



December
16, 2020

Economy News

ECC reconstituted by PM

Economy | **Positive**

Prime Minister Imran Khan has reconstituted the Economic Coordination Committee (ECC) of the Cabinet on Tuesday with Minister for Finance and Revenue in the chair after his elevation as federal minister from adviser on finance and revenue. | [Click for more info.](#)

\$1bn returned to Saudi Arabia, says Qureshi

Economy | **Positive**

Foreign Minister Shah Mahmood Qureshi on Tuesday confirmed that Pakistan returned \$1 billion Saudi loan out of the remaining \$2 billion due to what he said "financial constraints" of the kingdom subsequent to the recent decline in oil prices in the international market. | [Click for more info.](#)

PM Imran, Prince Sultan reaffirm Pak-Saudi ties

Economy | **Neutral**

Prime Minister Imran Khan in a telephonic talk Tuesday with his royal highness Prince Sultan bin Salman bin Abdul Aziz Al Saud reaffirmed the longstanding and time-tested ties between Pakistan and Saudi Arabia and shared commitment to strengthen the bilateral cooperation in all areas of mutual interest. | [Click for more info.](#)

Jul-Oct LSMI output up 5.46pc YoY

Economy | **Positive**

The overall output of Large Scale Manufacturing Industries (LSMI) increased by 5.46 percent for July-October 2020-21 compared to July-October 2019-20, as most of the major manufacturing sectors posted growth, the data released by the Pakistan Bureau of Statistics (PBS) showed Tuesday. | [Click for more info.](#)

Cement & Steel

Cement manufacturers involved in cartelization, pocketed Rs40 bn: CCP

Cement | **Negative**

The Competition Commission of Pakistan (CCP) has found "hardcore evidence" against the All Pakistan Cement Manufacturers Association (APCMA) and its Northern Region units involved in cartelization for pocketing an additional Rs40 billion from consumers. | [Click for more info.](#)

Drastic increase in cost of raw material creating crisis situation

Steel | **Negative**

The drastically increasing prices of raw material is creating crisis like situation for the struggling steel sector of Pakistan. According to Association of Large Steel Producers (PALSP) during the last two years, when major players declared heavy losses, largely the steel sector absorbed the impact of increase of inputs without passing it on to the end consumer. | [Click for more info.](#)

Steel billets, ingots output up 44pc

Steel | **Positive**

Production of Steel billets / ingots increased 44 percent on yearly basis during the month of October 2020, according to the latest data released by the Pakistan Bureau of Statistics (PBS) on Tuesday.. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,254.3	30,314.0	59.7	0.2%
KSE100	43,266.2	43,250.8	-15.4	0.0%
KSE30	18,088.7	18,040.7	-48.0	-0.3%
KMI30	70,641.6	70,324.5	-317.2	-0.4%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	6,819.5	6,930.0	110.5	1.6%
SFL	926.0	995.0	69.0	7.5%
SRVI	749.0	805.2	56.2	7.5%
GATI	537.5	576.5	39.0	7.3%
MTL	1,100.6	1,134.1	33.5	3.0%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PRL	22.7	21.3	-1.5	64.43
HASCOL	15.6	15.7	0.1	62.87
ANL	25.8	26.1	0.4	42.66
PIBTL	13.5	13.5	0.0	36.69
LOTCEM	14.8	15.7	1.0	32.99

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	2.74	-0.02	-1.13
F-Corporates	2.03	-3.06	-1.03
O/S Pakistanies	10.68	-10.63	0.05
Net	12.73	-13.72	-0.98
LIPI			
Individuals	175.05	-173.04	2.01
Companies	12.15	-14.11	-1.97
Comm. Banks	5.56	-4.54	1.02
NBFC	0.11	-0.08	0.03
Mutual Funds	10.26	-8.24	2.03
Other	0.61	-0.50	0.10
Brokers Proprietary	37.79	-38.78	-0.99
Insurance	3.20	-4.45	-1.24
Net	244.73	-243.75	0.98

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	47.62	1.3%
Brent oil	USD/bbl.	50.76	0.9%
Gold	USD/t oz.	1853.64	1.4%
Silver	USD/t oz.	24.49	2.8%
Coal	USD/ton	90.00	1.7%
Steel Scrap (LME)	USD/ton	406.50	2.4%
Steel Rebar (LME)	USD/ton	581.00	1.9%
USD/PKR	Interbank	160.72	0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055



Oil & Gas

Govt raises petrol prices for rest of December

Oil | Positive

The government has raised the prices of petroleum products by a significant margin for the rest of December, a notification issued on Tuesday showed. According to the notification issued by the Ministry of Finance, from December 16 onwards, petrol will cost Rs3 more per litre. A similar increase has been put into effect for the price of diesel, which will also be priced Rs3 higher. In addition, kerosene oil and light diesel oil have also become more expensive, costing Rs5 more each.. | [Click for more info.](#)

POL products' prices see significant rise

Oil | Positive

The federal government Tuesday announced a significant increase in the prices of petroleum products, i.e, up to 7.9 percent in a fortnightly review of second half of the current month (December 16-31). | [Click for more info.](#)

SSGC increases LPG procurement to offset gas shortfall

SSGC | Positive

Sui Southern Gas Company (SSGC) has jacked up procurement of imported liquefied petroleum gas (LPG), and issued 15 tenders for supply of locally available imported LPG with delivery windows ranging January to June 2021. | [Click for more info.](#)

Pakistan LNG tender for Jan cargoes receives offers above spot rates

OMC | Negative

Traders DXT Commodities and ENOC have submitted the lowest bids in a Pakistan buy tender for liquefied natural gas (LNG) cargoes for delivery in January, although the prices quoted are higher than current spot rates, trade sources said on Tuesday. | [Click for more info.](#)

Gas transmission network being reinforced by laying 8,383 KM additional pipelines

SSGC, SNGP | Positive

The two state-companies, SNGPL and SSGC, are reinforcing their network by laying around 8,383 kilometers (KM) additional transmission and distribution pipelines collectively across the country as per the target given for the current fiscal year. | [Click for more info.](#)

Banking

Bank deposits surge by 18pc YoY in Nov

Banking | Positive

Banking sector deposits continue to show healthy growth during the ongoing year, as the total deposits held by commercial banks clocked in at Rs16.84 trillion by the end of November 2020, depicting a growth of 18pc YoY and 1pc MoM. | [Click for more info.](#)

Fertilizers

Urea prices on rise amid wheat cultivation

Fertilizer | Positive

Urea prices have increased approximately Rs100 per 50 kilograms compared to the controlled rate of Rs1,668 per 50 kg bag as widening demand and supply gap of the nutrient is affecting wheat cultivation, industry people said on Tuesday. | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	30,199.3	337.76	1.13%
US - S&P 500	3,694.6	47.13	1.29%
INDIA - SENSEX	46,263.2	9.71	0.02%
KSA - Tadawul	8,659.4	-0.94	-0.01%
CHINA - Shanghai	3,367.2	-1.89	-0.06%
INDONESIA - IDX	6,010.1	-2.39	-0.04%
PAK (KSE-100)	43,250.8	-15.38	-0.04%
PHILP - PSEi	7,227.7	-53.62	-0.74%
Taiwan - TWII	14,068.5	-142.53	-1.00%
HK - Hang Seng	26,207.3	-182.23	-0.69%

Board Meetings

Scrip	Day	Agenda	Time
MIRKS	Thursday	ANNUAL ACCOUNT	11:00 AM
SHSML	Monday	ANNUAL ACCOUNT	11:30 AM

Source: PSX



Political News

Govt. seeks Senate polls in February

Political | Neutral

The decision was taken on Tuesday during a federal cabinet meeting, chaired by Prime Minister Imran Khan. The government has decided to use "open voting" for the elections | [Click for more info.](#)

Hafeez convenes meeting today

Political | Positive

The ECC meeting is likely to approve Karachi Transformation Plan as it was deferred for detailed discussion before being approved in the last meeting, and would also take up the proposal of the Finance Ministry with respect to rationalization of subsidies Phase-I. | [Click for more info.](#)

Miscellaneous

Exports recover to pre-Covid-19 monthly level: SBP chief

Miscellaneous | Positive

The Governor State Bank of Pakistan (SBP), Reza Baqir, has said that the exports have recovered to their pre-COVID monthly level of around \$2 billion, with the strongest recovery in textiles, rice, cement, chemicals, and pharmaceuticals. | [Click for more info.](#)

Covid-19, infectious diseases

Economy | Positive

The government of Japan has extended grant assistance in the form of one billion Japanese yen (Rs1.54 billion) to Pakistan for enhancing its capacity to confront Covid-19 and other infectious diseases. | [Click for more info.](#)

Govt urged to import sugar as prices at record low on global market

Economy | Negative

The government needs to make arrangements for importing 0.5 million tons to one million ton of sugar as at present in the global market the commodity is being traded on record low prices, otherwise, in the next season sugar millers will again create sugar shortage.. | [Click for more info.](#)

Status of Siddiqsons Tin plant as sole enterprise approved

STPL | Positive

The seventh meeting of the Board of Approval of Special Economic Zones chaired by Prime Minister Imran Khan was held in Islamabad on Monday. The meeting was attended by Chief ministers' of Pakhtunkhwa, Punjab, Federal Secretary Board of Investment, Chief Executive of Balochistan Board of Investment and Trade, Farman Zarkoon, and officials of investment boards of the four provinces. The meeting approved the status of Siddiqsons Tin plant as a sole enterprise in Hub Special Economic Zone. (BR) | [Click for more info.](#)

International News

Oil prices slip on surprise gain in U.S. inventory, demand worries

Oil prices dropped on Wednesday on a surprise gain in crude oil inventories in the United States and as investors continued to worry about demand for fuel being squeezed amid tighter lockdowns in Europe to counter the coronavirus pandemic. (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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