

Economy News

Equity investments from abroad; Govt all set to approve new policy

Economy | Neutral

The Federal Government is all set to approve a new policy on equity investments from abroad aimed at improving ease of doing business, facilitating resident companies in raising capital from abroad and meet the legitimate investment needs of individuals. (BR) | [Click for more info.](#)

SECP fines firms Rs42 million for AML/CFT breaches

Economy | Positive

Securities and Exchange Commission of Pakistan (SECP) imposed over Rs42 million penalties on various companies for noncompliance with antimoney laundering and combating the financing of terrorism (AML/CFT) regulations during the last fiscal year. During the fiscal year, inspections focusing on targeted financial sanction and transnational terrorist financing risk, beneficial ownership and compliance function of 125 securities brokers, 18 nonbanking financial companies and 21 insurance companies were conducted. The SECP said it is focused on further improving its laws, regulations and directives in order to keep its AML/ CFT governance regime aligned with FATF standards. (The News) | [Click for more info.](#)

FBR revs up efforts to boost cross-border trade

Economy | Positive

The Federal Board of Revenue (FBR) is trying to further improve its services on border crossings to increase trade with India and Afghanistan, it said on Tuesday. The FBR said its efforts brought the country's positions 31 notches up in the trading across border index of the World Bank's Doing Business 2020 published in October 2019. Pakistan improved from 142nd to 111th on the rank of trading across border index. (The News) | [Click for more info.](#)

SBP most likely to keep policy rate unchanged for third time

Economy | Neutral

The central bank is widely expected to keep the policy rate unchanged at 7 percent for the third time after generous back-to-back reductions during last year's lockdowns, as the risks to the outlook for both growth and inflation appear balanced, analysts said on Tuesday. (The News) | [Click for more info.](#)

Oil & Gas

Oil import bill shrinks by 22.32pc to \$4.77bn in 1st half of FY21

Oil | Positive

The country's oil import bill witnessed reduction of 22.32 percent during the first half of the current fiscal year as compared to the corresponding period of last year, Pakistan Bureau of Statistics (PBS) reported. The overall oil imports during July-December (2020-21) were recorded at \$4771.471 million against the imports of \$6142.197 million during July-December (2019-20), showing decline of 22.32 percent, according to latest PBS data. (BR) | [Click for more info.](#)

Let down by UAE firm, Pakistan seeks two LNG cargoes

Gas | Neutral

The government has sought urgent tenders for liquefied natural gas (LNG) deliveries in third and fourth week of February to fill the gap arising out of a default by Emirates National Oil Company (ENOC) on its supply commitment. Pakistan LNG Limited (PLL) — the state-run entity responsible for import of LNG — had approached prospective suppliers for LNG delivery on Feb 15-16 and Feb 23-24. In such circumstances, normal tendering schedules become impractical and, therefore, bidders have been asked to submit their bids within three days i.e. latest by Jan 22. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,708.8	31,811.7	102.9	0.3%
KSE100	45,726.7	45,903.2	176.6	0.4%
KSE30	19,019.8	19,152.7	132.9	0.7%
KMI30	72,952.8	73,237.0	284.2	0.4%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	9,600.0	9,990.0	390.0	4.1%
NESTLE	6,455.0	6,600.0	145.0	2.2%
ILTM	1,596.5	1,716.2	119.7	7.5%
MARI	1,351.4	1,452.8	101.4	7.5%
MEHT	460.0	488.0	28.0	6.1%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	103.5	108.6	5.1	29.41
PRL	24.1	23.9	-0.2	28.85
FFL	19.1	18.6	-0.5	22.23
UNITY	32.0	32.4	0.4	21.18
KEL	4.1	4.1	0.0	18.89

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.04	-0.02	0.02
F-Corporates	2.93	-1.54	1.39
O/S Pakistanies	7.73	-7.40	0.32
Net	10.70	-8.96	1.73
LIPI			
Individuals	116.07	-113.02	3.05
Companies	6.58	-6.16	0.41
Comm. Banks	16.67	-16.96	-0.29
NBFC	0.02	-0.04	-0.01
Mutual Funds	4.68	-11.66	-6.98
Other	1.28	-0.80	0.47
Brokers Proprietary	30.22	-30.78	-0.56
Insurance	5.45	-3.27	2.17
Net	180.96	-182.69	-1.73

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	52.98	1.2%
Brent oil	USD/bbl.	55.90	2.1%
Gold	USD/t oz.	1840.28	-0.1%
Silver	USD/t oz.	25.22	-0.5%
Coal	USD/ton	91.40	-0.7%
Steel Scrap (LME)	USD/ton	457.00	-1.3%
Steel Rebar (LME)	USD/ton	637.00	-0.5%
USD/PKR	Interbank	160.70	0.1%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106



Cement

Cherat Cement to conduct multi-billion Line 1 modernization

CHCC | Positive

Pakistan cement manufacturer, Cherat Cement Company Limited has announced its plans to perform balancing, modernisation and replacement (BMR) for Cement Line 1 and install the main crusher at Khyber Paktunkhwa. (BR) | [Click for more info.](#)

Miscellaneous

IT exports remittances surge 38.16 percent

Tech. & Comm. | Positive

Pakistan's information technology (IT) and IT-enabled Services (ITeS) export remittances comprising of computer services and call center services have surged by a staggering 38.16% to US \$648.940 million during July-November in the Financial Year 2020-21 in comparison to US \$469.713 million during same period last year 2019-20. (BR) | [Click for more info.](#)

Pharmaceutical exports increase 23.62pc in 1st half of FY 2020-21

Pharmaceutical | Positive

The exports of pharmaceutical products from the country witnessed an increase of 23.62 percent during the first half of ongoing financial year (2020-21) as compared to the exports of corresponding period of last year. (BR) | [Click for more info.](#)

Additional funding of \$35.58m sought for Roosevelt hotel

PIAA | Neutral

The Aviation Division has sought additional funding of \$ 35.577 million for Roosevelt Hotel Corporation, New York, USA to overcome its financial challenges with viable options. (BR) | [Click for more info.](#)

Steelmakers, auto industry demand taxes' rationalization

Steel | Neutral

Steel makers and auto parts' makers on Tuesday demanded the government to rationalise taxes to support trade and industry amid the rising prices in the international market. Domestic steel firms attribute the northward movement of the steel price to the rising iron ore prices, which have gone up multiple times in the recent past. (The News) | [Click for more info.](#)

International News

Washington guarded by military as Biden takes oath today

Joe Biden will be sworn in as the 46th president of the United States on Wednesday in a ceremony protected by 25,000 troops and face masks to ward off two potentially lethal enemies — an unrelenting virus and a frenzied mob. (Dawn) | [Click for more info.](#)

Asian markets set for modest upswing after gains on Wall Street

Investors in Asian markets were poised for gains on Wednesday after Wall Street indexes rose on the back of U.S. Treasury Secretary nominee Janet Yellen's push for a sizable fiscal relief package in response to the COVID-19 pandemic. (Reuters) | [Click for more info.](#)

Oil extends gains on hopes of U.S. stimulus and crude stocks drawdown

Oil prices rose in early trade on Wednesday, adding to solid gains overnight, on expectations the incoming U.S. administration will go ahead with massive stimulus spending that would boost fuel demand and draw down crude stocks. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	49,398.3	834.02	1.72%
HK - Hang Seng	29,642.3	779.51	2.70%
Taiwan - TWII	15,877.4	265.37	1.70%
PAK (KSE-100)	45,903.2	176.55	0.39%
US - Dow 30	30,930.5	116.26	0.38%
US - S&P 500	3,798.9	30.66	0.81%
PHILP - PSEi	7,198.5	-4.99	-0.07%
KSA - Tadawul	8,901.9	-29.42	-0.33%
CHINA - Shanghai	3,566.4	-29.84	-0.83%
INDONESIA - IDX	6,321.9	-67.98	-1.06%

Board Meetings

Scrip	Day	Agenda	Time
DCR	Wednesday	HY A/c 31-Dec-20	11:00 AM
CLOV	Wednesday	1Q A/c 30-Sep-20	12:30 PM
TICL	Saturday	1Q A/c 31-Dec-20	11:00 AM
BAFS	Saturday	1Q A/c 31-Dec-20	12:00 PM
FFL	Monday	ANN A/c 31-Dec-20	11:00 AM
JSML	Monday	1Q A/c 31-Dec-20	11:30 AM
SHSML	Monday	1Q A/c 31-Dec-20	11:30 AM
FFBL	Tuesday	ANN A/c 31-Dec-20	10:30 AM
ALNRS	Tuesday	1Q A/c 31-Dec-20	11:30 AM
NRL	Tuesday	HY A/c 31-Dec-20	2:00 PM
APL	Tuesday	HY A/c 31-Dec-20	3:00 PM
ATRL	Tuesday	HY A/c 31-Dec-20	4:00 PM
ACPL	Tuesday	HY A/c 31-Dec-20	6:00 PM
HCAR	Wednesday	3Q A/c 31-Dec-20	11:30 AM
PCAL	Thursday	HY A/c 31-Dec-20	9:00 AM
ISL	Thursday	HY A/c 31-Dec-20	3:00 PM
EXIDE	Friday	3Q A/c 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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THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst
zubair@abaalihabib.com

Radha Krishan Khatri – Research Analyst
rk.khatri@abaalihabib.com

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

Zaheer Ahmed - Head of Institutional Sales
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Salman Ahmed - Head of Retail Sales
(021) 32412491

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Office (PSX Building)

Room # 419, 419 A & 421, 4th Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi
Contact: 021-32429665
Cell: [+92 3312766771](tel:+923312766771)



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