

Economy News

FATF Action Plan: Progress made on all 27 benchmarks

Economy | Positive

Pakistan has made progress on all the 27 benchmarks laid down in Financial Action Task Force (FATF) Action Plan and sent its compliance report to FATF near end January. This was claimed by government sources who added that they are hopeful that Pakistan would be out of the Grey List following the upcoming meeting of global terror financing watchdog. (BR) | [Click for more info.](#)

Roshan Digital Accounts attract \$480m: SBP

Economy | Positive

State Bank of Pakistan Governor Dr Reza Baqir said on Friday that so far the country has received over \$480 million in Roshan Digital Accounts (RDAs) from overseas Pakistanis. (Dawn) | [Click for more info.](#)

PKR Appreciates By 1.2 Rupees over the Week

Economy | Neutral

Pakistani rupee (PKR) appreciated by 25 paise against US Dollar (USD) in today's interbank session as the currency closed the day's trade at PKR 158.82 per USD, against yesterday's closing of PKR 159.07 per USD. The rupee traded within a very narrow range of 19 paise per USD showing an intraday high bid of 158.94 and an intraday Low offer of 158.78. (Metis) | [Click for more info.](#)

LSM grows 11.4% in December

Economy | Positive

A majority of large-scale manufacturing (LSM) industries continued to scale up production in December, led by automobile, petroleum product, food and beverages, fertiliser and pharmaceutical sectors. "The LSMI (large-scale manufacturing index) output increased by 11.40% in December 2020 compared to December 2019," the Pakistan Bureau of Statistics (PBS) reported on Friday. (ET) | [Click for more info.](#)

Oil & Gas

Prices of POL products likely to surge

OMCs | Positive

The prices of POL products are likely to be increased in the second half of February due to significant surge in oil price globally. Sources said that the Oil and Gas Regulatory Authority (Ogra) worked out the prices of POL products for the second half of February based at 17 percent GST and Rs30 per liter petroleum levy (PL). Sources maintained that the regulator recommended an increase in the rates of petrol by Rs15 per litre. The recommended price of high speed diesel (HSD) is at Rs13.75 per litre. (BR) | [Click for more info.](#)

PSO seeks ministry's help for settlement of Rs197.7bn dues

PSO | Positive

The state-owned oil company - Pakistan State Oil (PSO) - has sought help from the Ministry of Petroleum for early settlement of Rs197.7 billion outstanding dues with the power sector to avoid financial default and to continue the supply of fuel for power generation. Share of power sector in outstanding dues of the PSO is 58 percent of the total outstanding. (BR) | [Click for more info.](#)

Govt. may sublet unused capacity at LNG terminals

Gas | Neutral

The government is likely to sublet unutilized and surplus capacity at existing Liquefied Natural Gas terminals to cut LNG tariff and restrict their further expansion to give a clear signal to private parties for investments in commercial terminals. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,704.7	31,552.7	-152.0	-0.5%
KSE100	46,055.5	45,808.4	-247.2	-0.5%
KSE30	19,222.0	19,104.5	-117.5	-0.6%
KMI30	75,638.5	75,470.8	-167.7	-0.2%

Top Five Gainers

	Open	Close	Chg.	%
IDYM	600.0	639.9	39.9	6.7%
SUTM	560.4	600.0	39.6	7.1%
AKDCL	500.2	537.7	37.5	7.5%
GATI	500.1	534.6	34.5	6.9%
BATA	1,650.0	1,679.4	29.4	1.8%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.5	1.4	-0.1	58.66
TELE	6.1	5.6	-0.5	37.86
TRG	117.6	117.3	-0.2	17.99
DGKC	126.7	131.1	4.4	16.50
PIBTL	12.7	12.6	-0.1	13.01

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.02	0.00	0.02
F-Corporates	4.55	-2.66	1.89
O/S Pakistanies	7.17	-7.49	-0.32
Net	11.74	-10.15	1.59
LIPI			
Individuals	129.95	-129.15	0.81
Companies	11.03	-10.38	0.65
Comm. Banks	3.43	-6.62	-3.19
NBFC	0.02	-0.04	-0.02
Mutual Funds	5.39	-6.00	-0.61
Other	0.77	-0.58	0.19
Brokers Proprietary	32.85	-31.88	0.97
Insurance	2.18	-2.57	-0.39
Net	185.62	-187.21	-1.59

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	59.47	2.1%
Brent oil	USD/bbl.	62.43	2.1%
Gold	USD/t oz.	1824.23	-0.1%
Silver	USD/t oz.	27.36	1.4%
Coal	USD/ton	88.65	0.0%
Steel Scrap (LME)	USD/ton	423.00	1.2%
Steel Rebar (LME)	USD/ton	607.00	0.9%
USD/PKR	Interbank	159.01	-0.2%

News Source: Local / Int'l Newspapers and websites

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Power

Almost Rs2 hike in tariffs of Discos, KE approved by govt

IPPs, KEL | Positive

The Federal Government on Friday approved an increase of Rs 1.95 per unit in tariffs of power Distribution Companies (Discos) and KE across the board. The increase of Rs 1.95 per unit for Discos the third consecutive increase in just three days. (BR) | [Click for more info.](#)

Bahria Town, KE sign agreement

KEL | Positive

Officials of Bahria Town Karachi and K-Electric signed an agreement for the conversion of 220KV GIS grid station and transmission line into CDS. With the signing of this contract, Bahria Town's existing grid station has become a part of the national grid. (The Nation) | [Click for more info.](#)

Rousch Pakistan Power Ltd Signs Agreements With CPPA

ALTN | Neutral

Rousch (Pakistan) Power Limited (RPPL), a subsidiary of Power Management Company (Private) Limited (which in turn is a subsidiary company of Altern Energy Limited —AEL), and the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) have signed a Master Agreement and a Power Purchase Agreement (PPA) Amendment Agreement that were initiated on January 23, 2021. (Mettis) | [Click for more info.](#)

Rs450bn being added to circular debt annually

Power | Negative

The government said on Friday that annual Rs450 billion was being added to the circular debt on account of over and above the losses allowed by the National Electric Power Regulatory Authority (Nepra) and capacity payment of unutilized electricity as members of a parliamentary panel said that the power sector problems were increasingly becoming problematic for the economy. (BR) | [Click for more info.](#)

Autos

Import of new cars surges three times in 1HFY21

Autos | Negative

The 196 per cent hike in imports of completely built-up (CBU) cars to \$94 million during the first half of the current fiscal year (1HFY21) has raised doubts in the auto sector if the import of new vehicles by recent market entrants is on the rise or the arrival of used vehicles is increasing. (Dawn) | [Click for more info.](#)

Auto sector seeks scrappage policy

Autos | Neutral

Following an official announcement in India about the new vehicle scrappage policy to tackle the issue of air pollution, Pakistan's auto sector has also demanded an auto scrap policy. Countries introduce the scrapping policy to decide the life of vehicles; how old vehicles should be to protect the environment and accelerate the auto market, said Pakistan Electric Vehicles Manufacturers Association (PEVMA) Chairman. (ET) | [Click for more info.](#)

Tax Laws Amendment Ord 2021 promulgated

Autos | Neutral

The government has promulgated Tax Laws Amendment Ordinance 2021 to introduce measures to facilitate non-resident Pakistanis to open non-resident Pakistani Rupee Value Accounts (NRVAs); extended 4 percent super tax on banks indefinitely beyond the tax year 2021; imposed withholding tax (Rs 50,000-Rs 200,000) on persons who sell locally manufactured vehicles within 90 days of delivery of such vehicles and offered tax exemptions for the electric vehicles. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
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%
US - Dow 30	31,458.4	27.70	0.09%
INDONESIA - IDX	6,222.5	20.69	0.33%
US - S&P 500	3,934.8	18.45	0.47%
INDIA - SENSEX	51,544.3	12.78	0.02%
PHILP - PSEi	6,991.0	-91.14	-1.29%
PAK (KSE-100)	45,808.4	-247.16	-0.54%

Board Meetings

Scrip	Day	Agenda	Time
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
GGGL	Tuesday	HY A/c 31-Dec-20	11:30 AM
SITC	Tuesday	HY A/c 31-Dec-20	3:00 PM
PGLC	Tuesday	HY A/c 31-Dec-20	3:30 PM
GATI	Tuesday	HY A/c 31-Dec-20	4:00 PM
SNBL	Wednesday	ANN A/c 31-Dec-20	10:00 AM
KSTM	Wednesday	HY A/c 31-Dec-20	10:30 AM
ABL	Wednesday	ANN A/c 31-Dec-20	11:00 AM
GLOT	Wednesday	HY A/c 31-Dec-20	11:00 AM
KOHC	Wednesday	HY A/c 31-Dec-20	11:00 AM
HBL	Wednesday	ANN A/c 31-Dec-20	12:00 PM
POWER	Wednesday	HY A/c 31-Dec-20	2:00 PM
TSBL	Wednesday	HY A/c 31-Dec-20	2:00 PM
ENGRO	Wednesday	ANN A/c 31-Dec-20	2:30 PM
PSO	Wednesday	HY A/c 31-Dec-20	2:30 PM

Source: PSX



Pharmaceutical

Another Chinese vaccine approved for emergency use in Pakistan

Pharmaceutical | **Positive**

The Drug Regulatory Authority of Pakistan (Drap) on Friday issued emergency use authorization to the Chinese company Cansino Biologics Inc's Covid-19 vaccine after which supply of the doses will start in a few weeks. It will become the fourth vaccine to be allowed for emergency use in the country. (Dawn) | [Click for more info.](#)

Pakistan to get 17m Covid-19 vaccine doses by April

Pharmaceutical | **Positive**

The United Kingdom has announced that Pakistan will receive seven million doses of the AstraZeneca coronavirus vaccine within two months. "Through the COVAX facility, Pakistan will take the delivery of 17 million doses of the UK-developed Oxford University-AstraZeneca vaccine shortly with the first seven million expected before April," the British High Commission said in a statement. It added that the next tranche of 10 million doses was likely to reach the country by June. (The News) | [Click for more info.](#)

Among the first: Pakistan to market Covid shots privately by 'next week'

Pharmaceutical | **Positive**

A Pakistani lab will soon receive Russia's Sputnik V Covid-19 vaccine for commercial sale, a company official said on Sunday, making Pakistan one of the first countries to market shots privately as it scrambles to secure supplies. (ET) | [Click for more info.](#)

Pakistan to buy 21 freezers for Pfizer jabs

Pharmaceutical | **Neutral**

The federal government has decided to buy 21 ultra-cold freezers for the storage of Pfizer's Covid-19 vaccines. According to sources, the freezers will have the capacity to maintain temperature at -70° Celsius. According to a UN report, the Pfizer jab requires long-term storage at -70°C while Moderna's must be kept at -20 °C long term. Both of them can last for shorter periods in a regular refrigerator, where temperatures are between 2°C and 8°C. (ET) | [Click for more info.](#)

Miscellaneous

Construction sector borrows Rs88bln in Jul-Dec

Cement, Steel | **Positive**

Construction sector borrowed Rs88 billion from banking institutions during the first half of the current fiscal year of 2020/21, showing 44 percent growth over the preceding same period, as the tax incentives and lower interest rate encouraged participation in real estate. (The News) | [Click for more info.](#)

Customs slashes yarn valuation to encourage imports

Textile | **Positive**

Pakistan Customs has lowered the valuation on yarn imports following downtrend in international prices and the decision is likely to reduce duty and taxes in line with demand of textile sector, sources said on Saturday. (The News) | [Click for more info.](#)

Punjab Oil Mills to Replace Unity Foods In KSE-100 Index

POML, UNITY | **Neutral**

Unity Foods Limited will be excluded from the KSE-100 Index due to change of its Sector from Vanaspati and Allied Industries to Foods & Personal Care Products, PSX announced on Friday. 'The existing KSE 100 Index includes Unity Foods Limited which was inducted in the Index on the basis of "Sector Value Base Rule"', the notice by PSX said. (Mettis) | [Click for more info.](#)



Penalty imposed on sugar mills

Sugar | Negative

The Federal Board of Revenue (FBR) has imposed a penalty of Rs 1 million each on those sugar mills, which failed to install high-tech video cameras on their production lines by January 31, 2021. In this connection, the FBR has started issuing penalty orders to the sugar mills. (BR) | [Click for more info.](#)

Packages wants stake in Tri-Pack

PKGS | Neutral

Packages Limited has expressed intention to acquire Mitsubishi Corporation's 19.33 percent shareholding in Tri-Pack Films Limited in a bourse filing on Friday. Mitsubishi Corporation had indicated its intention of selling its entire 19.33 percent shareholding of Tri-Pack Films Limited. As per the joint venture agreement between the parties, Packages Limited has first right of refusal to purchase the entire shareholding of Mitsubishi Corporation. (The News) | [Click for more info.](#)

Karachi port handles 894,017 tonnes of cargo

Economy | Neutral

Cargo handling operations remained active at Karachi port and Port Qasim during the outgoing week. A total volume of 894,017 tonnes was handled at the Karachi port in which the share of imports and exports were 676,689 tonnes and 217,319 tonnes respectively. (Dawn) | [Click for more info.](#)

Political News

100 nomination papers filed for Senate elections so far

As many as 100 nomination papers have been filed so far for the upcoming Senate elections, fixed for March 3. According to the Election Commission of Pakistan's statement, a total of 52 papers have been submitted for the general seats in the four provinces and the Federal Capital while 18 for technocrats/ Ulema seats, 23 for women seats and 08 for seats reserved for non-Muslims. (The News) | [Click for more info.](#)

International News

Oil rises on fears of heightened tensions in Middle East

Oil prices rose to their highest in more than a year on Monday, after a Saudi-led coalition fighting in Yemen said it intercepted an explosive-laden drone fired by the Iran-aligned Houthi group, raising fears of fresh Middle East tensions. (Reuters) | [Click for more info.](#)

Asian shares hit all-time highs, oil buoyant

Asian shares advanced to record highs on Monday and oil rose to a more than one year peak as successful coronavirus vaccine rollouts globally raise hopes of a rapid economic recovery amid new fiscal aid from Washington. (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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