



December
23, 2020

Economy

Pakistan, IMF inching towards stalled programme

Economy | Neutral

Pakistan and the IMF are inching towards formal revival of the stalled Fund programme, as the government has decided to hike power tariff by 25-30 percent and to abolish up to Rs200 billion corporate sector income tax exemptions. The top political leadership has given go-ahead to the economic team to fulfill all the required prerequisites for revival of the stalled programme under \$6 billion Extended Fund Facility (EFF). (The News) | [Click for more info.](#)

Country posts current account surplus for 5th straight month

Economy | Positive

Current account surplus increased to \$447 million in November 2020 for the fifth month in a row, mainly owing to rising exports and remittances, against a deficit of \$326 million in the same month last year, central bank data showed on Tuesday. (The News) | [Click for more info.](#)

Oil & Gas

SNGPL reduces UFG losses

SNGP | Positive

The Sui Northern Gas Pipelines Limited (SNGPL), has been able to significantly reduce the percentage of unaccounted for gas (UFG) and volumetric losses of the company, a spokesperson for the gas utility said on Tuesday. The company has reduced the volumetric losses by 3,285MMCF and percentage UFG by 2.38 percent from July 20, 2020, up to October 2020 against the targets of the three-year UFG reduction plan approved by the Economic Coordination Committee (ECC) of the Cabinet. (The News) | [Click for more info.](#)

Petroleum group imports reduced by 22.78pc

Oil & Gas | Positive

The Petroleum group imports during first five months of current fiscal year reduced by 22.78 per cent as compared to the corresponding period of the last year. According to Pakistan Bureau of Statistics (PBS), the petroleum group imports came down from US \$5,110,633 thousand in the first five months of FY 2019-20 to US \$ 3,946,601 thousand of the same period of current financial year. During the period from July-Nov this year, imports of Petroleum Products reduced by 16.51 percent as it stood at \$1,815,721 thousand during the said period as compared to \$2,174,705 thousand of same period during last year, it added. (BR) | [Click for more info.](#)

Power

Deregulated power sector to pave way for reasonable tariffs

Power | Neutral

Liberalizing of the power sector will prove to be a game-changer as it will do away with monopoly to encourage competition and reasonable tariffs, a top government official said on Tuesday. The authority approved the detailed design and 18-month implementation plan of the competitive trading bilateral contract market (CTBCM) that will usher in a competitive environment in power sector. The government initiated financial health assessment of power distribution companies to know their credit worthiness. The power sector is expected to have multiple wholesale buyers and sellers after April 2022. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,491.9	30,199.3	-292.6	-1.0%
KSE100	43,333.8	42,906.9	-426.8	-1.0%
KSE30	18,023.2	17,857.1	-166.1	-0.9%
KMI30	70,482.0	69,695.8	-786.2	-1.1%

Top Five Gainers

	Open	Close	Chg.	%
GLPL	487.4	524.0	36.6	7.5%
SHEL	250.9	266.5	15.6	6.2%
SFL	940.0	950.0	10.0	1.1%
AKDCL	128.3	137.9	9.6	7.5%
PHDL	109.0	117.1	8.2	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.2	1.1	0.0	70.79
ICIBL	3.1	3.4	0.3	30.81
TRG	75.7	71.8	-3.9	23.64
TELE	2.3	2.5	0.2	22.31
PRL	20.8	19.4	-1.4	20.66

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	3.75	-0.04	-2.98
F-Corporates	0.50	-2.49	-1.99
O/S Pakistanies	10.07	-10.61	-0.54
Net	10.59	-13.14	-2.55
LIPI			
Individuals	155.54	-155.75	-0.21
Companies	8.92	-8.18	0.73
Comm. Banks	7.61	-6.34	1.27
NBFC	0.10	-0.09	0.00
Mutual Funds	9.43	-8.53	0.91
Other	0.96	-0.97	-0.01
Brokers Proprietary	37.83	-39.31	-1.48
Insurance	3.40	-2.06	1.33
Net	223.79	-221.24	2.55

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	47.02	-4.2%
Brent oil	USD/bbl.	50.08	-1.6%
Gold	USD/t oz.	1860.84	-0.9%
Silver	USD/t oz.	25.19	-3.8%
Coal	USD/ton	90.30	-0.2%
Steel Scrap (LME)	USD/ton	422.00	-0.2%
Steel Rebar (LME)	USD/ton	597.00	-0.5%
USD/PKR	Interbank	160.81	0.2%

News Source: Local / Int'l Newspapers and websites

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REP-055



Autos

Cabinet approves EV Policy for 4 wheelers: Hammad

Autos | Positive

Federal Minister for Industries and Production, Hammad Azhar Tuesday said that Cabinet has given approval to the Electric Vehicle (EV) Policy for four wheelers. In a Tweet, he highlighted the salient features of the policy, saying that it included removal of additional customs duty and Accounting Services and Tax (AST) on imports of EV cars. He said that for manufacturers only 1pc tax on import of electric vehicle parts will be imposed. (BR) | [Click for more info.](#)

Fertilizer

Fertilizer offtake increases by 13.9% YoY in November

Fertilizer | Positive

The total nutrient offtake during the month of November 2020 was about 542 thousand tonnes, showing an increase of 13.9 percent as against November 2019. Product-wise, urea offtake was 533 thousand tonnes, which increased by 40 per cent. Main reason for increase in urea offtake is decrease in its prices in local market. Offtake of DAP was 367 thousand tonnes, which decreased by 9.3 per cent over November 2019. (Mettis) | [Click for more info.](#)

Miscellaneous

Eurobonds for Mohmand, Diامر Bhasha dams on the cards

Economy | Neutral

Finance Minister Abdul Hafeez Shaikh has summoned a meeting of the Economic Coordination Committee (ECC) on Wednesday to discuss a six-point agenda, including the issuance of Eurobonds for Mohmand and Diامر Bhasha dams. According to local media reports, the ECC is also likely to approve the Karachi Transformation Plan in the forthcoming meeting which had been deferred previous two sessions. The committee may also approve a technical supplementary grant worth Rs500 million for the Ministry of Housing and Works. (PT) | [Click for more info.](#)

Ghani Glass to issue 55% Right shares for new float line project and BMR

GHGL | Positive

The Board of Directors of Ghani Glass Limited, in its meeting held today, has approved to issue 55 % Right Shares (55 shares for every 100 shares held) in consideration of cash at par value of Rs. 10 per share. (Mettis) | [Click for more info.](#)

Country earns \$231.238 million by exporting 458,104 metric tons rice in November

MATCO | Positive

Rice exports from the country during month of November 2020 registered about 14.44 percent growth as compared to the exports of the corresponding month of last year. During month of November, 2020, country earned \$231.238 million by exporting about 458,104 metric tons of rice as against the exports of 452,010 metric tons \$202.065 million tons of same months of last year. (BR) | [Click for more info.](#)

IT and ITeS export remittances surge to \$763m in 5 months

Tech & Communication | Positive

The Information Telecommunication (IT) and IT-enabled Services (ITeS) export remittances comprising computer, and call center services, surged to \$763 million at a growth rate of 39 percent during the first five months (July-November) of fiscal year 2020-21 compared to \$549 million during the same period of 2019-20, official data revealed. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	46,006.7	452.73	0.99%
KSA - Tadawul	8,680.5	141.77	1.66%
HK - Hang Seng	26,181.3	62.05	0.24%
Taiwan - TWII	14,216.2	38.78	0.27%
CHINA - Shanghai	3,373.8	16.98	0.51%
INDONESIA - IDX	6,029.3	5.97	0.10%
US - S&P 500	3,687.3	-7.66	-0.21%
PHILP - PSEi	7,169.0	-33.36	-0.46%
US - Dow 30	30,015.5	-200.94	-0.67%
PAK (KSE-100)	42,906.9	-426.82	-0.98%

Board Meetings

Scrip	Day	Agenda	Time
HABSM	Wednesday	ANN A/C 30-SEP-20	12:00 PM
AABS	Thursday	ANN A/C 30-SEP-20	11:00 AM
ALNRS	Friday	ANN A/C 30-SEP-20	11:30 AM
TICL	Friday	ANN A/C 30-SEP-20	11:30 AM
BAFS	Friday	ANN A/C 30-SEP-20	2:00 PM
PAKD	Saturday	1QTR ACCOUNT	4:30 PM
JSML	Monday	ANN A/C 30-SEP-20	11:30 AM
DWSM	Monday	ANN A/C 30-SEP-20	5:30 PM
PIAA	Wednesday	MULTI. PERIOD	11:00 AM

Source: PSX



BAT decides to move Business Shared Services operations to Pakistan Economy | Positive

After several years, the British American Tobacco (BAT) has decided to move its Business Shared Services operations from Malaysia to Pakistan. Prime Minister Advisor on Commerce and Investment Abdul Razak Dawood who was briefed on this development at a meeting commented that this is a major development and it is hoped that other multinationals will follow suit. (BR) | [Click for more info.](#)

TCP seeks Rs424bln loan to import commodities Sugar, Urea | Neutral

State-owned Trading Corporation of Pakistan (TCP) has sought Rs424 billion worth of commodity financing from banks to import sugar, wheat, urea and cotton next year, it was learnt on Tuesday. (The News) | [Click for more info.](#)

Political

Senate polls cannot be held before February 10, clarifies ECP

The Election Commission of Pakistan (ECP) has said that Senate elections cannot be held before February 10 next year, a statement issued by ECP stated. (BR) | [Click for more info.](#)

International News

Asian shares set for mixed open on resurgent virus worries

Asian shares were set for choppy trade on Wednesday as the investor focus swung between concerns about a new faster-spreading variant of the coronavirus and hopes that more U.S. fiscal aid would propel an economic recovery. (Reuters) | [Click for more info.](#)

Oil falls on surprise build in U.S. crude stocks, Trump threat to U.S. relief spending

Oil fell in early trade on Wednesday after industry data showed U.S. crude oil stocks rose last week, defying expectations for a decline, and U.S. President Donald Trump rattled markets by threatening not to sign a long-awaited COVID-19 relief bill. (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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