



November
17, 2020

Economy News

No public meetings to be allowed

Economy | Neutral

The government has decided to end all public meetings following rapid, four-time increase in the coronavirus cases in the country and the death toll climbing to 25 per day with Prime Minister Imran Khan imploring the nation to help the government in dealing with the second and severe wave of the pandemic. (BR) | [Click for more info.](#)

FDI increases 9.1pc to \$733.1mln in July-October

Economy | Positive

Foreign direct investment rose 9.1 percent to \$733.1 million in the first four months of the current fiscal year as troubled power sector continued to attract funds for its untapped potential, the central bank's data showed on Monday. (The News) | [Click for more info.](#)

Oil & Gas

Hike in Saudi Aramco CP to hit local market

Oil | Negative

A significant increase in Saudi Aramco Contract Price (CP) will lead to increase in the prices of domestic and commercial cylinders in the local market amid cold season. The CP increased by \$20 per ton, and is further expected to increase. At the same time, the import of LPG increased by 83 percent as compared to year 2019. (BR) | [Click for more info.](#)

PSO accused of succumbing to global oil mafia

PSO | Neutral

Pakistan State Oil Company (PSO), the country's largest public sector oil marketing company, is accused of succumbing to international oil mafia and vested interests, industry sources said. According to details, PSO regularly conducts spot tenders for supply of motor gasoline and seasonal furnace oil cargoes which are supplied by a small group of globally influential international oil suppliers such as Gunvor, Enoc, Vitol, Petro China, OTI, BB Energy represented by highly powerful local indenting agents. (BR) | [Click for more info.](#)

Power

Govt delineates new approach to subsidies

Power | Negative

The government has decided to increase electricity and gas tariffs by limiting subsidies only for marginalized segments of society, backward areas of the country and export-oriented industry as the situation is getting critical. (BR) | [Click for more info.](#)

Power generation licence sought

Power | Neutral

The Pakistan Atomic Energy Commission (PAEC) has approached the National Electric Power Regulatory Authority (NEPRA), seeking generation licence for its enriched uranium-based power plant of 1,145MW to be setup in Karachi, a statement said on Monday. (The News) | [Click for more info.](#)

Banks

Banking sector investments surge by Rs2tn: SBP

Banks | Neutral

Investments of the banking sector, amid weaker demand for advances and abundant liquidity, surged by Rs2 trillion during the first half (H1) of Calendar Year 2020 (CY20), State Bank of Pakistan (SBP) reported on Monday. (PT) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,456.8	28,412.7	-44.1	-0.2%
KSE100	40,569.4	40,504.8	-64.6	-0.2%
KSE30	17,026.7	17,006.7	-20.0	-0.1%
KMI30	64,746.9	64,527.6	-219.3	-0.3%

Top Five Gainers

	Open	Close	Chg.	%
UPFL	12,500.0	12,749.0	249.0	2.0%
ILTM	1,427.5	1,534.6	107.1	7.5%
BATA	1,369.3	1,391.3	22.0	1.6%
SALT	240.4	258.4	18.0	7.5%
SRVI	733.5	744.0	10.5	1.4%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	3.6	3.8	0.2	24.91
MLCF	40.4	40.0	-0.3	14.49
SNGP	47.1	47.2	0.0	14.17
PRL	18.5	18.1	-0.3	8.07
UNITY	22.5	22.5	0.0	7.62

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	6.52	-0.05	-1.22
F-Corporates	0.97	-4.66	-3.69
O/S Pakistanies	2.06	-2.12	-0.06
Net	3.07	-6.83	-3.76
LIPI			
Individuals	30.88	-30.24	0.65
Companies	3.51	-2.41	1.09
Comm. Banks	2.04	-1.07	0.97
NBFC	0.01	-0.27	-0.26
Mutual Funds	1.02	-1.55	-0.53
Other	0.03	-0.24	-0.22
Brokers Proprietary	6.45	-7.11	-0.67
Insurance	3.46	-0.74	2.72
Net	47.40	-43.64	3.76

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	41.34	3.0%
Brent oil	USD/bbl.	43.82	2.4%
Gold	USD/t oz.	1888.95	0.0%
Silver	USD/t oz.	24.77	0.4%
Coal	USD/ton	66.80	-0.3%
Steel Scrap (LME)	USD/ton	315.50	1.3%
Steel Rebar (LME)	USD/ton	486.00	0.8%
USD/PKR	Interbank	158.29	0.0%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

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

MORNING BRIEFING



Miscellaneous

Covid-related goods; Exemptions from duties, taxes extended for another 3 months

Economy | Positive

The government has decided to extend taxes and duties exemptions on Covid-related goods for another three months, ie, October to December 2020. Sharing the details, sources said that on a summary moved by Ministry of National Health Services, Regulations & Coordination, through Revenue Division, the Federal Cabinet accorded approval to exemption from duties and taxes on import of 61 goods/items for the prevention and treatment of Covid-19, for a period of three years. (BR) | [Click for more info.](#)

Turkish firms to set up industrial units in Pakistan

Economy | Neutral

Turkish delegation on Monday expressed their interest for setting up industrial units in Pakistan to start production activities to meet the needs of the construction industry, a press release issued by the Islamabad Chamber of Commerce and Industry (ICCI) said on Monday. (Dawn) | [Click for more info.](#)

Privatisation process of PSM, Heavy Electrical Complex advances

Economy | Neutral

The Cabinet Committee on Privatisation (CCoP) on Monday approved the transaction structure for the divestment of 96.6 per cent shares of Heavy Electrical Complex (HEC), and constituted a committee to improve upon the transaction structure for Pakistan Steel Mills (PSM). (Dawn) | [Click for more info.](#)

Political News

PTI grabs 10 seats in G-B elections

The ruling Pakistan Tehreek-e-Insaf (PTI) in the centre grabbed lion's share in Gilgit-Baltistan Legislative Assembly (GBLA) elections by securing 10 seats and is now eyeing two-third majority with the support of its ally Majlis Wahdatul Muslimeen (MWM) and seven independent candidates – majority of them are PTI loyalists who opted to contest independently after denied tickets. (BR) | [Click for more info.](#)

International News

OPEC+ weighs further steps to support market

OPEC and its allies discussed weaker compliance with pledged oil output cuts on Monday and weighed further action to support the market as the second wave of coronavirus hits demand. The Organization of Petroleum Exporting Countries, Russia and others, known as OPEC+, were due to raise output by 2 million barrels per day (bpd) in January as part of a steady easing of record supply cuts implemented earlier this year. But, with demand for fuel weakening, OPEC+ has been considering delaying that increase or even making further cuts. (The News) | [Click for more info.](#)

Asia stocks gain after vaccine hopes push Wall Street to record highs

Asian stocks opened firmer on Tuesday after the S&P 500 and Dow Jones indexes hit record highs on news of another promising coronavirus vaccine, which supported hopes of a quicker economic recovery. (Reuters) | [Click for more info.](#)

Oil prices edge higher ahead of OPEC+ meeting, vaccine hopes

Oil prices edged higher on Tuesday on expectations OPEC and its allies will extend oil production cuts for at least three months, while sentiment was bolstered by news of another promising coronavirus vaccine. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	29,950.4	470.63	1.60%
Taiwan - TWII	13,551.8	278.50	2.10%
HK - Hang Seng	26,381.7	224.81	0.86%
INDIA - SENSEX	43,638.0	194.98	0.45%
US - S&P 500	3,626.9	41.76	1.16%
CHINA - Shanghai	3,347.0	36.87	1.11%
INDONESIA - IDX	5,494.9	33.81	0.62%
KSA - Tadawul	8,526.6	25.06	0.29%
PHILP - PSEi	6,918.1	-51.83	-0.74%
PAK (KSE-100)	40,504.8	-64.60	-0.16%

Board Meetings

Scrip	Day	Agenda	Time
HCAR	Wednesday	HYA/C - 30SEP20	11:00 AM
HACC	Friday	λA/C - 30SEP20	10:30 AM
EXIDE	Monday	/A/C - 30SEP20	3:00 PM

Source: PSX



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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

Radha Krishan Khatri – Research Analyst
rk.khatri@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

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)



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