

Economy News

Foreigners gravitate to high-return govt. bonds

Economy | Positive

As a reflection of growing confidence in the economy, foreign investors parked \$104 million in long-term Pakistan Investment Bonds (PIBs) during the last three months (November-January) of FY21. (Dawn) | [Click for more info.](#)

ADB says sold PKR-linked Karakoram Bond at Rs1.6bn

Economy | Positive

The Asian Development Bank (ADB) sold the second PKR-denominated Karakoram Bond priced at Rs1.6 billion (\$10 million). The Bank on Friday tweeted, "ADB sells the second #PakRuppee-linked '#Karakoram Bond' on 28 Jan priced at PKR 1.6bn (\$10m) 5-year. Building on the strong first outing, SCB placed it with two European #investors with proceeds invested into #Pakistan gov securities. (BR) | [Click for more info.](#)

Rs82.1bn allocated for 184 projects in PSDP 2020-21

Economy | Neutral

An amount of Rs82.1 billion has been allocated for 184 projects including Rs26 billion for 46 new projects in the PSDP 2020-21. (BR) | [Click for more info.](#)

Revenue collection exceeds 7-month target at Rs2.57tr

Economy | Positive

The Federal Board of Revenue (FBR) collection in the first seven months (July-January) of the current fiscal year stood at Rs2.570 trillion, surpassing the projected Rs2.550tr target by Rs20 billion. (Dawn) | [Click for more info.](#)

Budgetary support; Borrowing stock exceeds Rs14trn

Economy | Negative

The overall stock of the borrowing for budgetary support crossed Rs 14 trillion in January 2021. According to the State Bank of Pakistan (SBP), the borrowing for budgetary support from the domestic banking system increased by Rs 291 billion during July 1, 2020 to Jan 15, 2021. (BR) | [Click for more info.](#)

Oil & Gas

Govt. jacks up 'minimum' fuel prices for third time in two months

OMCs | Positive

The PTI government on Sunday increased the price of petrol by Rs2.70 effective from February 1 (Monday) after approval from Prime Minister Imran Khan, a statement issued by the PM Office said. (ET) | [Click for more info.](#)

OGDCL tops in award of 11 new exploration blocks

OGDC | Positive

A total of 11 new exploration blocks have been awarded to OGDCL. The energy giant shall be working as an operator in ten blocks and as JV Partner with Mari Petroleum and PPL in one block. (The Nation) | [Click for more info.](#)

Divestment of Mari shares hits snag

Mari | Neutral

The divestment of government of Pakistan's remaining shares in Mari Petroleum has been held back due to observations made by the anticorruption watchdog. (ET) | [Click for more info.](#)

Govt. continues to supply gas to off-grid industries

SSGC, SNGP | Positive

Government will continue to supply gas to industries which aren't currently connected to the power grid, a Prime Minister's aide said on Friday. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,914.1	32,061.5	147.4	0.5%
KSE100	46,166.1	46,385.5	219.5	0.5%
KSE30	19,259.1	19,318.9	59.7	0.3%
KMI30	73,617.9	74,222.8	604.8	0.8%

Top Five Gainers

	Open	Close	Chg.	%
SAPT	1,017.5	1,092.0	74.5	7.3%
PAKT	1,600.0	1,670.0	70.0	4.4%
AKDCL	533.1	573.1	40.0	7.5%
NRL	423.9	455.7	31.8	7.5%
SRVI	900.2	930.4	30.3	3.4%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	4.1	4.4	0.3	141.58
SILK	1.5	1.6	0.1	80.67
PRL	25.0	26.9	1.9	62.90
UNITY	34.6	36.2	1.5	32.75
BYCO	9.6	9.7	0.1	31.94

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.05	-0.07	-0.01
F-Corporates	3.42	-7.91	-4.49
O/S Pakistanies	14.13	-13.15	0.98
Net	17.61	-21.12	-3.51
LIPI			
Individuals	192.82	-188.16	4.66
Companies	14.68	-13.42	1.26
Comm. Banks	7.61	-5.89	1.71
NBFC	0.16	-0.04	0.12
Mutual Funds	33.04	-30.98	2.06
Other	1.47	-2.30	-0.83
Brokers Proprietary	42.41	-43.32	-0.91
Insurance	5.88	-10.45	-4.56
Net	298.08	-294.57	3.51

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	52.20	-0.3%
Brent oil	USD/bbl.	55.88	0.6%
Gold	USD/t oz.	1847.65	0.2%
Silver	USD/t oz.	26.99	1.8%
Coal	USD/ton	85.90	-5.6%
Steel Scrap (LME)	USD/ton	453.26	0.1%
Steel Rebar (LME)	USD/ton	629.60	-0.2%
USD/PKR	Interbank	160.32	-0.1%

News Source: Local / Int'l Newspapers and websites

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SSGC's position on gas supply moratorium

SSGC | **Positive**

In light of a recent announcement by the federal government with regard to a moratorium on the supply of gas to industrial units for self-generation of electricity, it is hereby clarified that two categories of industrial customers having contracts with the SSGC for power generation (export/non-Export) will not be disconnected unless the relevant DISCOS or K-Electric confirms in writing their technical ability to serve the sanctioned power load. (The News) | [Click for more info.](#)

PSO invites bids for LNG supply in April

PSO | **Neutral**

Pakistan State Oil (PSO) has invited bids for one cargo of liquefied natural gas (LNG) to be delivered on April 15-16, and three consignments of motor gasoline for the month of March amid higher anticipated demand of fuel products in summers. Pakistan LNG Limited has already invited bids for three LNG cargos of 140,000 cubic meters each for the month of April, 2021. (The News) | [Click for more info.](#)

Power

41 out of 47 IPPs initial master agreements

HUBC, KAPCO | **Positive**

In a positive development, 41 out of 47 IPPs that signed MoUs with the government in August 2020 have so far initialed master agreements, paving the way for their discounted tariff of Rs 836 billion in next 10-12 years. IX IPPs are still away in the wake of a dispute over resolution of excess profits of Rs53 billion from initialing the master agreements legally binding contracts. (The News) | [Click for more info.](#)

Demand for gas supply to captive power plants rejected

Power | **Neutral**

The government on Friday rejected a demand of the industrial sector for continuation of gas supply to their captive power plants by suspending its recent decisions but promised to facilitate fresh electricity connections and improved power supplies. (Dawn) | [Click for more info.](#)

660MW coal power plant faces delay

LUCK | **Negative**

The beginning of commercial production by Lucky Cement's 660-megawatt local coal-fired power project worth over \$1 billion has faced a delay of around five months due to inability of the government to finish construction of transmission lines on time in the wake of Covid-19. In this regard, it has remained under contract with the authorities to launch commercial operation of the project by the middle of first quarter (Jul-Sept 2021) of fiscal year 2021-22. (ET) | [Click for more info.](#)

Hesco, SESCO; Govts in 'back channel' talks on prospects of management control

Power | **Neutral**

The Federal Government and Sindh Government are said to be engaged in "back channel" deliberations on prospects of management contract of two interior Sindh-based power Distribution Companies (Discos). (BR) | [Click for more info.](#)

Grid station at BQIP; Rs300m grant approved by govt.

Power | **Neutral**

The Federal Government has approved Rs300 million technical supplementary grant to complete 132KV grid station at Bin Qasim Industrial Park (BQIP). (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	46,385.5	219.49	0.48%
KSA - Tadawul	8,807.0	22.90	0.26%
CHINA - Shanghai	3,483.1	-22.11	-0.63%
US - S&P 500	3,714.2	-73.14	-1.93%
INDONESIA - IDX	5,862.4	-117.04	-1.96%
PHILP - PSEi	6,612.6	-239.22	-3.49%
HK - Hang Seng	28,283.7	-267.06	-0.94%
Taiwan - TWII	15,138.3	-277.57	-1.80%
INDIA - SENSEX	46,285.8	-588.59	-1.26%
US - Dow 30	29,982.6	-620.74	-2.03%

Board Meetings

Scrip	Day	Agenda	Time
INIL	Monday	HY A/c 31-Dec-20	10:30 AM
PRL	Monday	HY A/c 31-Dec-20	10:30 AM
CHAS	Monday	ANN A/c 31-Dec-20	11:00 AM
PMRS	Monday	ANN A/c 31-Dec-20	11:30 AM
BAFL	Wednesday	ANN A/c 31-Dec-20	11:00 AM
AGSML	Thursday	ANN A/c 31-Dec-20	11:00 AM
NICL	Thursday	HY A/c 31-Dec-20	12:00 PM
CWSM	Thursday	ANN A/c 31-Dec-20	1:00 PM
ADAMS	Thursday	ANN A/c 31-Dec-20	2:30 PM
TSML	Thursday	ANN A/c 31-Dec-20	3:00 PM
FCEPL	Monday	ANN A/c 31-Dec-20	3:00 PM
MCBAH	Monday	HY A/c 31-Dec-20	3:00 PM
EPCL	Wednesday	ANN A/c 31-Dec-20	2:00 PM
EPQL	Thursday	ANN A/c 31-Dec-20	10:30 AM
FCCL	Wednesday	HY A/c 31-Dec-20	11:00 AM
KAPCO	Thursday	HY A/c 31-Dec-20	10:30 AM
OML	Tuesday	HY A/c 31-Dec-20	11:00 AM

Source: PSX



Issue of Rs53bn excess profits made by six IPPs: Govt. may now form local arbitration court to solve row with IPPs

IPPs, Power | Neutral

The government is currently weighing option to form local arbitration court, based on three local judges of the Supreme Court to resolve the issue of excess profits of Rs53 billion, allegedly minted by 6 important IPPs and the Attorney General of Pakistan (AGP) will update the Federal Cabinet to this effect. (The News) | [Click for more info.](#)

Autos

Tractor Industry shows outstanding performance, sales up by 43% YoY in 1HFY21

MTL, AGTL | Positive

Total domestic sales of Tractors have surged by 43.42% YoY or 6,600 units in 1HFY21 to 21,800 units compared to 15,200 units sold in the same period of last year. The increase in export of tractors during the first half of FY21 is even more encouraging, especially Millat Tractors whose exports grew by 68% in value to USD 6.9 million compared to USD 4.1 million in the previous year. In terms of quantity, Millat exported 850 tractors during the first half of FY 2020-21 as compared to 500 tractors in previous year showing a growth of 70% in quantity terms. (Mettis) | [Click for more info.](#)

Pharmaceutical

Pakistan secures 17m doses of AstraZeneca vaccine

Pharmaceutical | Positive

In addition to the 500,000 doses of Sinopharm from China, Pakistan on Saturday secured 17 million indicative doses of the AstraZeneca vaccine, out of which 35-40 per cent or 6 to 6.8 million doses will be available within the first quarter of the current year. (ET) | [Click for more info.](#)

Miscellaneous

Coal demand expected to spike in 2021

ENGRO, Cement | Neutral

Coal demand is expected to remain upbeat in 2021 as more coal-fired and captive power plants are coming up in the current year. According to sources, the import of coal at three coal-based power plants – China Hubco, Sahiwal and Port Qasim Electric – is around 10-12 million tonnes per annum. According to Nepra, the contribution of coal to the country's energy mix was a staggering 21 per cent in CY20. The cement sector is also expanding its capacity to cope with the rising demand under Prime Minister's Naya Pakistan Housing Scheme, the sources added. (Dawn) | [Click for more info.](#)

Rice exports grow by 18.02%, reach \$232.722 million

MATCO | Positive

Rice exports from the country during month of December, 2020 witnessed about 18.02 percent growth as compared the exports of the corresponding month of last year. About 459,714 metric tons of rice valuing \$232.722 million exported during the month of December, 2020. (The Nation) | [Click for more info.](#)

ST refunds: Rs99bn payment made in H1 FY2020-21

Textile | Positive

There was considerable increase in sales tax refunds payment during the first six months of the current fiscal year with Rs99 billion payment as compared to Rs31 billion for the same period of 2019-20, reflecting an increase of Rs68 billion. (BR) | [Click for more info.](#)



Karachi port handles 1.9m tonnes of cargo

Economy | Neutral

The Karachi Port Trust handled a total of 1.941 million tonnes of cargo comprising 326,869 tonnes of export and 867,501 tonnes of import during Jan 25-29. The export cargo included 93,123 tonnes of clinkers followed by 24,168 tonnes of cement while oil and liquid cargo included 33,715 tonnes. Around 175,763 tonnes of containerised cargo was also handled. (Dawn) | [Click for more info.](#)

Forensic audit of PIA, other loss-making SoEs to be conducted

Economy | Neutral

The federal government has reportedly decided to conduct forensic audit of ten loss-making State-Owned Entities (SOEs) from FY 2016 to 2018, half of which will be under taken by Auditor General of Pakistan (AGP) while for remaining entities private audit firm will be hired. (BR) | [Click for more info.](#)

PTA hints at making off-net calls 'more cheaper'

Communication | Neutral

The Pakistan Telecommunication Authority (PTA) has hinted at making off-net calls further cheaper by reviewing Mobile Termination Rate (MTR), official documents revealed. (BR) | [Click for more info.](#)

Political News

Joint opposition to oppose govt's proposed bill in both Houses

The joint opposition has decided to oppose the government's proposed constitutional amendment bill in both Houses of the Parliament, aimed at holding Senate elections through open ballot. (BR) | [Click for more info.](#)

International News

Asia shares try to rally, retail crowd catches silver bug

Asian shares tried to rally on Monday as Wall Street continued to struggle with doubts about vaccine rollouts and economic recovery, while silver surged as newly empowered retail investors turned speculative eyes to precious metals. (Reuters) | [Click for more info.](#)

Oil treads warily higher amid patchy vaccine rollouts, new coronavirus variants

Oil prices edged higher on Monday after a weak start, holding on to the past three months of gains, although patchy coronavirus vaccine rollouts, new infections and the discovery of new variants are keeping a lid on prices. (Reuters) | [Click for more info.](#)



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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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