



December
1, 2020

Economy News

November's inflation likely to be 8.2pc

Economy | Neutral

It is expected that inflation (NCPI) for the month of November 2020 to arrive at 8.2 percent on year-on-year basis mainly due to food inflation including cooked food and clothing index, experts said. Whereas, lower wheat and POL product' prices would offset the impact. (BR) | [Click for more info.](#)

PM takes big step towards boosting exports

Economy | Positive

Prime Minister Imran Khan on Monday gave in principle approval for establishment of Exports Development Board (EDB) for promotion of the country's exports. The board to be headed by the prime minister himself would have representation from all the stakeholders of export sector. (BR) | [Click for more info.](#)

Government signs three financing agreements worth of Euro 18.5 mln with Germany

Economy | Neutral

The Government of Pakistan, represented by the Ministry of Economic Affairs and the Government of Germany, through German Development Bank-KfW, signed three grant-in-aid agreements with a cumulative value of Euro 18.5 Million. (Mettis) | [Click for more info.](#)

Domestic debt worth Rs3.735trln planned in 3 months

Economy | Neutral

The government has plans to sell domestic debt worth Rs3.735 trillion up to the end of February 2021 to meet its borrowing needs for financing the budget deficit. The State Bank of Pakistan (SBP) on Monday said it would auction Rs2.800 trillion worth of three, six and 12 months debts through market treasury bills in the December to February period. The central bank was also set to sell Rs375 billion worth of three, five, 10, 15 and 20 year fixed rate Pakistan Investment Bonds (PIBs) and Rs420 billion worth of floating rate PIBs. (The News) | [Click for more info.](#)

Oil & Gas

Diesel price raised by Rs4 per litre

OMCs | Positive

The government has increased the price of high speed diesel (HSD) by 3.9 percent, however it has decided to maintain the prices of other petroleum products at the existing level. In a fortnightly review (December 1-15), the federal government has decided to increase the price of HSD by Rs4.00 per litre but kept the prices of petrol, kerosene oil (SKO), and Light Diesel Oil (LDO) unchanged. (BR) | [Click for more info.](#)

LPG price up Rs23/11.8kg for Dec

BPL | Positive

The government has jacked up local LPG (liquefied petroleum gas) price by 1.5 percent to Rs1,553.22/cylinder (domestic) for December 2020, as prices in the international market also increased, a notification said on Monday. (The News) | [Click for more info.](#)

Eight petroleum sector projects get Rs1.33 bln funds in five months

E&P | Positive

The government has released funds amounting to Rs1329.928 million, during the first five months of the current fiscal year, to execute eight petroleum projects under the Public Sector Development Programme (PSDP 2020-21) against the total allocation of Rs 1,786.160 million. (Mettis) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,719.6	28,849.5	129.9	0.5%
KSE100	40,807.1	41,068.8	261.7	0.6%
KSE30	17,159.8	17,281.5	121.7	0.7%
KMI30	65,731.7	66,318.1	586.4	0.9%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	6,530.0	6,590.0	60.0	0.9%
WYETH	1,107.3	1,140.0	32.8	3.0%
BATA	1,400.0	1,419.8	19.8	1.4%
COLG	2,928.3	2,948.0	19.7	0.7%
MTL	1,004.6	1,024.3	19.7	2.0%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HUMNL	6.8	6.2	-0.6	88.66
TRG	62.1	66.7	4.7	31.85
PRL	18.4	19.1	0.8	25.01
KEL	3.8	3.7	-0.1	19.59
UNITY	25.5	25.7	0.2	19.51

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	8.95	-0.05	1.61
F-Corporates	6.65	-27.09	-20.44
O/S Pakistanies	5.51	-4.85	0.66
Net	12.21	-31.98	-19.77
LIPI			
Individuals	88.81	-77.09	11.72
Companies	9.35	-5.56	3.79
Comm. Banks	1.06	-1.56	-0.50
NBFC	0.02	-0.02	0.00
Mutual Funds	7.77	-7.55	0.22
Other	0.35	-0.24	0.12
Brokers Proprietary	19.95	-17.05	2.90
Insurance	2.73	-1.21	1.52
Net	130.04	-110.27	19.77

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	45.34	-0.4%
Brent oil	USD/bbl.	48.18	0.0%
Gold	USD/t oz.	1776.95	-0.6%
Silver	USD/t oz.	22.64	0.3%
Coal	USD/ton	83.65	6.9%
Steel Scrap (LME)	USD/ton	319.85	1.2%
Steel Rebar (LME)	USD/ton	486.26	-0.5%
USD/PKR	Interbank	159.57	0.0%

News Source: Local / Int'l Newspapers and websites

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REP-055



No gas for CNG stations, captive power in peak winter demand, says Omar Gas | **Negative**

The government on Monday announced that it would disconnect gas supply to CNG, followed by captive power plants of non-export sectors and then general industry in case of gas shortfall in winter. (Dawn) | [Click for more info.](#)

Power

Pakistan, China to sign Gwadar power plant agreement next month

Power | **Positive**

Pakistan and China on Monday agreed to sign a power purchase agreement next month for 300 megawatts coal power plant to be set up with an estimated cost of over \$360 million in Balochistan. (The News) | [Click for more info.](#)

Miscellaneous

IMC to shut plant

INDU | **Negative**

The Indus Motor Company on Monday said that it will keep its plant shut for two days (Thursday-Friday) this week due to delay in arrival of parts owing to congestion at ports in Singapore (Dawn) | [Click for more info.](#)

Drug prices to be increased

Pharma | **Positive**

D: The federal government has reportedly decided to increase prices of medicines through upward revision in the threshold of lower price of drugs under CPI Index and reduce Minimum Retail Prices (MRPs) of Remdesivir 100mg injection from Rs9,244 to Rs.5,680. | [Click for more info.](#)

Govt likely to approve 'uniform standards' for steel industry

Steel | **Neutral**

The country's steelmakers have demanded the government to implement uniform standards for steel and its raw material in the country, sources revealed on Monday. The first meeting in this regard will be held between the Pakistan Association of Large Steel Producers (PALSP) and the Pakistan Standards and Quality Control Authority (PSQCA) tomorrow (Tuesday) at the Ministry of Science and Technology. (PT) | [Click for more info.](#)

November tax collection close to target at Rs346bn

Economy | **Neutral**

The Federal Board of Revenue (FBR) collection in November stood at Rs346 billion, missing the target of Rs348 billion. However, it posted over 3pc year-on-year growth from Rs335bn collected in the same month last year, provisional data showed on Monday. (Dawn) | [Click for more info.](#)

Political News

Govt gives in after creating hurdles, making arrests: PDM holds rally in Multan

The Pakistan Democratic Movement (PDM) Monday staged another power show in Multan, as the government abruptly gave in after creating lots of hurdles by placing containers on all the routes leading to the public meeting venue, making dozens of arrests and booking hundreds of political activists. (The News) | [Click for more info.](#)

International News

OPEC+ Talks Delayed as Countries Fight Over Oil Output

OPEC+ talks were delayed for two days to give ministers more time to reach a deal, after a long and tense meeting on oil production broke down without agreement. (Bloomberg) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	41,068.8	261.73	0.64%
KSA - Tadawul	8,747.1	38.50	0.44%
CHINA - Shanghai	3,391.8	-16.55	-0.49%
US - S&P 500	3,621.6	-16.72	-0.46%
INDIA - SENSEX	44,149.7	-110.02	-0.25%
PHILP - PSEI	6,791.5	-136.29	-1.97%
Taiwan - TWII	13,722.9	-144.20	-1.04%
INDONESIA - IDX	5,612.4	-170.93	-2.96%
US - Dow 30	29,638.6	-271.73	-0.91%
HK - Hang Seng	26,341.5	-553.19	-2.06%

Board Meetings

Scrip	Day	Agenda	Time
FPJM	Tuesday	MULTI-PERIOD	2:30 PM
PAKD	Friday	ANNUAL ACCOUNT	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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