

Economy News

Conditions fulfilled, IMF package restored

Economy | Positive

After raising the power tariff by Rs3.90 per unit and commitment to abolish corporate sector income tax exemptions to fetch Rs150 billion to Rs200 billion, Pakistan and IMF authorities on Tuesday reached a staff level agreement on revised macroeconomic framework and structural targets after the outbreak of the COVID-19 pandemic and completed the pending second to fifth reviews under the \$6 billion Extended Fund Facility (EFF). (The News) | [Click for more info.](#)

PM cheers expatriates as RDA inflows hit \$500m

Economy | Neutral

Prime Minister Imran Khan on Tuesday expressed satisfaction over foreign exchange inflows via the Roshan Digital Accounts (RDAs) which reached \$500 million. (Dawn) | [Click for more info.](#)

NRPs maintaining RDAs; Simplified tax regime unveiled

Economy | Positive

Based on the feedback from the diaspora and recommendations from the State Bank of Pakistan (SBP), the federal government has introduced several amendments to the Income Tax Ordinance 2001 through Tax Laws (Amendment) Ordinance 2021 to make the taxation regime simple, convenient and hassle-free for Non Resident Pakistanis (NRPs) maintaining Roshan Digital Accounts (RDAs). (BR) | [Click for more info.](#)

43 Chinese firms all set to invest in Gwadar SEZ: COPHC

Economy | Positive

Zhang Baozhong, the chairman of China Overseas Ports Holding Company – the firm that operates Gwadar Port – has said that the first phase of the special economic zone under the China-Pakistan Economic Corridor has been completed in which 43 Chinese companies are going to invest while 200 more firms have been registered for the purpose. Talking to The Express Tribune, the chairman said that besides infrastructure and energy projects, various industries, including textiles, chemicals, automobiles and mobiles, would be set up in the Gwadar industrial zone, which will create more employment opportunities. (ET) | [Click for more info.](#)

Oil & Gas

Remaining 40pc PL target to be met by June-end: officials

Oil | Neutral

The government will meet the remaining 40 percent of the Rs 450 billion budgeted petroleum levy (PL) target by the end of current financial year 2020-21. Notwithstanding the reduction in the rate of PL for the second half of February, Finance Division is optimistic that it would be able to collect Rs 175 billion PL by end-June which is 40 percent of total collection, sources in petroleum division said. The budgeted target of Rs 450 billion generated through PL in current financial year is 73 percent higher than last financial year's revised target of Rs 260 billion. (BR) | [Click for more info.](#)

Autos

Kia Announces Launch Date for Its Sorento SUV

LUCK | Neutral

As per a recent report by a mainstream media outlet, it has been revealed that KIA is finally set to debut the 3rd generation Sorento SUV in Pakistan. The launch is set to take place on February 19, 2021. (Propakistani) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,891.8	32,141.8	250.0	0.8%
KSE100	46,375.6	46,868.0	492.4	1.1%
KSE30	19,347.1	19,619.3	272.2	1.4%
KMI30	76,693.6	77,752.1	1058.5	1.4%

Top Five Gainers

	Open	Close	Chg.	%
BATA	1,769.8	1,829.0	59.2	3.3%
SUTM	640.0	688.0	48.0	7.5%
LUCK	792.2	831.1	38.8	4.9%
MTL	1,127.6	1,155.4	27.8	2.5%
GATI	574.0	600.0	26.0	4.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HUMNL	6.1	7.1	1.0	55.47
TELE	6.6	7.6	1.0	55.45
MLCF	47.1	48.2	1.1	36.18
TRG	121.7	125.9	4.3	23.47
WTL	1.5	1.5	0.0	22.97

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.66	-0.01	0.65
F-Corporates	1.68	-3.44	-1.76
O/S Pakistanies	8.76	-8.38	0.38
Net	11.10	-11.83	-0.72
LIPI			
Individuals	148.10	-148.03	0.07
Companies	9.20	-8.72	0.48
Comm. Banks	4.63	-4.26	0.38
NBFC	0.01	-0.04	-0.04
Mutual Funds	8.44	-4.70	3.74
Other	0.73	-1.49	-0.76
Brokers Proprietary	36.24	-35.42	0.82
Insurance	2.74	-6.71	-3.98
Net	210.09	-209.37	0.72

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	60.05	1.0%
Brent oil	USD/bbl.	63.35	0.1%
Gold	USD/t oz.	1794.47	-1.3%
Silver	USD/t oz.	27.24	-1.4%
Coal	USD/ton	88.95	0.2%
Steel Scrap (LME)	USD/ton	421.00	0.2%
Steel Rebar (LME)	USD/ton	615.00	0.2%
USD/PKR	Interbank	159.66	0.5%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited
(021) 32429665, Ext. 106



Banks

SECP launches Portal for expeditious bank accounts opening

Banks | Positive

The Securities and Exchange Commission of Pakistan (SECP) has launched a portal for expeditious bank account opening of newly registered companies to help promote ease of doing business and digitalization. The online portal provides banks real time access to statutory records of companies, thus enabling them to open corporate accounts without seeking physically certified copies of statutory documents. (The Newsers) | [Click for more info.](#)

Q1FY21; \$2.203bn new loan agreements signed

Banks | Positive

The government during the first quarter of fiscal year 2020-21 signed new loan agreements worth \$2.203 billion with various development partners including Safe Authority and foreign commercial banks. Out of total new agreements, \$1.057 billion worth of financing agreements were signed with multilateral development partners, USD 1,000 million as safe deposits, USD 115 million with foreign commercial banks, and USD32 million with bilateral development partners. (BR) | [Click for more info.](#)

HBL Islamic Banking Expands Footprint in Pakistan

HBL | Positive

HBL Islamic Banking inaugurated a dedicated HBL Islamic Commercial Centre, Trade Hub, and Branch on I.I. Chundrigar Road, Karachi, the heart of the country's financial hub. HBL is Pakistan's largest commercial bank with over 1700 branches and an Islamic Banking arm that provides Shariah-compliant financial services from over 911 branches/windows nationwide. (Propakistani) | [Click for more info.](#)

Miscellaneous

Sugar likely to cross Rs100 a kg

Sugar | Positive

Even though more sugar production is being anticipated this cane crushing season — which is nearing its end — as compared to 2019-20, consumers are unlikely to get any relief in the price of the sweetener as the rates are expected to cross Rs100 per kg in the days to come. Millers like Ahmed Bawani, chairman of the Pakistan Sugar Mills Association (PSMA), Sindh zone, attributed the anticipated increase in price to higher cost of sugarcane paid to farmers "which is around 73pc of total production cost of sugar". (Dawn) | [Click for more info.](#)

Import of sugar by TCP; Cabinet grants PPRA exemption 'in national interest'

Sugar | Neutral

The Federal Cabinet has exempted 0.5 million tons of sugar from Rule 21 of the PPRA Ordinance 2002 to be imported by Trading Corporation of Pakistan (TCP) 'in the national interest'. The Economic Coordination Committee (ECC) had accorded approval to TCP for the import of white sugar up to 500,000 M. Tons, as per the demand conveyed by provinces, AJK, GB, ICT and Utility Stores Corporation. (BR) | [Click for more info.](#)

Income tax rate on traders slashed to 0.25 percent

Economy | Positive

The Federal Board of Revenue (FBR) has reduced income tax rate for dealers and sub-dealers of sugar, cement and edible oils to 0.25 percent, sources said on Tuesday. The rate of tax has been reduced through promulgation of Tax Laws (Amendment) Ordinance, 2021 dated February 12, 2021. The FBR sources said prior to the amendment the tax rate for dealers was 1.5 percent. (The News) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	30,746.7	573.09	1.90%
PAK (KSE-100)	46,868.0	492.36	1.06%
Taiwan - TWII	15,802.4	96.18	0.61%
PHILP - PSEI	7,044.1	84.85	1.22%
US - Dow 30	31,522.8	64.35	0.20%
CHINA - Shanghai	3,655.1	51.60	1.43%
INDONESIA - IDX	6,292.4	22.08	0.35%
KSA - Tadawul	9,102.0	20.18	0.22%
US - S&P 500	3,932.6	-2.24	-0.06%
INDIA - SENSEX	52,104.2	-49.96	-0.10%

Board Meetings

Scrip	Day	Agenda	Time
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
ORIXM	Thursday	HY A/c 31-Dec-20	11:00 AM
PPP	Thursday	HY A/c 31-Dec-20	11:00 AM
BCL	Thursday	HY A/c 31-Dec-20	11:30 AM
CJPL	Thursday	HY A/c 31-Dec-20	11:30 AM
MARI	Thursday	HY A/c 31-Dec-20	11:30 AM

Source: PSX



International News

Asian markets offer mixed signals as investors juggle stimulus, pandemic

Asian markets pointed to a mixed open on Wednesday, as investors juggle the prospects for an economic comeback and additional stimulus with continued pandemic concerns. (Reuters) | [Click for more info.](#)

Oil retreats on rising U.S. dollar, though Texas supply choked

Oil prices fell in early trade on Wednesday as the U.S. dollar climbed, retreating after a two-day rally that was driven by an Arctic blast curbing output from oil and gas fields in Texas, the country's biggest oil-producing state. (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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THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst
zubair@abaalihabib.com

Behroze Atique Bahalim – Research Analyst
behroze@abaalihabib.com

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

Zaheer Ahmed - Head of Institutional Sales
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Salman Ahmed - Head of Retail Sales
(021) 32412491

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Ammara Hayat Khan - Equity Trader
ammara@abaalihabib.com
(021) 32464835

Office (PSX Building)

Room # 419, 419 A & 421, 4th Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi
Contact: 021-32429665
Cell: [+92 3312766771](tel:+923312766771)