

February
12, 2021

Economy News

Forex reserves fall to \$12.949bn

Economy | Neutral

The foreign exchange reserves held by the central bank decreased by \$82 million on weekly basis, according to data released by the State Bank of Pakistan (SBP) on Thursday. On January 04, the foreign currency reserves held by the SBP were recorded at \$12,949 million compared with \$13,031 million in the previous week. (BR) | [Click for more info.](#)

Power

Second increase in 2 days; Nepra raises Discos' tariffs by 83 paise per unit

Power | Negative

The National Electric Power Regulatory (Nepra) has increased tariffs of Distribution Companies (Discos) by Rs 0.83 per unit for 4th quarter of FY 2019-20 under quarterly tariff adjustment mechanism, second increase in two days. Another increase of Rs 1.95 per unit is also expected on Friday (today), totaling to a whopping impact of Rs 4.33 per unit. (BR) | [Click for more info.](#)

NA body urges govt to utilise local coal for power generation

Power | Neutral

The Senate Standing Committee on Commerce on Wednesday asked the government to encourage the use of local coal for power generation in order to save billions of dollars in foreign exchange. In a meeting, chaired by Senator Mirza Mohammad Afridi, the committee turned to the Ministry of Commerce on a question raised by Senator Mohammad Usman Kakar regarding the import of coal. (Dawn) | [Click for more info.](#)

PD seeks AGP's opinion on ToRs sent by KE

KEL | Neutral

Power Division (PD) has reportedly sought opinion from Attorney General for Pakistan AGP on Terms of References (ToRs) sent by Karachi Electric (KE) for settlement of dispute on payables/receivables with public sector entities. KE, in its ToRs has made two points, i.e. surrendering of principle of reciprocity and local arbitration rather than in London to convince the government. (BR) | [Click for more info.](#)

Autos

Sale of passenger cars show a massive growth of 44.1% YoY in January

Autos | Positive

The sale of passenger cars during the month of January 2021 was recorded at 14,543 units against a total production of 13,826 units, showing a growth of 29.3% as compared to the 11,247 units sold in December 2020, and 44.1% as compared to 10,095 units sold in January 2020. (Mettis) | [Click for more info.](#)

Tech. & Communication

Internet speed tops 1.6gbps in Pakistan's first 5G test

PTC | Positive

Pakistan has achieved the fastest internet data rate with download speeds reaching 1.685 gigabits per second during a 5G trial, IT minister said on Thursday. (The News) | [Click for more info.](#)

Miscellaneous

Pakistan to exempt 'import of Covid vaccine from price caps'

Pharmaceutical | Positive

Pakistan will allow private companies to import coronavirus vaccines and has agreed to exempt such imports from price caps, according to documents reviewed by Reuters, even as the nation scrambles to secure supplies. (ET) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	32,115.4	31,704.7	-410.7	-1.3%
KSE100	46,644.3	46,055.5	-588.8	-1.3%
KSE30	19,474.3	19,222.0	-252.3	-1.3%
KMI30	76,284.8	75,638.5	-646.3	-0.8%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	10,200.0	10,499.0	299.0	2.9%
AKDCL	465.3	500.2	34.9	7.5%
SUTM	531.0	560.4	29.4	5.5%
MFFL	305.8	323.8	18.1	5.9%
KOHC	227.5	241.8	14.3	6.3%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.7	1.5	-0.2	353.57
TELE	6.9	6.1	-0.8	97.50
KEL	4.5	4.3	-0.2	47.09
MLCF	45.5	44.9	-0.6	45.77
FCCL	25.5	25.9	0.4	37.81

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.08	-0.04	0.04
F-Corporates	3.02	-2.27	0.75
O/S Pakistanies	11.09	-11.74	-0.65
Net	14.19	-14.05	0.14
LIPI			
Individuals	205.21	-198.22	6.99
Companies	8.05	-7.02	1.04
Comm. Banks	10.38	-10.93	-0.55
NBFC	0.14	-0.15	-0.01
Mutual Funds	14.80	-12.78	2.01
Other	0.96	-2.04	-1.07
Brokers Proprietary	48.59	-47.38	1.21
Insurance	5.39	-15.15	-9.76
Net	293.51	-293.66	-0.14

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	58.24	-0.7%
Brent oil	USD/bbl.	61.14	-0.5%
Gold	USD/t oz.	1825.51	-0.9%
Silver	USD/t oz.	26.98	-0.2%
Coal	USD/ton	88.65	0.5%
Steel Scrap (LME)	USD/ton	418.00	0.0%
Steel Rebar (LME)	USD/ton	601.50	0.4%
USD/PKR	Interbank	159.27	-0.2%

News Source: Local / Int'l Newspapers and websites

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REP-055



Increasing exports of synthetic fibr; Govt to reduce duty in budget: Dawood Synthetic, Economy - Neutral

Prime Minister on Commerce Razak Dawood has said that the government will take measures in the coming budget to reduce the custom duty for increasing exports of synthetic fiber (technical exports). (BR) | [Click for more info.](#)

Govt to set up Tax Policy Unit Economy | Neutral

The PTI government has approved the establishment of an independent Tax Policy Unit (TPU) with the objective of improving taxation governance, as it would point out revenue leakages in the system, recommend rationalising rate of taxes and suggest measures to mobilise higher revenue in tax collections. (ET) | [Click for more info.](#)

Regulation of G-B tourism on cards Economy | Positive

A rapid growth in the number of tourists in Gilgit-Baltistan has sparked concern about the conservation of natural resources and the environment. The government of Gilgit-Baltistan has kicked off preparations to regulate tourism and turn it sustainable in an effort to support local communities which rely on tourists for earnings. (ET) | [Click for more info.](#)

Political News

Senate elections due on March 3

The Election Commission of Pakistan (ECP) Thursday issued the schedule for the upcoming Senate elections, according to which, polling will be held on March 3 to elect new members of the Upper House of Parliament upon retirement of 52 senators on March 11. (The News) | [Click for more info.](#)

International News

Oil extends losses after gloomier outlooks from OPEC, IEA

Oil prices fell a second day on Friday, extending losses after OPEC cut its demand forecast and the International Energy Agency said the market was still over-supplied. (Reuters) | [Click for more info.](#)

Asian shares stuck in holiday lull, bitcoin powers higher

Asian shares hovered just below a record high on Friday as mixed U.S. economic data caused some investors to show restraint after a global stock market rally pushed many bourses to dizzying heights. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	51,531.5	222.13	0.43%
HK - Hang Seng	30,173.6	134.85	0.45%
Taiwan - TWII	15,802.4	96.18	0.61%
CHINA - Shanghai	3,655.1	51.60	1.43%
KSA - Tadawul	8,943.9	42.22	0.47%
INDONESIA - IDX	6,222.5	20.69	0.33%
US - S&P 500	3,916.4	6.50	0.17%
US - Dow 30	31,430.7	-7.10	-0.02%
PHILP - PSEi	6,991.0	-91.14	-1.29%
PAK (KSE-100)	46,055.5	-588.77	-1.26%

Board Meetings

Scrip	Day	Agenda	Time
NPL	Friday	HY A/c 31-Dec-20	11:00 AM
RPL	Friday	HY A/c 31-Dec-20	11:00 AM
BRR	Friday	HY A/c 31-Dec-20	4:45 PM
AKBL	Monday	ANN A/c 31-Dec-20	10:00 AM
EFERT	Monday	ANN A/c 31-Dec-20	10:00 AM
NEXT	Monday	HY A/c 31-Dec-20	11:30 AM
ESBL	Monday	HY A/c 31-Dec-20	12:00 PM
ILP	Tuesday	HY A/c 31-Dec-20	9:00 AM
SNBL	Wednesday	ANN A/c 31-Dec-20	10:00 AM
ABL	Wednesday	ANN A/c 31-Dec-20	11:00 AM
FCCL	Wednesday	HY A/c 31-Dec-20	11:00 AM
HBL	Wednesday	ANN A/c 31-Dec-20	12:00 PM
ENGRO	Wednesday	ANN A/c 31-Dec-20	2:30 PM
KAPCO	Thursday	HY A/c 31-Dec-20	10:30 AM
FABL	Thursday	ANN A/c 31-Dec-20	11:00 AM
PPP	Thursday	HY A/c 31-Dec-20	11:00 AM
MEBL	Thursday	ANN A/c 31-Dec-20	12:00 PM
ARM	Tuesday	HY A/c 31-Dec-20	9:30 AM
OML	Tuesday	HY A/c 31-Dec-20	11:00 AM

Source: PSX



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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.

Analyst Certification ^{AC}

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