



February
16, 2021

Economy News

January remittances surge 19pc, rising for 8th consecutive month

Economy | Positive

Remittances surged 19 percent year on year to \$2.3 billion in January as the government's initiatives continued to keep the monthly foreign inflows over the two billion dollars mark, the central bank said. (The News) | [Click for more info.](#)

FY22 Budget; More exemptions to be withdrawn: FBR chief

Economy | Neutral

The Federal Board of Revenue (FBR) Chairman Javed Ghani Monday said the government would withdraw more exemptions allowed to various sectors of the economy in the coming budget as total exemptions in the taxes had increased to Rs1.14 trillion. (BR) | [Click for more info.](#)

CDWP okays 5 projects worth Rs58.5bn

Economy | Neutral

The Central Development Working Party (CDWP) on Monday cleared a total of five projects costing about Rs58.5 billion, all of them for Khyber Pakhtunkhwa and Gwadar. (Dawn) | [Click for more info.](#)

Oil & Gas

POL products' prices remain unchanged

Oil | Neutral

The federal government has announced to maintain the prices of petroleum products for second half of February at the existing level under the pressure from general public and political parties. However, the federal government adjusted the increase by revising rate of ex-factory and the petroleum levy (PL). (BR) | [Click for more info.](#)

Local POL production increases by 5.01% in 1st half of FY21

Oil | Positive

The overall production of petroleum commodities has witnessed an increase of 5.01 percent during the first half of the financial year 2020-21 as compared to the corresponding period of last year. The Petroleum, Oil, and Lubricants (POL) products that showed growth including kerosene oil production, which increased by 3.83 percent during the period under review, the Pakistan Bureau of Statistics (PBS) reported. (Mettis) | [Click for more info.](#)

OGDCL injects 14 new wells in production gathering system during 2nd quarter

OGDC | Positive

Oil and Gas Development Company Limited (OGDCL) has injected as many as 14 new wells by making 2,666 BPD of oil, 82 MMCFD of gas and 77 MTD of LPG in its production gathering system during second quarter of the current fiscal year. (Mettis) | [Click for more info.](#)

Autos

Govt. imposes advance tax on vehicles to discourage profiteering

Autos | Negative

The federal government has imposed advance tax ranging from Rs50,000 to Rs200,000 on vehicles to discourage 'on money' culture in Pakistan. In this regard, the president has promulgated the Tax Laws (Amendment) Ordinance 2021, in which the government has not only imposed but also exempted taxes on different categories, including electric vehicles. (PT) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,552.7	31,891.8	339.1	1.1%
KSE100	45,808.4	46,375.6	567.2	1.2%
KSE30	19,104.5	19,347.1	242.6	1.3%
KMI30	75,470.8	76,693.6	1222.8	1.6%

Top Five Gainers

	Open	Close	Chg.	%
BATA	1,679.4	1,769.8	90.4	5.4%
SAPT	928.7	989.0	60.3	6.5%
PAKT	1,550.0	1,594.5	44.5	2.9%
PMPK	1,400.0	1,440.0	40.0	2.9%
SUTM	600.0	640.0	40.0	6.7%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.4	1.5	0.1	40.31
MLCF	45.2	47.1	1.9	35.65
TELE	5.6	6.6	1.0	28.70
ANL	31.1	31.6	0.6	23.00
HUMNL	6.5	6.1	-0.4	21.64

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.04	-0.03	0.01
F-Corporates	0.66	-2.42	-1.75
O/S Pakistanies	11.68	-9.85	1.83
Net	12.38	-12.29	0.09
LIPI			
Individuals	149.83	-143.15	6.68
Companies	6.80	-8.03	-1.24
Comm. Banks	8.29	-5.23	3.06
NBFC	0.01	-0.06	-0.05
Mutual Funds	7.13	-10.87	-3.73
Other	0.57	-1.07	-0.50
Brokers Proprietary	35.10	-35.97	-0.86
Insurance	3.03	-6.48	-3.45
Net	210.77	-210.86	-0.09

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	60.22	1.3%
Brent oil	USD/bbl.	63.30	1.4%
Gold	USD/t oz.	1818.86	-0.3%
Silver	USD/t oz.	27.62	0.9%
Coal	USD/ton	88.75	0.0%
Steel Scrap (LME)	USD/ton	420.00	-0.7%
Steel Rebar (LME)	USD/ton	614.00	1.2%
USD/PKR	Interbank	158.89	-0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055



Steel

Steel market shrinks 31 percent in FY2020

Steel | **Negative**

Flat steel market sharply shrank 31 percent to 850,000 to 900,000 tons during the last fiscal year due to coronavirus-led lockdown and overall slowdown in economy, although the industry is expected to climb to 1.2 million tons in FY2021, an analyst said on Monday. (The News) | [Click for more info.](#)

Cement

Flying Cement Company successfully completes the installation, commissioning of 7.5MW WHRPP

FLYING | **Positive**

Flying Cement Company Limited has successfully completed the installation and commissioning of 7.5MW Waste Heat Recovery Power Plant (WHRPP) at its site in Mangowal, District Khushab. The employment of this technology will augment the company's ability to process waste heat absorbed in boilers to produce steam at suitable pressure to power turbines for the generation of electricity. (Mettis) | [Click for more info.](#)

Banks

Housing finance; SBP allows third-party guarantee

Banks | **Positive**

The State Bank of Pakistan (SBP) has allowed acceptance of a third-party guarantee up to a maximum of one year for housing finance facility. The SBP has eased application process for availing housing loans during construction period in the government's subsidized scheme through personal guarantees. The completion of housing unit and mortgage creation takes time. In order to address this issue for applicants and banks, the SBP has allowed acceptance of a third party guarantee for this period up to a maximum of one year. (BR) | [Click for more info.](#)

Miscellaneous

Sapphire forms JV with Britain-based Carrington Textiles

SAPT | **Positive**

Sapphire Textile Mills and Britain-based Carrington Textiles have formed a joint venture in Pakistan – Carrington Textiles International, with new textile dyeing and finishing operations in Lahore that would provide up to 20 million meters a year of dyed and white fabric, it said on Monday. (The News) | [Click for more info.](#)

AGP Pharma denies agreement to supply Sputnik-V vaccine to any hospital, diagnostic centre

AGP | **Neutral**

Karachi-based pharmaceutical firm AGP Limited has denied media reports that it had entered into an agreement with any hospital or diagnostic centre for the supply of Russian Sputnik-V vaccine for Covid-19. (PT) | [Click for more info.](#)

PIA Receives Over 100 Offers on Tender for Leasing New Aircraft

PIAA | **Neutral**

The Pakistan International Airlines (PIA) has received an overwhelming response on its tender published to acquire eight aircraft. As per details, the national airline intends to expand its fleet by eight narrow-body aircraft by obtaining them on a 6-year lease for which the tenders were advertised. (Propakistani) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	52,154.1	609.83	1.18%
PAK (KSE-100)	46,375.6	567.23	1.24%
KSA - Tadawul	9,081.8	137.93	1.54%
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%
INDONESIA - IDX	6,270.3	47.80	0.77%
US - Dow 30	31,458.4	27.70	0.09%
US - S&P 500	3,934.8	18.45	0.47%
PHILP - PSEI	6,959.2	-31.80	-0.45%

Board Meetings

Scrip	Day	Agenda	Time
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
TGL	Wednesday	HY A/c 31-Dec-20	3:00 PM
KAPCO	Thursday	HY A/c 31-Dec-20	10:30 AM
FABL	Thursday	ANN A/c 31-Dec-20	11:00 AM
KOHE	Thursday	HY A/c 31-Dec-20	11:00 AM

Source: PSX



Tracking system for tobacco, fertilizers soon, Senate panel told

Tobacco, Fertilizer | Neutral

The Federal Board of Revenue (FBR) will roll out a Track & Trace (T&T) system for tobacco, cement, fertilizers and sugar from July 1 in a bid to enhance revenue collection in the country, a meeting of the Senate Standing Committee on Finance, Revenue and Economic Affairs was informed on Monday. (Dawn) | [Click for more info.](#)

Political News

170 nominations submitted

Some 170 nominations for Senate elections were submitted to Election Commission of Pakistan (ECP), till Monday evening. The extended deadline for filing nominations has now expired. (BR) | [Click for more info.](#)

International News

U.S. oil wells, refineries shut as winter storm hits energy sector

A deep freeze across the United States is taking a toll on the energy industry in the largest U.S. crude-producing state, halting Texas oil wells and refineries on Monday and forcing restrictions from natural gas and crude pipeline operators. (Reuters) | [Click for more info.](#)

Asian Stocks Edge Higher; Oil Holds Gains: Markets Wrap

Stocks advanced in Asia Tuesday and bonds declined further as investors took comfort from progress on the Covid-19 vaccine rollout. Oil held an overnight gain as freezing temperatures in Texas roiled energy markets. (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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