forex reserves up \$95 million

#### Economy | Positive

The liquid foreign exchange reserves held by State Bank of Pakistan (SBP) increased by \$95 million to \$12.807 billion during the week ended on September 4, 2020. (BR) | [Click for more info.](#)

## Oil & Gas

### Gas reserves discovered in Kalat

#### Gas | Positive

Due to a decline in easy and big hydrocarbon finds in the country's known basins, Pakistan Petroleum Limited (PPL) is said to have taken up the challenge to venture into risk prone yet prospective frontier areas to increase its hydrocarbon reserve base and open up new plays for exploration. (BR) | [Click for more info.](#)

## Power

### IMF wants Pakistan to up power, gas tariffs

#### Power | Negative

The International Monetary Fund (IMF) has again turned up the pressure on Pakistan, asking it to increase power and gas tariffs for the revival of the stalled \$6 billion programme. The sources added that the IMF had called for measures to reduce circular debt and power losses. (ET) | [Click for more info.](#)

### Tarbela 4th hydel power station achieves 10bn units mark, yields Rs75bn revenue

#### Power | Positive

In yet another significant development towards contribution of low-cost hydel electricity to the national grid, Tarbela 4th Extension Hydel Power Station crossed 10-billion units' generation mark, yielding a revenue of about Rs75 billion to WAPDA. Simultaneously, it also accrued saving worth Rs100bn to the national exchequer. (PT) | [Click for more info.](#)

### Old power plants to be phased out

#### Power | Neutral

The government on Thursday decided in principle to close down about 2,900 megawatts of government-owned old power plants in two phases and get rid of 'must-run' status of three LNG-based plants in Punjab of about 3,900MW. Under the decision, various units of about 1,400MW at four generation companies of ex-Wapda would be closed down immediately, followed by another 1,500MW of units by the year 2022. (Dawn) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,862.6	30,380.4	517.8	1.7%
KSE100	42,022.3	42,647.4	625.1	1.5%
KSE30	17,825.0	18,096.7	271.7	1.5%
KMI30	67,416.3	68,399.5	983.2	1.5%

### Top Five Gainers

	Open	Close	Chg.	%
UPFL	12,500.0	12,900.0	400.0	3.2%
NESTLE	6,582.0	6,976.0	394.0	6.0%
RMPL	8,550.0	8,700.0	150.0	1.8%
PAKT	1,700.0	1,798.0	98.0	5.8%
SAPT	772.0	829.9	57.9	7.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PIBTL	13.1	13.7	0.6	122.05
HASCOL	21.2	21.2	0.1	48.10
WTL	1.4	1.4	0.0	42.90
PTC	11.3	11.3	0.0	41.42
KEL	4.1	4.2	0.0	37.30

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.62	-0.09	0.53
F-Corporates	4.49	-5.65	-1.16
O/S Pakistanies	10.66	-10.22	0.44
<b>Net</b>	15.77	-15.96	-0.19
<b>LIPI</b>			
Individuals	136.97	-139.43	-2.46
Companies	8.53	-7.76	0.77
Comm. Banks	6.74	-8.89	-2.15
NBFC	1.59	-1.61	-0.02
Mutual Funds	9.48	-3.46	6.02
Other	1.05	-1.87	-0.83
Brokers Proprietary	26.84	-27.54	-0.69
Insurance	2.63	-3.08	-0.45
<b>Net</b>	193.82	-193.63	0.19

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	37.30	-2.0%
Brent oil	USD/bbl.	40.06	-1.8%
Gold	USD/t oz.	1946.09	0.0%
Silver	USD/t oz.	26.88	-0.4%
Coal	USD/ton	56.65	0.7%
Steel Scrap (LME)	USD/ton	304.00	-1.9%
Steel Rebar (LME)	USD/ton	462.00	0.2%
USD/PKR	Interbank	166.65	0.1%

News Source: Local / Int'l Newspapers and websites

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## Autos

**Cars sale up by 16 percent YoY**

**Autos | Positive**

The sales of passenger cars have increased by 16 percent YoY in August, 2020 to 11,678 units. According to a Topline, the Indus Motor Company (IMC) and Honda Car (HCAR) have registered the sales increase by 52% YoY and 72% YoY, respectively. However, Pak Suzuki Motor Company (PSMC) sales have declined by 9% YoY. The Kia Lucky Motors (non-member of PAMA) continued to perform well and is also planning to shift its production to double shift from Jan-2021 to meet high customer demand. (BR) | [Click for more info.](#)

## Banks

**HBL launches 'Roshan Digital Account**

**HBL | Positive**

HBL launches the "Roshan Digital Account", an initiative of the State Bank of Pakistan. The ebanc "Roshan Digital Account" is an innovative product that will enable overseas Pakistanis to open a HBL account from anywhere in the world, digitally, without visiting a branch. (BR) | [Click for more info.](#)

**Commercial Banks: Deposits reach all time high in Aug'20**

**Banks | Positive**

In the month of August 2020, the total deposits held by commercial banks stood all time high at Rs 16.32 trillion, depicting a growth of 17% YoY and 1.3% MoM. (Mettis) | [Click for more info.](#)

## Miscellaneous

**Matco Foods to further invest up to Rs 50 million in Barentz Pakistan**

**MATCO | Positive**

The Board of Directors of Matco Foods Limited has decided to further invest up to Rs. 50,000,000 in Barentz Pakistan (Private) Limited, an associated company in order to meet its working capital requirements/operational expenses. (Mettis) | [Click for more info.](#)

**Construction sector: PM assures investors of maximum facilitation**

**Cement | Positive**

Prime Minister Imran Khan on Thursday assured investors in the construction sector of every possible facilitation, particularly those interested to invest in the Ravi Riverfront Urban Development Project and Karachi's Bundle Island project. (BR) | [Click for more info.](#)

**Marble and granite sector: NBP, PASDEC sign MoU to boost export**

**Glass & Ceramics | Neutral**

A memorandum of understanding (MoU) has been signed between National Bank of Pakistan (NBP) and Pakistan Stone Development Company (PASDEC) for collaboration between the two organizations for development and promotion of the Marble and Granite sector of the country and undertaking outreach and engagement initiatives. (BR) | [Click for more info.](#)

**Senate body takes notice of anti-rabies vaccine shortage**

**Pharmaceutical | Neutral**

A parliamentary panel on Thursday took notice of the shortage of anti-rabies vaccines in provinces and asked the federal government to take full responsibility of supplying the vaccines to all the provinces accordingly. (BR) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	38,840.3	646.40	1.69%
PAK (KSE-100)	42,647.4	625.10	1.49%
Taiwan - TWII	12,691.8	83.17	0.66%
KSA - Tadawul	8,135.2	55.42	0.69%
CHINA - Shanghai	3,234.8	-19.81	-0.61%
PHILP - PSEi	5,902.4	-30.45	-0.51%
US - S&P 500	3,339.2	-59.77	-1.76%
HK - Hang Seng	24,313.5	-155.39	-0.64%
INDONESIA - IDX	4,891.5	-257.92	-5.01%
US - Dow 30	27,534.6	-405.89	-1.45%

### Board Meetings

Scrip	Day	Agenda	Time
ASTL	FRIDAY	ANN A/C - 30JUN20	10:00 AM
PPL	FRIDAY	ANN A/C - 30JUN20	10:00 AM
PPP	FRIDAY	ANN A/C - 30JUN20	10:45 AM
KTML	FRIDAY	ANN A/C - 30JUN20	3:30 PM
HTL	FRIDAY	ANN A/C - 30JUN20	4:30 PM
FML	FRIDAY	ANN A/C - 30JUN20	6:00 PM
SNGP	SATURDAY	1Q A/C - 30SEP19	11:00 AM
GATI	SATURDAY	ANN A/C - 30JUN20	11:30 AM
SSGC	SATURDAY	1Q A/C - 30SEP18	2:00 PM
BILF	MONDAY	ANN A/C - 30JUN20	10:00 AM
BWHL	MONDAY	ANN A/C - 30JUN20	11:00 AM
IBFL	MONDAY	ANN A/C - 30JUN20	4:00 PM

Source: PSX



## Political News

### Another Rehbar Committee meeting in offing

Despite several sessions between the senior most party leaderships, and a recently called Rehbar Committee (RC) meeting, the opposition parties are yet to arrive at a bare minimum common agenda before the All Parties Conference (APC), given another RC moot is on the cards. (ET) | [Click for more info.](#)

## International News

### Oil prices add to losses as supplies swell amid weak demand

Oil prices extended declines on Friday, under pressure from a surprise rise in U.S. stockpiles and ongoing weak demand from the coronavirus pandemic. (Reuters) | [Click for more info.](#)

### Asia Stocks Drop After U.S. Fall; Dollar Steadies: Markets Wrap

Asian stocks headed for a second week of losses as a fresh selloff in U.S. megacap technology shares highlighted the lingering concern over valuations in certain pockets of the market. Treasuries and the dollar were steady. (Bloomberg) | [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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