



December  
18, 2020

## Economy

### Pakistan gets \$1.1b foreign loans

#### Economy | Neutral

Pakistan received \$1.1 billion in expensive foreign commercial loans in the last month, including a fresh half-a-billion-dollar lending by China, taking new borrowing to \$4.5 billion in the current fiscal year. The fresh borrowing spree was aimed at meeting the country's external debt repayment needs and at the same time keeping foreign exchange reserves at the current level of around \$13 billion. Pakistan may also have to make a bullet debt repayment of \$2 billion to the United Arab Emirates (UAE) in February and March. (ET) | [Click for more info.](#)

### Debt relief; US provides \$128m in 2020

#### Economy | Positive

The United States has provided \$128 million in debt relief to Pakistan in 2020 under the G20 Debt Service Suspension Initiative (DSSI) to support the poor nations in wake of the Covid-19 pandemic. (BR) [Click for more info.](#)

### Foreign loans surge by 45pc in five months of fiscal

#### Economy | Neutral

Pakistan's foreign loan inflows have jumped by almost 45 per cent to about \$4.5 billion in first five months (July-November) of the current fiscal year as compared to the corresponding period in the last fiscal. (Dawn) | [Click for more info.](#)

### Auction Result: SBP Raises Rs.62.83 billion through Sale of GOP Ijara Sukuk

#### Economy | Positive

The SBP Received bids worth Rs.107.13 billion for the Variable Rate Ijara Sukuk with a price range of 100.2300 – 98.7680 out of which it accepted Rs.62.83 billion at a cut off price of 100.0369. Bids worth Rs.5.60 billion were received for the fixed rental rate Ijara sukuk with a fixed rental range 8.85% to 9.15 % which the SBP rejected. Settlement date for the successful bids is Dec 23, 2020. (Mettis) | [Click for more info.](#)

## Oil & Gas

### Govt to grant LNG terminals' capacity to private sector

#### GAS | Neutral

In a major move to gradually deregulate gas tariffs, the state-run liquefied natural gas (LNG) importer on Thursday expressed intention to grant capacity to the private sector – a decision that had so far been pending due to acquisition of surplus capacity of LNG terminals by the government. (The News) | [Click for more info.](#)

### Agreement signed for Gwadar virtual LNG pipeline

#### Gas | Positive

Gwadar GasPort Limited (GGPL), a joint venture formed by the Pakistan GasPort Ltd, Al-Qasim Gas and Jamshoro Joint Venture Ltd entered into an agreement with Gwadar International Terminals Ltd to move liquefied natural gas (LNG) onto special purpose trucks for regasification at various industrial sites across the country. Through an agreement signed at a ceremony, the GGPL will commence engineering work at the existing Berth-3 at the Gwadar port for shipment of LNG from a floating storage unit on to trucks for shipment to CNG stations, textile mills, fertiliser plants and other such large commercial and industrial units across the country. (Dawn) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,379.0	30,674.6	295.7	1.0%
KSE100	43,360.2	43,766.7	406.5	0.9%
KSE30	18,101.6	18,271.6	170.0	0.9%
KMI30	70,715.1	71,747.6	1032.5	1.5%

### Top Five Gainers

	Open	Close	Chg.	%
KHTC	400.0	430.0	30.0	7.5%
GLPL	392.4	421.8	29.4	7.5%
MFFL	407.3	434.0	26.6	6.5%
EXIDE	366.0	392.5	26.5	7.3%
NRL	333.1	358.1	25.0	7.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PRL	21.0	22.6	1.6	45.14
PAEL	36.9	39.7	2.7	41.73
KEL	3.7	3.9	0.2	29.03
ANL	27.1	28.3	1.3	27.63
FFL	16.1	17.2	1.1	18.43

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	12.66	-0.07	1.85
F-Corporates	1.92	-5.20	-3.29
O/S Pakistanies	6.10	-6.63	-0.52
<b>Net</b>	8.10	-11.90	-3.80
<b>LIPI</b>			
Individuals	127.61	-126.25	1.36
Companies	11.04	-9.46	1.58
Comm. Banks	4.27	-3.30	0.98
NBFC	0.08	-0.10	-0.02
Mutual Funds	5.76	-5.94	-0.18
Other	0.30	-0.68	-0.38
Brokers Proprietary	27.91	-26.93	0.98
Insurance	2.42	-2.93	-0.51
<b>Net</b>	179.39	-175.59	3.80

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	48.36	1.1%
Brent oil	USD/bbl.	51.50	0.8%
Gold	USD/t oz.	1885.42	1.1%
Silver	USD/t oz.	26.06	2.9%
Coal	USD/ton	91.05	0.0%
Steel Scrap (LME)	USD/ton	420.00	1.4%
Steel Rebar (LME)	USD/ton	592.50	0.3%
USD/PKR	Interbank	160.39	-0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055



## Power

**PM agrees to increase power tariffs**

**Economy | Negative, Power | Positive**

Prime Minister Imran Khan has finally given the go-ahead to increase electricity prices aimed at fulfilling a major condition of the International Monetary Fund (IMF) for the revival of \$6 billion programme that remained suspended for the last 10 months. The electricity prices could go up by 25% or Rs3.34 per unit on account of annual base tariff increase of the previous fiscal year. (ET) | [Click for more info.](#)

**Punjab Thermal Power signs Rs100bn financing deal with banks' consortium**  
**Power | Positive**

The signing ceremony of Rs100 billion financing agreement between the Punjab Thermal Power (Pvt) Ltd and a consortium of six banks, for enhancing capacity upto 1,263 megawatt, was held at a hotel on Thursday. (BR) | [Click for more info.](#)

## Miscellaneous

**CCP finds no abuse of dominance in cement, sugar sectors**

**Cement, Sugar | Positive**

The Competition Commission of Pakistan (CCP) has not found any dominant position of any individual company or collective/group of companies in the relevant markets of two major sectors, ie, sugar and cement where cartelization has been detected by the commission. (BR) | [Click for more info.](#)

**Rs5 bn loan approved for Ravi Urban Authority to acquire land**

**Economy, Cement, Steel | Positive**

The 39th cabinet meeting was held under the chair of Chief Minister Usman Buzdar at the CM's office here on Thursday. The meeting gave approval to further extend the lease of state land in Cholistan and Rahim Yar Khan on previous rates to the President of UAE. This initiative of the Punjab cabinet will further strengthen the ties between both the countries. The meeting gave principle approval of five billion rupees loan to the Ravi Urban Development Authority for acquiring the land. (The News) | [Click for more info.](#)

## Political

**Senate polls dispute intensifies**

Controversy over the Senate elections has intensified as the Pakistan People's Party (PPP) and Pakistan Muslim League-Nawaz (PML-N) have rejected early polls in the Upper House of the Parliament, while the ruling Pakistan Tehreek-e-Insaf (PTI) has taken its ally Muttahida Qaumi Movement-Pakistan (MQM-P) into confidence over the matter. (The News) | [Click for more info.](#)

## International News

**Asian stocks defy broader global rally, Brexit worries emerge**

Asian stock fell slightly on Friday, failing to catch a broader global rally as the investor mood in the region shifted to broader caution about the economic outlook and as post-Brexit worries weighed. (Reuters) | [Click for more info.](#)

**Oil slips in breather after run to 9-month high as COVID-19 surge stokes demand fears**

Oil prices eased on Friday but stayed within touching distance of nine-month highs hit overnight as soaring COVID-19 cases weigh on fuel demand and U.S. lawmakers continue to battle over a \$900 billion economic stimulus package. (Reuters) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	43,766.7	406.50	0.94%
INDIA - SENSEX	46,890.3	223.88	0.48%
HK - Hang Seng	26,678.4	218.09	0.82%
US - Dow 30	30,303.4	148.83	0.49%
CHINA - Shanghai	3,404.9	37.89	1.13%
US - S&P 500	3,722.5	21.31	0.58%
PHILP - PSEi	7,298.0	-1.68	-0.02%
INDONESIA - IDX	6,113.4	-5.02	-0.08%
KSA - Tadawul	8,711.6	-9.60	-0.11%
Taiwan - TWII	14,258.9	-45.53	-0.32%

### Board Meetings

Scrip	Day	Agenda	Time
SHSML	Monday	ANNUAL ACCOUNT	11:30 AM
0	0	0	12:00 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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