



December  
17, 2020

## Economy

### Pakistan and World Bank sign \$304m loan

#### Economy | Positive

The government is committed to improving fiscal management by augmenting domestic revenues and enhancing spending on pro-people development initiatives, said Minister for Economic Affairs Makhdoom Khuro Bakhtiar. Speaking at the signing ceremony of a \$304 million loan from the World Bank for the Punjab Resource Improvement and Digital Effectiveness Programme (PRIDE) on Wednesday, the minister lauded the strategy of the Punjab government on the two fronts. (ET) | [Click for more info.](#)

### Auction Result: SBP Sells T-Bills worth Rs.417.26 Billion

#### Economy | Neutral

The State Bank of Pakistan (SBP) conducted an auction on Wednesday in which it sold Market Treasury Bills (MTBs) worth Rs.417.26 billion for 3, 6 and 12 months. Auction target was Rs.300.00 billion against a maturing amount of Rs.406.80 billion. Cut off yield for 3, 6 and 12 months were 7.1202, 7.1701 and 7.24 percent. (Mettis) | [Click for more info.](#)

### FDI drops 17pc to \$717.1mln in July-November

#### Economy | Negative

Pakistan's foreign direct investment (FDI) dropped 17 percent to \$717.1 million in the first five months of the current fiscal year, data from the State Bank of Pakistan (SBP) showed on Wednesday. The country attracted \$864.4 million of FDI in the corresponding period of the last fiscal year. (The News) | [Click for more info.](#)

### CDWP approves projects worth Rs28bln

#### Economy | Positive

The Central Development Working Party (CDWP) on Wednesday approved six projects worth at least Rs28 billion and referred two others to the Executive Committee of the National Economic Council (Ecne) for further approval. (The News) | [Click for more info.](#)

## Oil & Gas

### Nepra urges SSGCL to ink GSA with KE

#### SSGC, KEL | Positive

The National Electric Power Regulatory Authority (Nepra) has urged Sui Southern Gas Company Limited (SSGCL) to ink Gas Supply Agreement (GSA) with Karachi Electric (KE) to avert load-shedding in Karachi in future. (BR) | [Click for more info.](#)

## Autos

### Toyota set to roll out electric tricycle in Pakistan

#### INDU | Positive

Toyota is all set to introduce electric tricycles in Pakistan to meet the demand of low-cost and fuel-efficient transport mode in the country with growing auto market demand. (The News) | [Click for more info.](#)

### Electric vehicles, mobile assembly get incentives

#### Autos | Neutral

The government on Wednesday decided to impose up to Rs200,000 tax on sale of locally manufactured vehicles within 90 days of delivery from manufacturer to discourage 'on-money' and removed sales tax on locally manufactured phones worth over \$200 and 4pc withholding tax on local mobile manufacturers. (Dawn) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,314.0	30,379.0	65.0	0.2%
KSE100	43,250.8	43,360.2	109.4	0.3%
KSE30	18,040.7	18,101.6	60.9	0.3%
KMI30	70,324.5	70,715.1	390.7	0.6%

### Top Five Gainers

	Open	Close	Chg.	%
COLG	2,850.0	2,897.0	47.0	1.6%
GATI	576.5	619.7	43.2	7.5%
MFFL	378.9	407.3	28.4	7.5%
SYS	365.3	392.7	27.4	7.5%
GLPL	365.0	392.4	27.4	7.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	73.6	74.0	0.4	29.14
PRL	21.3	21.0	-0.3	28.20
HASCOL	15.7	15.1	-0.5	22.89
BYCO	9.7	9.1	-0.7	19.55
ANL	26.1	27.1	1.0	18.90

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	2.21	0.00	1.85
F-Corporates	4.91	-6.26	-1.34
O/S Pakistanies	6.92	-7.69	-0.76
<b>Net</b>	11.85	-13.94	-2.10
<b>LIPI</b>			
Individuals	126.75	-128.95	-2.20
Companies	9.59	-10.86	-1.28
Comm. Banks	4.92	-1.72	3.20
NBFC	0.02	-0.05	-0.03
Mutual Funds	6.31	-6.22	0.10
Other	0.58	-0.51	0.08
Brokers Proprietary	32.27	-31.95	0.32
Insurance	2.71	-0.80	1.90
<b>Net</b>	183.15	-181.06	2.10

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	47.82	0.4%
Brent oil	USD/bbl.	51.08	0.6%
Gold	USD/t oz.	1864.80	0.6%
Silver	USD/t oz.	25.33	3.4%
Coal	USD/ton	89.70	-0.3%
Steel Scrap (LME)	USD/ton	414.00	1.8%
Steel Rebar (LME)	USD/ton	590.50	1.6%
USD/PKR	Interbank	160.59	-0.1%

News Source: Local / Int'l Newspapers and websites

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## Cement

**Significant growth in cement dispatches recorded**

**Cement | Positive**

A significant growth in cement dispatches has been recorded due to its increased consumption by several ongoing hydro power projects, including Suki Kinari, Dasu and Karoot power projects and construction activities in private sector projects. Pakistan Bureau of Statistics (PBS) latest data of Large Scale Manufacturing Index shows that during July-October 2020-21 as opposed to same period of last fiscal year, cement witnessed 23.51 percent growth - 16.43 million tonnes compared to 13.303 million tonnes for the same period a year before. (BR) | [Click for more info.](#)

## Fertilizer

**Fertiliser sector; Major relaxation provided to manufacturers**

**Fertilizer | Neutral**

The Federal Board of Revenue (FBR) has provided a major relaxation to the manufacturers in the fertiliser sector by allowing input tax credit/adjustment on supplies made to the un-registered persons having value exceeding prescribed threshold of Rs100 million per fiscal year. Now, the fertiliser manufacturers would be bound to provide complete list of the dealers or distributors to the FBR. (BR) | [Click for more info.](#)

## Miscellaneous

**Goal set to axe majority of PIA workers**

**PIAA | Negative**

Pakistan International Airlines (PIA) has set a target to reduce the number of its employees to 7,500-8,000 for 29 aircraft — over half of the total strength through the Voluntary Separation Scheme (VSS) and segregation of core and non-core functions, said a PIA management report filed before the Supreme Court. At present, PIA has 14,500 employees for its fleet of 29 planes compared to 31,000 employees working for a fleet of 329 aircraft of Turkish airlines. (Dawn) | [Click for more info.](#)

## Political

**No talks with govt until PM resigns: Bilawal**

PPP Chairman Bilawal Bhutto Zardari has said his party is ready to sacrifice its government in the province of Sindh in order to dislodge the PTI led federal government, which, according to him, is flustered by the opposition parties' decision to resign from federal and provincial legislatures. (ET) | [Click for more info.](#)

## International News

**Asia stocks firm as U.S. economic support pushes Nasdaq to record**

Asian stocks were set for gains on Thursday as progress toward a long-awaited U.S. stimulus package and a pledge by the Federal Reserve to keep interest rates low helped the Nasdaq benchmark to a fresh record high. (Reuters) | [Click for more info.](#)

**Oil prices hit nine-month high after U.S. crude stock draw**

Oil prices hit a nine-month high early on Thursday after U.S. government data showed that crude stockpiles fell last week and on optimism over a coronavirus relief package in the United States. (Reuters) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	46,666.5	403.29	0.87%
HK - Hang Seng	26,460.3	253.00	0.97%
Taiwan - TWII	14,304.5	235.94	1.68%
PAK (KSE-100)	43,360.2	109.35	0.25%
INDONESIA - IDX	6,118.4	108.27	1.80%
PHILP - PSEI	7,299.7	71.97	1.00%
KSA - Tadawul	8,721.2	61.81	0.71%
US - S&P 500	3,701.2	6.55	0.18%
CHINA - Shanghai	3,367.0	-0.25	-0.01%
US - Dow 30	30,154.5	-44.77	-0.15%

### Board Meetings

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

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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