



November
12, 2020

Economy News

Pakistan Rupee Climbs from Record Low in Rally Seen Ending

Economy | Positive

The three-month rally that helped Pakistan's rupee rebound from a record low is coming close to an end, according to analysts and money managers. Asia's second-best currency closed at 158.49 a dollar on Wednesday, gaining about 6% since reaching a low of 168.44 on Aug. 26, according to central bank data. (Bloomberg) | [Click for more info.](#)

Dwindling foreign reserves: Pakistan may launch \$1 bn Eurobond

Economy | Positive

In order to build up the foreign currency reserves, Pakistan will launch Eurobond to fetch \$1 billion in the coming December/January of the current fiscal year. "Yes, we have received bids from 10 international banks for selection of financial advisers to accomplish this transaction in the bond market. It will be accomplished in the coming December/January period. The government will decide whether it will float the Islamic denominated Sukuk bonds or not, keeping in view the advice of selected financial advisers," the top official of the Finance Division confirmed. (The News) | [Click for more info.](#)

Foreign debt, liabilities increase 7pc to \$113.8bn in Q1

Economy | Negative

Foreign debt and liabilities rose 7 percent year-on-year to \$113.8 billion in the first quarter of the current fiscal year of 2020/21, the central bank's data showed on Wednesday. The State Bank of Pakistan's (SBP) data showed that external debt and liabilities increased \$6.7 billion from \$107.1 billion in the same quarter of last fiscal year. Foreign debt and liabilities rose \$945 million or 0.8 percent from \$112.8 billion by June-end. (The News) | [Click for more info.](#)

Public debt up 1.65pc to Rs35.68trln in July-Sept

Economy | Negative

Pakistan's public debt increased by a meagre 1.65 percent or Rs581 billion in the first three months of this fiscal year, primarily due to tame government demand, State Bank of Pakistan (SBP) data showed on Wednesday. According to central bank figures, public debt stood at Rs35.688 trillion at the end of September 2020. It was recorded at Rs35.107 trillion till the end of June 2020, while it amounted to Rs33.247 billion at the end of September last year. The government's domestic debt rose 1.79 percent to Rs23.701 trillion, while external debt increased 1.37 percent to Rs11.986 trillion. (The News) | [Click for more info.](#)

IMF reviews govt steps

Economy | Neutral

The coronavirus cases positivity rate in Pakistan has been on an upward trend in the past two weeks, raising serious concerns over a second wave of infections, says the International Monetary Fund (IMF). (BR) | [Click for more info.](#)

Corona shuts cinemas, theatres, mausoleums

Economy | Neutral

The National Command and Operations Centre (NCOC) on Wednesday issued fresh restrictions in a bid to control the rapidly increasing second wave of coronavirus infections across the country. The NCOC has recommended limiting all public gatherings to 500 people, including cultural, political, religious, entertainment, and civil gatherings. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,861.5	28,864.2	2.7	0.0%
KSE100	41,153.1	41,197.3	44.3	0.1%
KSE30	17,308.2	17,367.3	59.2	0.3%
KMI30	65,935.9	66,104.5	168.6	0.3%

Top Five Gainers

	Open	Close	Chg.	%
ILTM	1,235.3	1,327.9	92.6	7.5%
SAPT	1,053.4	1,131.0	77.6	7.4%
WYETH	946.0	1,017.0	71.0	7.5%
NESTLE	6,300.0	6,333.1	33.1	0.5%
SUTM	341.0	366.6	25.6	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BIPL	9.8	10.7	1.0	31.52
TRG	54.4	55.9	1.6	25.04
KEL	3.7	3.6	-0.1	16.42
ASC	20.4	20.8	0.4	15.05
POWER	10.4	10.2	-0.2	13.53

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	3.38	-0.02	-0.12
F-Corporates	2.16	-3.46	-1.30
O/S Pakistanies	3.41	-4.18	-0.78
Net	5.59	-7.67	-2.08
LIPI			
Individuals	49.42	-48.60	0.82
Companies	3.26	-2.13	1.13
Comm. Banks	1.97	-1.44	0.53
NBFC	0.20	0.00	0.20
Mutual Funds	2.42	-3.74	-1.31
Other	0.26	-0.42	-0.16
Brokers Proprietary	11.70	-11.13	0.57
Insurance	1.29	-0.98	0.31
Net	70.53	-68.45	2.08

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	41.45	0.2%
Brent oil	USD/bbl.	43.80	0.4%
Gold	USD/t oz.	1865.73	-0.6%
Silver	USD/t oz.	24.28	0.2%
Coal	USD/ton	66.15	1.4%
Steel Scrap (LME)	USD/ton	306.00	0.0%
Steel Rebar (LME)	USD/ton	464.00	0.0%
USD/PKR	Interbank	158.68	-0.2%

News Source: Local / Int'l Newspapers and websites

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REP-055



Oil & Gas

Ogra slashes losses allowed to SNGPL, SSGC for re-gasified LNG SSGC, SNGP | Positive

In a turning point in the pricing of regasified liquefied natural gas (RLNG), the Oil and Gas Regulatory Authority (Ogra) on Wednesday reduced to about 6.3 per cent — from about 17pc in the past — the cost of losses in tariff through a majority decision. (Dawn) | [Click for more info.](#)

Govt forms body to conduct forensic audit of dry wells

Oil & Gas Exploration | Neutral

Amid fast depletion of existing hydrocarbon deposits and increased energy demand, the Petroleum Division has constituted a team to conduct a forensic audit of the dry/shut-in wells drilled in different parts of the country by exploration & production (E&P) companies. The country's existing gas production is around 3.7 billion cubic feet per day (BCFD) against the demand of 6bcfd, while the available gas reserves are depleting at the ratio of 9.5pc per year. (PT) | [Click for more info.](#)

Power

CPPA-G seeks 80 paise hike in Discos quarterly tariffs

Power | Neutral

The Central Power Purchasing Agency-Guaranteed (CPPA-G) has sought an increase of 80 paise per unit in tariffs of Distribution Companies (Discos) to recover Rs 82.7 billion from consumers on account of variation in Power Purchase Price (PPP) for the 4th quarter (April-June 2020) of 2019-20. (BR) | [Click for more info.](#)

Autos

Auto sales jump 8.1pc

Autos | Positive

Auto sales showed a brisk upward trend in 4MFY21 with 8.1 per cent rise in sales of cars, 93pc in jeeps, 39pc in LCVs, 19pc in two- and three-wheelers and 24pc in farm tractors, data released by the Pakistan Automotive Manufacturers Association (Pama) showed on Wednesday. (Dawn) | [Click for more info.](#)

Hammad Azhar Reveals Expected Timeline for Electric Vehicle Policy for Cars

Autos | Neutral

The Federal Government is set to announce the Electrical Vehicle policy for 4-wheelers within the next 2 to 3 weeks. The government has already announced the EV policy for 2 wheelers and 3 wheelers. (Propakistani) | [Click for more info.](#)

Banks

Bank earnings soar 53pc in Jan-June

Banks | Positive

Despite some increase in credit risk, banking sector demonstrated improved profitability — showing a jump of 52 per cent in the first half of the current calendar year, the State Bank said on Wednesday. (Dawn) | [Click for more info.](#)

State Bank sees lending flows subdued amid pandemic uncertainties

Banks | Neutral

The State Bank of Pakistan (SBP) on Wednesday said banks' risk-averse behaviour may keep lending flows subdued as the pandemic-related uncertainties will take time to subside. The SBP said government securities may remain a preferable alternative. (The News) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	43,593.7	316.02	0.73%
Taiwan - TWII	13,262.2	180.47	1.38%
INDONESIA - IDX	5,509.5	46.77	0.86%
KSA - Tadawul	8,449.7	44.62	0.53%
PAK (KSE-100)	41,197.3	44.27	0.11%
US - S&P 500	3,572.7	27.13	0.77%
PHILP - PSEi	7,024.3	-11.22	-0.16%
CHINA - Shanghai	3,342.2	-17.95	-0.53%
US - Dow 30	29,397.6	-23.29	-0.08%
HK - Hang Seng	26,227.0	-74.50	-0.28%

Board Meetings

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

Source: PSX



Miscellaneous

Pact signed for GIDC collection

SSGC | **Positive**

An agreement was signed between the United Bank Ltd (UBL) and the Sui Northern Gas Pipelines Ltd on Wednesday appointing UBL as the sole partner for the Gas Infrastructure Development Cess (GIDC) payments collection, a press release showed. (Dawn) | [Click for more info.](#)

Bata and Servis Report a Huge Hit in Profits

BATA, SERV | **Negative**

The household names in Pakistan for footwear—Bata and Servis—have felt the pinch of Covid-19 and its related lockdowns across the country as companies' sales slumped significantly which impacted negatively on their incomes in 2020. (Propakistani) | [Click for more info.](#)

Pakistan engaged in talks to settle Reko Diq dispute: official

Economy | **Neutral**

Pakistan is actively engaged in negotiations with parties involved in a dispute over the \$5.97 billion award against the country in the Reko Diq litigation. (Dawn) | [Click for more info.](#)

Iran vows to develop 'comprehensive' ties with Pakistan

Economy | **Positive**

Iran's Foreign Minister Dr Muhammad Javad Zarif said his country was ready to develop "comprehensive" relationship with Pakistan, as he held talks with senior civil and military authorities on Wednesday amidst new alignments in the region. (ET) | [Click for more info.](#)

Political News

Karachi incident; Majority of political parties welcome inquiry report

Except for the Pakistan Muslim League-Nawaz (PML-N), majority of the political parties which are part of Pakistan Democratic Movement (PDM), an alliance of 11 political parties against the government, have welcomed the inquiry report about removal of Rangers and intelligence agencies officials responsible for alleged kidnapping of inspector general Sindh. (BR) | [Click for more info.](#)

International News

Asian stocks hold vaccine-driven gains after U.S. defensive shift

Stocks in Asia were set to continue their gains on Thursday, buoyed again by continued global stimulus efforts and hopes of a coronavirus vaccine. (Reuters) | [Click for more info.](#)

Oil keeps climbing on hopes OPEC+ will hold back supply as COVID-19 cases rise

Oil prices rose in early trade on Thursday, taking the week's gains to more than 12% on growing hopes that the world's major producers will hold off on a planned supply increase as soaring cases of COVID-19 dent fuel demand. (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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