

January
19, 2021

Economy News

FDI declines 29pc in H1FY21

Economy | Negative

Foreign Direct Investment (FDI) in Pakistan fell 29 percent during the first half of this fiscal year (FY21). According to the State Bank of Pakistan (SBP), Pakistan fetched less than one-billion-dollar FDI during the July-Dec of FY21. Overall FDI was amounting to \$952.6 million in first half of this fiscal year compared to \$1.357 billion in the same period of the last fiscal year (FY20), depicting a decline of \$405 million. During the period, FDI inflows were \$1.535 billion as against \$582.8 million outflow. (BR) | [Click for more info.](#)

Domestic debt, liabilities reach Rs24.64trn

Economy | Neutral

The federal government's domestic debt and liabilities continued to surge reaching Rs 24.64 trillion in November 2020 due to massive borrowing for financing of fiscal deficit. The State Bank of Pakistan (SBP) Monday reported that the government's overall stocks of domestic debt and liabilities posted an increase of 3.2 percent in the first five months of this fiscal year (FY21). (BR) | [Click for more info.](#)

Public debt marginally rises to Rs35.8trln in July-Nov

Economy | Neutral

Public debt marginally increased two percent or Rs715 billion to Rs35.8 trillion during the five months to November due to low cost of borrowing, the central bank's data showed on Monday (The News) | [Click for more info.](#)

Oil & Gas

SNGPL, SSGC consumers; Ogra determines weighted average RLNG price

SSGC, SNGP | Positive

The Oil and Gas Regulatory Authority (Ogra) determined weighted average re-gasified liquefied natural gas (RLNG) price of \$8.7316 per mmbtu for the Sui Northern Gas Company (SNGPL) consumers and \$8.4687 per mmbtu for the Sui Southern Gas Company (SSGC) consumers for January 2021. The regulator computed the prices of January based at 11 cargoes of LNG. As per the notification issued by the Ogra, the prices of RLNG have been increased by 3.6 percent for the SNGPL and 3.2 percent for the SSGC over the previous month (December 2020). (BR) | [Click for more info.](#)

Expired agreement behind reduced LNG supply

Gas | Neutral

The agreement between Pakistan State Oil (PSO) and M/s Gunvor, for supply of 100 MMCFD Liquefied Natural Gas (LNG) has reportedly expired, due to which quantity of firm supply of LNG has reduced. "One medium term 100 mmcf LNG supply contract of Pakistan State Oil (PSO) with Gunvor expired on December 31, 2020 and now 500 mmcf firm long-term LNG supply contract of Qatargas is available with PSO whereas two medium to long-term contracts of 200 mmcf are available with Pakistan LNG Ltd (PLL), making the cumulative firm LNG supply of 700 mmcf," sources added. (BR) | [Click for more info.](#)

Eni, Vitol place lowest offers for March tender

Gas | Neutral

Italy's Eni and commodity trader Vitol Bahrain have offered the lowest prices to supply three liquefied natural gas (LNG) cargoes to Pakistan LNG Limited (PLL) for delivery in March, according to a document posted on the company website. Eni offered a cargo for delivery over March 9 to 10 at a percentage of the Brent crude oil futures price, known as a slope rate, of 22.2421%, according to the document. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,914.6	31,708.8	-205.8	-0.6%
KSE100	45,931.0	45,726.7	-204.3	-0.4%
KSE30	19,109.6	19,019.8	-89.9	-0.5%
KMI30	73,742.0	72,952.8	-789.2	-1.1%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	9,501.0	9,600.0	99.0	1.0%
AKDCL	410.5	441.3	30.8	7.5%
WYETH	992.0	1,016.1	24.1	2.4%
KSBP	404.0	423.4	19.4	4.8%
GLPL	358.1	374.5	16.4	4.6%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	96.5	103.5	7.0	47.59
FFL	17.9	19.1	1.2	44.62
KEL	4.2	4.1	-0.1	33.01
HUMNL	7.0	7.2	0.3	23.69
UNITY	31.3	32.0	0.6	21.08

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	-0.23	-0.22
F-Corporates	1.93	-1.27	0.66
O/S Pakistanies	12.42	-8.12	4.29
Net	14.36	-9.63	4.73
LIPI			
Individuals	135.90	-128.38	7.52
Companies	6.54	-7.75	-1.21
Comm. Banks	4.96	-4.32	0.63
NBFC	0.04	-0.02	0.03
Mutual Funds	9.99	-13.42	-3.42
Other	0.48	-0.42	0.07
Brokers Proprietary	32.05	-38.63	-6.58
Insurance	2.51	-4.28	-1.77
Net	192.47	-197.21	-4.73

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	52.36	0.0%
Brent oil	USD/bbl.	54.75	-0.6%
Gold	USD/t oz.	1841.26	0.7%
Silver	USD/t oz.	25.35	2.4%
Coal	USD/ton	92.00	0.0%
Steel Scrap (LME)	USD/ton	463.00	1.1%
Steel Rebar (LME)	USD/ton	640.00	0.3%
USD/PKR	Interbank	160.53	0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055



Power

Rental power dispute settlement; Reward for those who helped country save \$1.2bn

Power | Neutral

The federal government has reportedly decided to pay a reward of Rs 2 million to each member of the Core Committee, except the officer who represented the Power Division for unearthing corruption in M/s Karkey Rental Power Project which led to a saving of \$ 1.2 billion. (BR) | [Click for more info.](#)

Tarbela Dam power generation reaches 700 MW

Power | Neutral

Despite low water inflow in the Tarbela dam reservoir Monday the power generation of the dam increased to 700 Mega Watts. The water level of Tarbela dams was reduced to 1470.73 feet owing to the decreased water inflow. Today the dam produced only 700 megawatts of electricity while only five power generation units were working with low capacity. 5 out of 12 power generation units of the dam were producing only 700 megawatts of electricity and 12 units were shut down. (BR) | [Click for more info.](#)

Autos

Imran Khan to Meet Tesla's Executives to Discuss Launching Electric Cars in Pakistan

Autos | Neutral

A recent development has revealed that Prime Minister Imran Khan will meet with the executives at Tesla Motors to discuss investment opportunities in the Pakistani Electric Vehicle (EV) market. (Propakistani) | [Click for more info.](#)

Miscellaneous

Chinese pharma Sinopharm's Covid vaccine becomes 2nd to be approved for emergency use in Pakistan

Pharmaceutical | Positive

The Drug Regulatory Authority of Pakistan (Drap) on Monday approved Chinese state-owned firm Sinopharm's Covid-19 vaccine for emergency use, the second shot to be given approval for use in the country. On Friday, Drap had authorised the Oxford University-AstraZeneca Covid-19 vaccine for emergency use in Pakistan. (Dawn) | [Click for more info.](#)

FBR mulls unifying various taxes'

Economy | Positive

The Federal Board of Revenue (FBR) is figuring out how to merge various taxes into one tax to simplify the taxation system for trade and industry, a senior tax official said on Monday. (The News) | [Click for more info.](#)

International News

Asia shares look to China for recovery lead, earnings in focus

Asian share markets edged ahead on Tuesday as investors wagered China's economic strength would help underpin growth in the region, even as pandemic lockdowns threatened to lengthen the road to recovery in the West. (Reuters) | [Click for more info.](#)

Oil Holds Losses near \$52 Amid Nervousness Over Asian Demand

Oil held losses near \$52 a barrel amid signs a resurgence of the coronavirus in Asia is starting to impact demand in the world's biggest crude-importing region. (Bloomberg) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	28,862.8	288.91	1.01%
KSA - Tadawul	8,931.3	56.39	0.64%
CHINA - Shanghai	3,596.2	29.84	0.84%
INDONESIA - IDX	6,389.8	16.43	0.26%
Taiwan - TWII	15,612.0	-4.39	-0.03%
US - S&P 500	3,768.3	-27.29	-0.72%
PHILP - PSEi	7,203.4	-35.02	-0.48%
US - Dow 30	30,814.3	-177.26	-0.57%
PAK (KSE-100)	45,726.7	-204.32	-0.44%
INDIA - SENSEX	48,564.3	-470.40	-0.96%

Board Meetings

Scrip	Day	Agenda	Time
DNCC	Tuesday	1Q ACC 30-SEP-20	3:30 PM
DCR	Wednesday	HY ACC 31-DEC-20	11:00 AM
CLOV	Wednesday	1Q ACC 30-SEP-20	12:30 PM
THALL	Saturday	1Q ACC 31-DEC-20	11:00 AM
BAFS	Saturday	1Q ACC 31-DEC-20	12:00 PM
FFBL	Tuesday	ANN ACC 31-DEC-20	10:30 AM
NRL	Tuesday	HY ACC 31-DEC-20	2:00 PM
ATRL	Tuesday	HY ACC 31-DEC-20	4:00 PM
ACPL	Tuesday	HY ACC 31-DEC-20	6:00 PM
HCAR	Wednesday	3Q ACC 31-DEC-20	11:30 AM
PCAL	Thursday	HY ACC 31-DEC-20	9:00 AM
EXIDE	Friday	3Q ACC 31-DEC-20	11:00 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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