

## Economy News

### All commercial activities to be restored from March 1

#### Economy | Positive

The federal government said on Wednesday that the prices of essential items have increased and the common man is adversely affected by price hike. This was stated by Minister for Information and Broadcasting Shibli Faraz, while speaking at a news conference after cabinet meeting presided over by Prime Minister Imran Khan. (BR) [Click for more info.](#)

### Pakistan in diplomatic push to exit FATF grey list

#### Economy | Neutral

Pakistan has reached out to member countries of the Financial Action Task Force (FATF) in an effort to garner their support for exiting from the grey list, just days ahead of a meeting of the global watchdog on terror financing. The FATF plenary is set to begin on February 22. This year the session would be held virtually. The four-day meeting would decide whether to keep Pakistan in the grey list or not. Ahead of the FATF plenary, Pakistan has been seeking the support of member countries for an on-site visit, a crucial step -- if agrees -- will brighten Islamabad's chances of formally exiting the grey list by June. (ET) | [Click for more info.](#)

### Important decisions taken in CPEC Phase 2 development

#### Economy | Positive

A model economic zone will be set up under the China-Pakistan Economic Corridor (CPEC) to keep overseas Pakistani and Chinese investors' interests, Punjab Finance Minister, Makhdoom Hashim Jawan Bakht, said. He said that in the second phase of CPEC, priority will be given to agriculture and irrigation projects. (Times of Islamabad) | [Click for more info.](#)

### Country's economy on fast-track, tax net increasing: Dr Waqar Masood

#### Economy | Positive

Special Assistant to PM on Revenue Dr. Waqar Masood on Wednesday said that with the effort of PTI-led government the tax net collection has been increased by bringing reforms in the FBR (Federal Board of Revenue) and country's economy was putting back on fast track. (BR) | [Click for more info.](#)

### Govt agrees to abolish Rs150 bn corporate income tax exemptions

#### Economy | Neutral

Ruling out the possibility of changes in the General Sales Tax and Federal Excise Duty till the announcement of the upcoming budget, the government has agreed to abolish the Corporate Income Tax (CIT) exemptions, either through a presidential ordinance or submission of bill before the parliament in order to satisfy the IMF. (The News) | [Click for more info.](#)

### Pakistan's external debt and liabilities reach 40.5% of GDP during 1HFY21

#### Economy | Negative

Pakistan's External Debt and Liabilities ballooned to nearly \$115.75 billion at the end of 1HFY21, an addition of \$5 billion or 5% in the past six months, reported the State Bank of Pakistan (SBP) on Wednesday. However, as a percent of GDP, Pakistan's External debt and Liabilities declined from 41.1% of GDP in 1HFY20 to 40.5% of GDP in 1HFY21. (Mettis) | [Click for more info.](#)

## Power

### PD revising power policy draft

#### Power | Neutral

Power Division is reportedly revising the draft of National Electricity Policy (NEP) in the light of observations made by the provinces including deduction of power receivables at source, well-informed sources told. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	32,141.8	32,048.7	-93.2	-0.3%
KSE100	46,868.0	46,768.1	-99.8	-0.2%
KSE30	19,619.3	19,560.6	-58.7	-0.3%
KMI30	77,752.1	77,944.2	192.1	0.2%

### Top Five Gainers

	Open	Close	Chg.	%
MTL	1,155.4	1,210.6	55.2	4.8%
SUTM	688.0	738.0	50.0	7.3%
COLG	2,800.0	2,850.0	50.0	1.8%
SITC	353.4	379.9	26.5	7.5%
GATI	600.0	620.0	20.0	3.3%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HUMNL	7.1	7.0	-0.1	78.21
TELE	7.6	7.8	0.1	76.13
DSL	5.6	6.6	1.0	53.71
MLCF	48.2	48.2	0.0	36.41
WTL	1.5	1.5	-0.1	23.39

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.15	-0.02	0.13
F-Corporates	2.43	-4.02	-1.59
O/S Pakistanies	9.98	-9.23	0.75
<b>Net</b>	<b>12.56</b>	<b>-13.27</b>	<b>-0.71</b>
<b>LIPI</b>			
Individuals	167.15	-166.96	0.19
Companies	8.86	-7.09	1.77
Comm. Banks	4.09	-8.15	-4.07
NBFC	0.21	-0.09	0.12
Mutual Funds	9.32	-5.36	3.96
Other	3.78	-1.06	2.72
Brokers Proprietary	39.97	-41.10	-1.13
Insurance	1.67	-4.51	-2.84
<b>Net</b>	<b>235.04</b>	<b>-234.33</b>	<b>0.71</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	61.14	1.8%
Brent oil	USD/bbl.	64.34	1.6%
Gold	USD/t oz.	1776.13	-1.0%
Silver	USD/t oz.	27.38	0.5%
Coal	USD/ton	88.75	-0.2%
Steel Scrap (LME)	USD/ton	418.00	-0.7%
Steel Rebar (LME)	USD/ton	606.00	-1.5%
USD/PKR	Interbank	159.38	-0.2%

News Source: Local / Int'l Newspapers and websites

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## Re0.10 per unit NJ surcharge in power bills to be abolished

Power | **Positive**

The government is set to abolish tomorrow (Friday) Neelum-Jhelum (NJ) surcharge of Re0.10 per unit from the electricity bills being collected from every consumer since January 4, 2008. For building Neelum-Jhelum hydropower project, the government kept on receiving Rs6 billion per annum under the head of NJ surcharge. The fourth revised PC-1 of the project shows that the cost of project went up to Rs506 billion but later on the project completed with actual cost of Rs416 billion. (The News) | [Click for more info.](#)

## IMF seeks new circular debt plan

Power | **Neutral**

The International Monetary Fund (IMF) has reportedly sought a new Circular Debt Management Plan (CDMP) from the government, including a pledge to increase tariff in future, rationalization of subsidy and slashing of circular debt, well-informed sources told. The country's circular debt is hovering around Rs 2.4 trillion of which the share of PHPL is about Rs 1 trillion. The recent increase in tariff, will reduce the stock of circular debt. (BR) | [Click for more info.](#)

## NAB looking for 'wrongdoing' in altered deals with IPPs

Power | **Neutral**

In an unexpected development, the National Accountability Bureau (NAB) has swung into action and started staring down with 'doubt' at the conversion of MoUs into altered contracts, starting from signing of MoUs with 47 IPPs up to the signing of amended power purchase agreements (PPAs) to look for 'any wrongdoing.' | [Click for more info.](#)

## Cement

### Kohat Cement plans 10,000 ton/day capacity plant

KOHC | **Positive**

As cement demand has seen an upsurge amid government's support to the construction industry, another main player planned a new plant to enhance its production capacity by up to 10,000 tons a day by investing an estimated Rs30 billion, it was learnt on Wednesday. (The News) | [Click for more info.](#)

## Miscellaneous

### DRAP approves licencing, marketing of CanSinoBIO vaccine

Pharmaceutical | **Positive**

The Drug Regulatory Authority of Pakistan (DRAP) has granted 'emergency use approval' to the CanSinoBIO Recombinant Covid-19 Vaccine Adenovirus Type 5 Vector (Ad5-nCoV) and its marketing through private and public sector. (PT) | [Click for more info.](#)

### Alarm as eatables import bill rises by 52pc

Food | **Negative**

The import bill of eatables widened by 51.9 per cent to \$4.64 billion year-on-year in the seven months of 2020-21 over the same period last year, triggering higher-than-expected trade deficit, data compiled by the Pakistan Bureau of Statistics (PBS) showed on Wednesday. (Dawn) | [Click for more info.](#)

### January textile group exports decline 5.54pc MoM

Textile | **Neutral**

The country's textile group exports have witnessed a decline of 5.54 percent in January 2021 as it stood at \$1.32 billion compared to \$1.4 billion during December 2020, says the Pakistan Bureau of Statistics (PBS). (BR) | [Click for more info.](#)

## World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	31,084.9	338.28	1.10%
Taiwan - TWII	16,362.3	96.18	0.61%
US - Dow 30	31,613.0	90.27	0.29%
CHINA - Shanghai	3,655.1	51.60	1.43%
US - S&P 500	3,931.3	-1.26	-0.03%
KSA - Tadawul	9,084.3	-17.65	-0.19%
INDONESIA - IDX	6,227.7	-64.67	-1.03%
PHILP - PSEI	6,966.4	-77.63	-1.10%
PAK (KSE-100)	46,768.1	-99.81	-0.21%
INDIA - SENSEX	51,703.8	-400.34	-0.77%

## Board Meetings

Scrip	Day	Agenda	Time
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
TRSM	Thursday	HY A/c 31-Dec-20	11:30 AM
WAHN	Thursday	HY A/c 31-Dec-20	11:30 AM
JSGCL	Thursday	ANN A/c 31-Dec-20	12:00 PM
MFL	Thursday	HY A/c 31-Dec-20	12:00 PM
MEBL	Thursday	ANN A/c 31-Dec-20	12:00 PM
DINT	Thursday	HY A/c 31-Dec-20	3:00 PM
MACFL	Thursday	HY A/c 31-Dec-20	3:30 PM
IBFL	Thursday	HY A/c 31-Dec-20	4:00 PM
PPVC	Friday	HY A/c 31-Dec-20	9:30 AM
CPAL	Friday	HY A/c 31-Dec-20	10:00 AM
JSIL	Friday	ANN A/c 31-Dec-20	10:00 AM
AGL	Friday	HY A/c 30-Jun-20	10:30 AM
FCCL	Friday	HY A/c 31-Dec-20	10:30 AM
DGKC	Friday	HY A/c 31-Dec-20	11:00 AM
DEL	Friday	HY A/c 31-Dec-20	11:00 AM
GIL	Friday	HY A/c 31-Dec-20	11:00 AM
HRPL	Friday	HY A/c 31-Dec-20	11:00 AM
ICL	Friday	HY A/c 31-Dec-20	11:00 AM
MUGHAL	Friday	HY A/c 31-Dec-20	11:00 AM
MTL	Friday	HY A/c 31-Dec-20	12:00 PM
BOP	Friday	ANN A/c 31-Dec-20	12:30 PM
DYNO	Friday	HY A/c 31-Dec-20	3:00 PM
NATF	Friday	HY A/c 31-Dec-20	3:00 PM
PIM	Friday	HY A/c 31-Dec-20	3:00 PM
MODAM	Friday	HY A/c 31-Dec-20	4:00 PM
HTL	Friday	HY A/c 31-Dec-20	4:30 PM
PSYL	Friday	HY A/c 31-Dec-20	4:30 PM
SARC	Friday	HY A/c 31-Dec-20	5:00 PM
ATBA	Saturday	HY A/c 31-Dec-20	11:00 AM
JVDC	Saturday	HY A/c 31-Dec-20	12:00 PM

Source: PSX



## International News

### Asian markets eye muted start on economic hopes, pandemic fears

Asian markets were set for sideways trade at Thursday's open as lingering pandemic concerns pushed against stronger economic data, and with little firm direction from Wall Street. (Reuters) | [Click for more info.](#)

### Oil jumps \$1/bbl as Texas freeze prompts U.S. output drop

Oil prices gained more than \$1 a barrel on Wednesday, as frigid Texas temperatures shut production across the largest U.S. crude producing state, with the unusually cold weather expected to hamper output for days or even weeks. (Reuters) | [Click for more info.](#)



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**Rating** - Expected Total Return  
**Buy** - Greater than 10%  
**Hold** - Neither Buy nor Sell  
**Sell** - Less than and equal to -10%

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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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