

## Economy

**FATF asks Pakistan to 'swiftly' complete action plan by Feb**

**Economy | Neutral**

Noting efforts already made on various items, the Financial Action Task Force (FATF) has asked Pakistan to swiftly complete its full action plan by next month. "As all action plan deadlines have expired, the FATF strongly urges Pakistan to swiftly complete its full action plan by February 2021," the global money laundering and terrorist financing watchdog said on its website. (The News) | [Click for more info.](#)

**Big industry posts 14.46pc growth in November**

**Economy | Positive**

Large scale manufacturing (LSM) sector posted 14.46 percent year-on-year growth in November with economic activities on a strong recovery path after months-long lockdown last year, official data showed on Tuesday. LSM grew 1.35 percent if compared with October, according to the Pakistan Bureau of Statistics (PBS). The overall output of LSM increased 7.41 percent for July-November. (The News) | [Click for more info.](#)

**Pakistan leads in adopting SDG 2030 agenda, says UN Report**

**Economy | Positive**

Pakistan has taken the lead in adopting the 2030 Agenda for Sustainable Development and its 17 ambitious Sustainable Development Goals (SDGs), becoming one of the first countries in the world to take up their pledge to transform lives and protect the planet. (Mettis) | [Click for more info.](#)

## Oil & Gas

**Sale of gas/LNG marketing; Two private firms granted license**

**SSGC, SNGP | Negative**

The Oil and Gas Regulatory Authority (Ogra) has granted licenses for the sale of natural gas/LNG marketing to two private companies on Tuesday rejecting Pakistan LNG Limited's concern that it would affect the Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Company (SSGC) business. (BR) | [Click for more info.](#)

**Sindh has only 12 years of gas reserves: minister**

**SSGC | Negative**

Sindh Energy Minister Imtiaz Shaikh told a session of the Sindh Assembly here on Tuesday that the province was left with only 12 years of gas reserves. (BR) | [Click for more info.](#)

## Power

**Govt expedites work on 13 energy projects worth Rs10,539.73m in merged areas**

**Power | Neutral**

The government has expedited work on 13 energy projects having an estimated cost of Rs10,539.73 million in merged tribal districts and completed 311 mini macro hydropower projects (MMHPPs) in northern districts of Khyber Pakhtunkhwa. (Mettis) | [Click for more info.](#)

**Tarbela Dam's Power Generation Reduced to 428 MW**

**Power | Neutral**

The Tarbela Dam generated only 428 megawatts of electricity on Monday as seven out of seventeen of its power generation units had been working on low capacity and ten of its units had been shut down. The water inflow in the dam was recorded at 18,500 cusec feet and the outflow was recorded at 35,000 cusecs feet. (Propakistani) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,839.2	32,059.1	219.9	0.7%
KSE100	45,605.4	45,922.0	316.6	0.7%
KSE30	19,096.1	19,212.1	116.1	0.6%
KMI30	73,819.7	74,436.5	616.8	0.8%

### Top Five Gainers

	Open	Close	Chg.	%
MTL	1,117.1	1,161.1	44.0	3.9%
KHTC	453.7	487.8	34.0	7.5%
AKDCL	307.4	330.5	23.1	7.5%
SITC	303.2	325.9	22.7	7.5%
GHNI	301.7	322.6	20.9	6.9%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	4.0	4.5	0.5	250.24
HUMNL	7.4	8.2	0.8	68.50
UNITY	30.6	32.8	2.2	29.80
PIBTL	12.5	12.8	0.3	26.06
SILK	1.2	1.2	0.0	25.36

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	6.70	-0.01	4.98
F-Corporates	5.45	-4.94	0.51
O/S Pakistanies	6.92	-7.39	-0.47
<b>Net</b>	12.41	-12.34	0.07
<b>LIPI</b>			
Individuals	121.89	-119.37	2.52
Companies	9.93	-8.42	1.51
Comm. Banks	2.20	-2.54	-0.34
NBFC	0.04	-0.06	-0.01
Mutual Funds	5.20	-5.64	-0.44
Other	1.23	-1.12	0.11
Brokers Proprietary	27.76	-26.69	1.06
Insurance	3.95	-8.42	-4.47
<b>Net</b>	172.18	-172.25	-0.07

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	53.21	1.8%
Brent oil	USD/bbl.	56.58	1.7%
Gold	USD/t oz.	1854.77	0.6%
Silver	USD/t oz.	25.56	2.6%
Coal	USD/ton	93.40	3.4%
Steel Scrap (LME)	USD/ton	467.50	-2.6%
Steel Rebar (LME)	USD/ton	633.50	-2.0%
USD/PKR	Interbank	160.52	0.0%

**News Source:** Local / Int'l Newspapers and websites

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## Privatization faces further delay

Power | **Negative**

The privatisation transaction worth over a billion dollars of two liquefied natural gas (LNG)-fired power plants has been delayed further as the government has not been able to resolve issues of income tax exemption and debt financing over the past two years. | [Click for more info.](#)

## Autos

US Investors Want to Launch Electric Cars in Pakistan: Report

Autos, Economy | **Positive**

In a recent news report shared by Express Tribune, it has been revealed that US-based investors have expressed their interest in the rapidly expanding EV sector of Pakistan. The said development was announced in an official statement by the Consul General Lahore, Catherine Rodriguez, who added that the investors are looking to make a “quantum jump in bilateral trade.” (Propakistani) | [Click for more info.](#)

## Cement

Cement Q2 Preview: Earnings likely to grow up to 45% QoQ

Cements | **Positive**

The cement sector is all set to report up to 45% QoQ growth in earnings to reach 10 quarters high levels during 2QFY21. Despite an increase in coal prices, the gross margins are expected to increase led by cement prices during the said period. It is worth mentioning that Pakistan cement sales during 2QFY21, touched all-time high quarterly sales of 15.1 million tons, up by 11% on both QoQ and YoY basis. During 1HFY21, sales increased by 16% YoY to 28.6 million tons. (Mettis) | [Click for more info.](#)

## Miscellaneous

Commercial import of sugar; ECC all set to allow tax/duty exemption

Sugar | **Positive**

The Economic Coordination Committee (ECC) of the Cabinet is all set to exempt commercial import of sugar from duties and taxes by invoking food security provisions and allow sugar mills to import 0.3 million tons of raw sugar, sources close to Minister for Industries told. (BR) | [Click for more info.](#)

TPL Corp acquires additional stake in TPL Properties

TPLP | **Positive**

TPL Corp, Pakistan’s leading tech conglomerate, has acquired an additional stake in TPL Properties, the tech giant’s emerging real-estate property development arm. With a 51 percent stake post-acquisition, TPL Corp and its sponsors have become the majority shareholders in TPL Properties. (BR) | [Click for more info.](#)

Covid-19 vaccine due by early February

Pharmaceutical | **Positive**

Special Assistant to the Prime Minister on National Health Services, Regulations and Coordination Dr Faisal Sultan on Tuesday said Pakistan was hopeful of receiving the first batch of COVID-19 vaccine from China’s Sinopharm in early February. (The News) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	28,276.8	368.53	1.32%
PAK (KSE-100)	45,922.0	316.62	0.69%
INDIA - SENSEX	49,517.1	247.79	0.50%
CHINA - Shanghai	3,608.3	76.84	2.18%
US - Dow 30	31,068.7	60.00	0.19%
KSA - Tadawul	8,884.5	14.99	0.17%
INDONESIA - IDX	6,395.7	12.73	0.20%
US - S&P 500	3,801.2	1.58	0.04%
PHILIP - PSEi	7,258.1	-46.68	-0.64%
Taiwan - TWII	15,500.7	-56.60	-0.36%

### 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

## ECC takes up textile, apparel policy today for approval

### Textile | Neutral

The Economic Coordination Committee (ECC) of the Cabinet will take five crucial decisions on Wednesday linked with the implementation of an ambitious Textile and Apparel Policy 2020-25. One of the major policy decisions is the revival of zero-rating for the five export-oriented sectors. The Federal Board of Revenue (FBR) has sought time for consultation on this crucial issue with the International Monetary Fund. Official documents seen by Dawn show that the Textile Division proposed to provide electricity at cents 7.5/kWh all-inclusive. The subsidy amount allocated for this at Rs243 billion for a period of five years. (Dawn) | [Click for more info.](#)

## Political News

### Broadsheet case; Govt. decides to make 'good' use of 'revelations'

The federal cabinet has decided to form an inter-ministerial committee to "reveal" the facts and important points with a view to exposing the individuals who had stolen the assets of the country and parked the money abroad in light of latest "revelations" in the Broadsheet case. (BR) | [Click for more info.](#)

## International News

### Oil prices extend gains after U.S. inventory drop

Oil prices rose on Wednesday, with U.S. crude gaining for a seventh day, after an industry report showed a further drop in inventories and investors shrugged off worsening developments in the pandemic. (Reuters) | [Click for more info.](#)

### Asian shares make cautious gains after choppy Wall Street session

Asian stocks opened mostly higher on Wednesday, tracking modest Wall Street gains as prospects of an eventual victory against coronavirus shored up recovery hopes, while tight supply expectations pushed oil prices to their highest in a year. (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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