



December  
22, 2020

## Economy

**Creditors reschedule loans worth Rs272bn**

**Economy | Positive**

Pakistan has secured a \$1.7 billion (Rs272 billion) debt relief agreement to help offset the financial headwinds sparked by the coronavirus pandemic, officials said on Monday. The deal, following months of negotiations with creditors, will provide a moratorium on debt payments for large swathes of the current fiscal year and help ease the cash-strapped country's massive financial obligations. (The News) | [Click for more info.](#)

## Oil & Gas

**HSD, petrol; Govt may increase margins of OMCs, dealers**

**OMCs | Positive**

The government may increase the margins of the Oil Marketing Companies (OMCs) and dealers on high-speed diesel (HSD) and petrol amid increasing trend in oil price globally. Sources said that the Petroleum Division proposed an increase in the margin of the OMCs on HSD and petrol by 45 paise or 16 percent per litre. The division further proposed 58 paise per litre increase in dealers' margin on petrol and 50 paise per litre on the HSD. (BR) | [Click for more info.](#)

**Navy seeks to import fuel from third party**

**Oil | Neutral**

Pakistan Navy (PN) has sought permission to import turbine fuel aviation high flash (JP-5) from a private party as refineries and OMCs have rejected to import small quantity of this fuel, well-informed sources in Commerce Ministry told. (BR) | [Click for more info.](#)

## Power

**Govt-IPPs deal hamstrung by lack of 'visible' mode of payment**

**Power, IPPS | Neutral**

Independent Power Producers (IPPs) and the Federal Government have reportedly not signed the much-awaited agreements due to the lack of a "visible" mode of payment, well-informed sources told Business Recorder. The government and IPPs signed a Memoranda of Understanding (MoUs) a couple of months ago with the commitment to convert these understandings into legal agreements. (BR) | [Click for more info.](#)

## Autos

**Additional WHT on new cars to be approved by Cabinet**

**Autos | Negative**

The Federal Cabinet, which is scheduled to meet on Tuesday (Dec 22), will approve the imposition of additional Withholding Tax of up to Rs200,000 on new cars aimed at discouraging 'on money' Electric Vehicle (EV) Policy and concessions for domestic manufacturing of cellphones. (BR) | [Click for more info.](#)

## Transport

**PIA flights to Saudi Arabia suspended**

**PIAA | Negative**

The Pakistan International Airlines Monday suspended its operation to and from the Kingdom of Saudi Arabia until further notice. The development comes as the Saudi government temporarily closed its borders after a new strain of coronavirus was identified in the country. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,738.4	30,491.9	-246.5	-0.8%
KSE100	43,740.6	43,333.8	-406.8	-0.9%
KSE30	18,246.2	18,023.2	-223.0	-1.2%
KMI30	71,646.6	70,482.0	-1164.6	-1.6%

### Top Five Gainers

	Open	Close	Chg.	%
SRVI	860.4	924.9	64.5	7.5%
PAKT	1,550.0	1,599.0	49.0	3.2%
GLPL	453.4	487.4	34.0	7.5%
BATA	1,490.7	1,516.7	26.0	1.7%
SFL	918.0	940.0	22.0	2.4%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.1	1.2	0.1	36.56
TRG	74.9	75.7	0.8	35.18
ICIBL	2.1	3.1	1.0	31.02
PRL	21.6	20.8	-0.9	22.57
PAEL	38.6	37.8	-0.8	16.95

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	8.21	-0.10	-8.00
F-Corporates	1.17	-4.25	-3.08
O/S Pakistanies	9.09	-10.54	-1.45
<b>Net</b>	10.32	-14.90	-4.58
<b>LIPI</b>			
Individuals	154.76	-150.48	4.27
Companies	11.46	-11.13	0.33
Comm. Banks	3.53	-5.10	-1.57
NBFC	0.05	-0.05	0.00
Mutual Funds	8.53	-9.14	-0.61
Other	2.74	-3.46	-0.72
Brokers Proprietary	39.67	-38.44	1.23
Insurance	3.67	-2.02	1.66
<b>Net</b>	224.41	-219.83	4.58

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	49.10	2.8%
Brent oil	USD/bbl.	50.91	-2.6%
Gold	USD/t oz.	1876.89	-0.2%
Silver	USD/t oz.	26.17	1.4%
Coal	USD/ton	90.50	-0.6%
Steel Scrap (LME)	USD/ton	423.00	0.7%
Steel Rebar (LME)	USD/ton	600.00	0.4%
USD/PKR	Interbank	160.55	0.2%

**News Source:** Local / Int'l Newspapers and websites

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**REP-055**



## Travellers coming from UK; Temporary restrictions put into effect

PIAA, Economy | **Negative**

Pakistan on Monday announced temporary restriction on inbound travellers from the UK – whether direct or indirect – into the country effective from midnight December 22 (i.e. 00:00 hours 23rd December, 2020) until midnight 29th December, 2020 to limit the new coronavirus strain's spread in Pakistan. (BR) | [Click for more info.](#)

## PIA spends Rs2.1bln/month with highest aircraft-to-employee ratio

PIAA | **Neutral**

Loss-making Pakistan International Airlines (PIA) spends Rs2.1 billion every month to keep its big workforce with the airline having one of the region's highest aircraft-to-employee ratios, it was learnt on Monday. (The News) | [Click for more info.](#)

## Miscellaneous

### PSX marks Searle, Systems, Feroz1888's Forbes moment

SEARL, FEROUZ, SYS | **Positive**

Pakistan Stock Exchange (PSX) on Monday held a Gong Ceremony to recognise the tremendous achievement of the three Pakistan-based listed companies that have been recognised in the Forbes 'Asia's Best Under A Billion' list. Feroze1888 Mills Limited, Searle Company Limited, and Systems Limited have made it to the distinctive list published recently by Forbes magazine. (The News) | [Click for more info.](#)

### KP govt approves Peshawar-DI Khan motorway project

CHCC, KOHC | **Positive**

The Khyber Pakhtunkhwa (KP) government on Monday approved the Dera Ismail Khan-Peshawar motorway project. The Provincial Development Working Party (PDWP) granted approval to the project in its session chaired by Additional Chief Secretary KP Shakeel Qadir Khan at the Planning and Development Department. (PT) | [Click for more info.](#)

### SBP prepares for digital shift

Banks | **Neutral**

Pakistan's central bank is considering allowing people to open accounts at banks without physically visiting branches - through digital means like internet and mobile banking - and without compromising customers' due diligence. "Digital account opening...is the way forward," State Bank of Pakistan (SBP) Governor Dr Reza Baqir said while hosting a webinar titled "Launch of Consultation on Banking on Equality Policy: Reducing the Gender Gap in Financial Inclusion" on Monday. (ET) | [Click for more info.](#)

### Issuance of bearer shares or bearer share warrants; SECP empowers 2 adjudication depts to impose penalties

PSX | **Neutral**

The Securities and Exchange Commission of Pakistan (SECP) has legally empowered Adjudication Department-I and II, Adjudication Division to penalise companies involved in issuance of any kind of bearer shares, bearer share warrants or any equity or debt security of a bearer nature. (BR) | [Click for more info.](#)

### Active taxpayers hit all-time high of three million

Economy | **Neutral**

The number of active taxpayers crossed over the three million mark for the first time in the country's history, according to data released by the Federal Board of Revenue (FBR) on Monday. The weekly updated active taxpayers list (ATL) showed that the number of return filers for tax year 2019 were at 3,000,453 on the basis of return filed up to December 20. (The News) | [Click for more info.](#)

## World Indices

	Last	Chg.	Chg. %
Taiwan - TWII	14,385.0	135.00	0.95%
INDONESIA - IDX	6,165.6	61.31	1.00%
US - Dow 30	30,216.5	37.40	0.12%
CHINA - Shanghai	3,420.6	25.67	0.76%
US - S&P 500	3,694.9	-14.49	-0.39%
PHILP - PSEi	7,224.9	-47.91	-0.66%
KSA - Tadawul	8,538.7	-148.21	-1.71%
HK - Hang Seng	26,306.7	-191.92	-0.72%
PAK (KSE-100)	43,333.8	-406.79	-0.93%
INDIA - SENSEX	45,554.0	-1406.73	-3.00%

## Board Meetings

Scrip	Day	Agenda	Time
HABSM	Wednesday	ANNUAL ACCOUNT	12:00 PM
AABS	Thursday	ANNUAL ACCOUNT	11:00 AM
ALNRS	Friday	ANNUAL ACCOUNT	11:30 AM
TICL	Friday	ANNUAL ACCOUNT	11:30 AM
BAFS	Friday	ANNUAL ACCOUNT	2:00 PM

Source: PSX

## Political

### 'It's time for long march': Bilawal once again rules out talks with govt

Pakistan Peoples Party (PPP) Chairman Bilawal Bhutto Zardari on Monday reiterated his stance that the time for dialogue had long passed and "now there will be a long march on Islamabad to get the resignation of puppet prime minister [Imran Khan]". (ET) | [Click for more info.](#)

## International News

### Asian stocks slip as new COVID-19 strain darkens recovery prospects

Asian shares slipped on Tuesday, extending a pullback from multi-year highs hit last week on renewed fears a highly infectious new strain of COVID-19 that shut down much of Britain could lead to a slower global economic recovery. (Reuters) | [Click for more info.](#)

### Oil slips again as new coronavirus strain proves 'nightmare before Christmas'

Oil prices fell on Tuesday, extending sharp losses overnight, as the rapid spread of a new strain of the novel coronavirus in the United Kingdom prompted several countries to close their borders to British travellers and freight. (Reuters) | [Click for more info.](#)

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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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