



December
15, 2020

Economy News

WB doubles assistance to Ehsaas

Economy | Neutral

Prime Minister Imran Khan was on Monday told that the World Bank has doubled its assistance to the country's Ehsaas Programme, which would help ensure social safety of maximum deserving people through further expansion of the programme. (BR) | [Click for more info.](#)

Naya Pakistan certificates receive \$89 million

Economy | Positive

Pakistan's newly-launched saving certificates have attracted around \$89 million from overseas Pakistanis in a little over month, indicating a growing tendency of expatriates to avail attractive rates of return. (The News) | [Click for more info.](#)

Cabinet to discuss economy today

Economy | Neutral

The Cabinet which is scheduled to meet on Tuesday (Dec 15) with Prime Minister Imran Khan in the chair will discuss the country's political situation, Covid-19 and economic situation of the country. The key topic of the reshuffled Cabinet will be the political situation, especially the possibility of resignations of members of opposition parties in the National Assembly and Provincial Assemblies. (The News) | [Click for more info.](#)

Daily inflows into RDA reach \$11.2m

Economy | Positive

Inflows through the Roshan Digital Account (RDA) from overseas Pakistanis rose to record \$11.2 million on Friday (Dec 11) — highest single day inflows since the initiative was launched by the State Bank of Pakistan (SBP) in September. (Dawn) | [Click for more info.](#)

Oil & Gas

Prices of petrol, HSD see rise

OMCs | Positive

The Oil and Gas Regulatory Authority (OGRA) has computed an increase in the prices of petrol and high speed diesel (HSD) by Rs5 per litre for second fortnightly (December 16-31), sources said. The oil and gas regulator has calculated ex-depot prices of petrol and HSD, keeping in view 17 percent general sale tax (GST) and Rs28.68 petroleum levy (PL) per litre for December 16-31, the sources said. (BR) | [Click for more info.](#)

Emergency bidding for January LNG cargoes attracts record high prices

Gas | Negative

The second attempt by Pakistan authorities to arrange import of liquefied natural gas (LNG) in January through emergency bidding has attracted record high prices. In a desperate attempt to fill the gap arising out of no bids for LNG vessels between Jan 8-18, the government exercised emergency clauses of the procurement rules to allow Pakistan LNG Limited (PLL) for the second bid. (Dawn) | [Click for more info.](#)

Power

Electricity generation up 7 percent in October

Power | Positive

The country's overall power generation surged 7.0 percent to 10,243GWh (13,767MW) in October 2020, compared to 9,572GWh (12,866MW) during the corresponding month last year, data released by the National Power Regulatory Authority (NEPRA) showed on Monday. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,770.6	30,254.3	483.7	1.6%
KSE100	42,470.4	43,266.2	795.8	1.9%
KSE30	17,730.2	18,088.7	358.5	2.0%
KMI30	69,018.6	70,641.6	1623.0	2.4%

Top Five Gainers

	Open	Close	Chg.	%
ILTM	1,488.0	1,596.5	108.5	7.3%
PMPK	1,450.0	1,490.0	40.0	2.8%
SAPT	1,099.0	1,130.0	31.0	2.8%
ISIL	379.5	405.0	25.5	6.7%
MFFL	327.9	352.5	24.6	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PRL	21.2	22.7	1.6	57.48
HASCOL	14.7	15.6	0.9	46.85
ANL	24.0	25.8	1.8	30.97
PIBTL	13.3	13.5	0.2	30.20
MLCF	41.3	42.7	1.4	25.04

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	7.51	-0.07	-4.33
F-Corporates	3.07	-2.27	0.80
O/S Pakistanies	10.04	-10.40	-0.36
Net	13.15	-12.75	0.41
LIPI			
Individuals	155.32	-150.52	4.80
Companies	8.02	-9.71	-1.69
Comm. Banks	5.69	-4.86	0.83
NBFC	0.06	-0.16	-0.10
Mutual Funds	8.40	-7.69	0.71
Other	0.30	-0.66	-0.36
Brokers Proprietary	32.88	-35.32	-2.44
Insurance	3.02	-5.17	-2.14
Net	213.69	-214.09	-0.41

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	46.99	0.9%
Brent oil	USD/bbl.	50.29	0.6%
Gold	USD/t oz.	1827.35	-0.7%
Silver	USD/t oz.	23.84	-0.5%
Coal	USD/ton	91.70	2.8%
Steel Scrap (LME)	USD/ton	397.00	-1.6%
Steel Rebar (LME)	USD/ton	570.00	-1.0%
USD/PKR	Interbank	160.58	0.2%

News Source: Local / Int'l Newspapers and websites

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REP-055



Nepra raises Discos' tariff for Sept by Rs1.11

Power | **Positive**

The National Electric Power Regulatory Authority (Nepra) has increased Discos tariff by Rs 1.11 per unit for September 2020 under monthly fuel prices adjustment mechanism amid accusations that efficient power plants were not fully utilized. According to the Nepra, as per the data submitted by CPPA-G, Discos purchased 11.9 GWh from Captive Power Plants (CPPs) during September 2020, for which CPPA-G provided actual details of energy purchased from these plants. (BR) | [Click for more info.](#)

Fertilizer

Urea sales jump 42.26pc

Fertilizer | **Positive**

The urea fertilizer sales jumped to 515,000 tons in Nov as compared to 362,000 tons in the same month of past year owing to government subsidies to the fertilizer sector and reflecting an increase of 42.26 percent, which highlights an improvement in farm economics and lower costs of inputs. (BR) | [Click for more info.](#)

Miscellaneous

Govt permits private sector to import COVID-19 vaccine

Pharma | **Positive**

As per details, the Ministry of National Health Services, Regulations and Coordination confirmed government's initiative of permitting the private sector to purchase the vaccine. Parliamentary Secretary for National Health Services Dr. Nausheen Hamid said the budget for the vaccines had been enhanced to 250 million dollar. Earlier, the government had set aside \$150 million. (BR) | [Click for more info.](#)

Govt negotiating with eight vaccine manufacturers

Pharma | **Neutral**

A committee of experts formed by the government of Pakistan is engaged with eight manufacturers of the world for the purchase of the COVID-19 vaccine and it would be a big achievement for the authorities if they manage to get the vaccine for half a million frontline workers in the country in the first quarter of next year. (The News) | [Click for more info.](#)

Industry irked by soaring input prices

Steel | **Negative**

While the economy as a whole is facing inflationary pressure, the industry is encountering an additional challenge due to rising cost of imports as important raw material and intermediary goods used by the domestic manufacturing industry are getting costly every month. International prices are rising on the back of reduced production and disruption to the supply chain because of the pandemic. (ET) | [Click for more info.](#)

PMRC establishes Rs15 billion fund

Banks | **Neutral**

In a first, Pakistan Mortgage Refinance Company (PMRC) - which provides long-term financing to banks for their housing and construction consumers at fixed and comparatively cheaper rates - has established a fund worth Rs15 billion to cover losses, if any, of financial institutions on low-cost housing finance. The initiative is aimed at encouraging financial institutions - both Shariah-compliant and conventional - to extend housing finance for up to 20-25 years to small loan-seekers. (ET) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	43,266.2	795.83	1.87%
INDIA - SENSEX	46,253.5	154.45	0.34%
INDONESIA - IDX	6,012.5	74.19	1.25%
PHILP - PSEi	7,281.4	35.19	0.49%
CHINA - Shanghai	3,369.1	21.93	0.66%
KSA - Tadawul	8,660.3	16.34	0.19%
US - S&P 500	3,647.5	-15.97	-0.44%
Taiwan - TWII	14,211.1	-50.64	-0.36%
HK - Hang Seng	26,389.5	-116.35	-0.44%
US - Dow 30	29,861.6	-184.82	-0.62%

Board Meetings

Script	Day	Agenda	Time
MIRKS	Thursday	ANNUAL ACCOUNT	11:00 AM

Source: PSX



Political News

PDM extends 'ultimatum' to govt

Pakistan Democratic Movement (PDM), after a consultative meeting of the leaders of 11 opposition parties of the alliance at Jati Umra on Monday, asked the PTI-led government to quit by January 31, 2021; otherwise, people will march towards Islamabad to "topple" it. (BR) | [Click for more info.](#)

International News

Asian Stocks See Muted Start; Dollar Steadies: Markets Wrap

Asian stocks drifted Tuesday after a mixed session on Wall Street, as investors assessed the prospects for a federal spending package and the likelihood for further virus-related economic restrictions. The dollar steadied. (Bloomberg) | [Click for more info.](#)

Oil slips on demand worries as COVID-19 lockdowns tighten in Europe

Oil prices dipped in early trade on Tuesday, with demand worries due to tighter lockdowns in Europe outweighing relief from vaccination rollouts and concerns about a flare-up of tension in the Middle East. (Reuters) | [Click for more info.](#)

U.S. Stock Futures Rise, Dollar Slips; Pound Jumps: Markets Wrap

U.S. equity futures climbed along with Asian shares and the dollar weakened as investors took some comfort from further stimulus bill negotiations and the impending deployment of the first vaccine in the U.S. The pound climbed after Brexit talks were extended past a Sunday deadline. (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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