

Economy

2021-23; ADB's COBP for Pakistan aligned with govt's strategy

Economy | Neutral

The indicative resources available for commitment during 2021-2023 for sovereign operations for Pakistan is \$5.436 billion, comprising \$3.645 billion for regular Ordinary Capital Resources (OCR) lending and \$1.79 billion for concessional OCR lending (COL), says the Asia Development Bank (ADB). (BR) | [Click for more info.](#)

Shariah-compliant euro, pound bonds expected this week

Economy | Positive

The government is all set to issue pound sterling and euro denominated shariah-compliant Naya Pakistan certificates for non-resident Pakistanis this week, sources said on Tuesday. "Banks are getting prepared for offering the INPCs [Islamic Naya Pakistan Certificates] in British Pound and Euro after the government notified shariah structure for issuance of the Islamic NPCs in both currencies last week," a source at a leading Islamic bank said. (The News) | [Click for more info.](#)

CPEC to enhance Sri Lanka connectivity up to Central Asia

Economy | Positive

Prime Minister Imran Khan Tuesday said Sri Lanka could enhance its connectivity up to the Central Asian States by benefiting from the China Pakistan Economic Corridor (CPEC) project. (The News) | [Click for more info.](#)

Qatar shows interest to invest in Karachi and Gwadar ports

Economy | Positive

Federal Minister for National Food Security and Research Syed Fakhar Imam was called on by Saoud Abdul Rehman Al Thani, Qatari ambassador to Pakistan in the minister's office Tuesday. The minister pointed out the importance of language and the youth being synchronised with their cultural roots. The ambassador showed keen interest in planning to invest in the Karachi port and the Gwadar port in the coming future. (BR) | [Click for more info.](#)

61pc traders consider business environment suitable: survey

Economy | Positive

According to a latest survey conducted by Gallup Pakistan, 61 percent traders in Pakistan consider the environment for business suitable, while 39 percent traders consider the situation unfavourable. (The News) | [Click for more info.](#)

Downgrade fears will deter countries from joining G20 debt relief: World Bank

Economy | Neutral

Fears of credit rating downgrades will deter the world's poorest countries from taking advantage of debt relief being offered under the G20 common framework, World Bank chief economist Carmen Reinhart said. (ET) | [Click for more info.](#)

Oil & Gas

Three capital market transactions; PC will offer shares to public by April

PPL, OGDC | Positive

The Privatization Commission (PC) will offer shares to the public in three capital market transactions by April 2021. With regard to interest of some participants in the real estate, the PC will soon invite expressions of interest from investors for a real estate project (the Jinnah Convention Centre, Islamabad). In case of small investment opportunities, PC will launch three capital market transactions, especially divestment of 20 percent shares in the Pakistan Re-Insurance Co Ltd in April, and for PPL (10 percent) and the OGDCL (seven percent) in the near future. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,647.6	31,626.2	-21.4	-0.1%
KSE100	45,890.0	45,728.8	-161.3	-0.4%
KSE30	19,059.1	18,985.5	-73.6	-0.4%
KMI30	75,900.3	75,937.7	37.4	0.0%

Top Five Gainers

	Open	Close	Chg.	%
SAPT	1,000.0	1,059.0	59.0	5.9%
PRET	279.5	300.5	21.0	7.5%
BHAT	930.0	950.0	20.0	2.2%
PAKT	1,530.3	1,550.0	19.7	1.3%
NESTLE	6,120.1	6,133.8	13.7	0.2%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.6	1.6	0.1	84.28
BYCO	11.0	10.4	-0.6	70.43
MDTL	3.8	4.1	0.3	55.44
TRG	146.6	138.2	-8.3	33.16
DCL	13.6	13.7	0.1	27.91

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.03	-0.03	0.00
F-Corporates	1.95	-3.00	-1.05
O/S Pakistanies	11.78	-11.29	0.49
Net	13.77	-14.32	-0.55
LIPI			
Individuals	194.25	-195.01	-0.76
Companies	9.64	-8.82	0.82
Comm. Banks	4.83	-5.26	-0.43
NBFC	0.03	-0.04	-0.02
Mutual Funds	10.31	-11.29	-0.98
Other	1.67	-1.92	-0.25
Brokers Proprietary	47.14	-49.09	-1.95
Insurance	6.07	-1.96	4.11
Net	273.95	-273.40	0.55

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	61.67	0.0%
Brent oil	USD/bbl.	65.37	0.2%
Gold	USD/t oz.	1805.73	-0.2%
Silver	USD/t oz.	27.67	-1.6%
Coal	USD/ton	87.95	-0.3%
Steel Scrap (LME)	USD/ton	414.00	-0.2%
Steel Rebar (LME)	USD/ton	610.00	1.2%
USD/PKR	Interbank	159.09	-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



SNGPL to spend Rs9 bln on transmission network's reinforcement in KP

SNGP | Positive

The Sui Northern Gas Pipelines Limited (SNGPL) is working on an extensive plan to reinforce its transmission network in parts of Khyber Pakhtunkhwa aimed at reducing Unaccounted For Gas (UFG) losses at an estimated cost of Rs 9 billion. (Mettis) | [Click for more info.](#)

Hascol EGM approves increase in authorized share capital

HASCOL | Positive

The extra-ordinary general meeting (EGM) of Hascol Petroleum Limited on Tuesday granted its approval to increase authorized share capital of the company from Rs 10 billion to Rs 50 billion. (BR) | [Click for more info.](#)

Power

Circular debt to rise despite tariff increase, NA body told

Power | Negative

The government on Tuesday told a parliamentary panel that despite the recent 15 per cent increase in consumer tariff, the power sector's circular debt would go up by Rs436 billion during the current fiscal year to reach Rs2.6 trillion. (Dawn) | [Click for more info.](#)

Industrial use of electricity increases 17pc in Jan: Omar

Power | Positive

Minister for Power Division Omar Ayub Khan on Tuesday said that industrial use of electricity witnessed about 17 percent increase in January this year owing to provision of power to the industry at concession rates and abolishing peak hours' factor. (BR) | [Click for more info.](#)

Resolution of 'legitimate' issues: Nepra pledges support to KE

KEL | Neutral

National Electric Power Regulatory Authority (Nepra) on Tuesday assured full support to Karachi Electric (KE) in resolution of its "legitimate" issues with other entities with the caution that the regulator will not accept any excuse if provision of electricity is not ensured to consumers in summer. (BR) | [Click for more info.](#)

Fertilizer

Fertilizer offtake increases by nearly 145% YoY in January owing to low base effect

Fertilizer | Positive

The total nutrient offtake during the month of January 2021 was about 434 thousand tonnes compared to 177 thousand tonnes during January 2020, showing an increase of 145.1 per cent. (Mettis) | [Click for more info.](#)

Miscellaneous

Maple Leaf Cement mulls expansion after tax perk for housing sector

MLCF | Positive

Maple Leaf Cement Factory Ltd, a Pakistani maker of the construction material, is considering boosting capacity by almost a third to tap demand as the economy recovers, people with knowledge of the matter told Bloomberg. (The News) | [Click for more info.](#)

Commercial import of white sugar; FBR to collect 0.25pc WHT from Jan 26 to June 30

Sugar | Positive

The Federal Board of Revenue (FBR) will collect reduced rate of 0.25 percent withholding tax on commercial import of white sugar from January 26, 2021 to June 30, 2021, according to a notification issued by the FBR, here on Tuesday. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	30,632.6	312.81	1.03%
KSA - Tadawul	9,151.7	74.09	0.82%
Taiwan - TWII	16,443.4	33.24	0.20%
INDONESIA - IDX	6,272.8	17.50	0.28%
US - Dow 30	31,537.4	15.66	0.05%
INDIA - SENSEX	49,751.4	7.09	0.01%
US - S&P 500	3,881.4	4.87	0.13%
PHILP - PSEi	6,814.7	4.33	0.06%
CHINA - Shanghai	3,636.4	-6.09	-0.17%
PAK (KSE-100)	45,728.8	-161.29	-0.35%

Board Meetings

Script	Day	Agenda	Time
FLYNG	Wednesday	HY A/c 31-Dec-20	10:00 AM
JLICI	Wednesday	ANN A/c 31-Dec-20	10:00 AM
NBP	Wednesday	ANN A/c 31-Dec-20	10:00 AM
PKGP	Wednesday	ANN A/c 31-Dec-20	10:45 AM
EFUL	Wednesday	ANN A/c 31-Dec-20	11:00 AM
GHNL	Wednesday	HY A/c 31-Dec-20	11:00 AM
PAKL	Wednesday	HY A/c 31-Dec-20	11:00 AM
QUICE	Wednesday	HY A/c 31-Dec-20	11:00 AM
RCML	Wednesday	HY A/c 31-Dec-20	11:00 AM
THCCL	Wednesday	HY A/c 31-Dec-20	11:00 AM
TOMCL	Wednesday	HY A/c 31-Dec-20	11:00 AM
GHGL	Wednesday	HY A/c 31-Dec-20	11:30 AM
OGDC	Wednesday	HY A/c 31-Dec-20	11:30 AM
PSEL	Wednesday	HY A/c 31-Dec-20	11:30 AM
SHEZ	Wednesday	HY A/c 31-Dec-20	11:30 AM
IBLHL	Wednesday	HY A/c 31-Dec-20	12:00 PM
TOWL	Wednesday	HY A/c 31-Dec-20	12:00 PM
LPL	Wednesday	ANN A/c 31-Dec-20	12:15 PM
GVGL	Wednesday	HY A/c 31-Dec-20	12:30 PM
SAPT	Wednesday	HY A/c 31-Dec-20	12:30 PM
ADMM	Wednesday	HY A/c 31-Dec-20	1:00 PM
AASM	Wednesday	HY A/c 31-Dec-20	2:00 PM
DIIL	Wednesday	HY A/c 31-Dec-20	2:00 PM
GHNI	Wednesday	HY A/c 31-Dec-20	2:00 PM
SPL	Wednesday	HY A/c 31-Dec-20	2:00 PM
JSBL	Wednesday	ANN A/c 31-Dec-20	2:15 PM
GATM	Wednesday	HY A/c 31-Dec-20	2:30 PM
TPLT	Wednesday	HY A/c 31-Dec-20	3:00 PM
UBL	Wednesday	ANN A/c 31-Dec-20	3:00 PM
GLPL	Wednesday	HY A/c 31-Dec-20	3:30 PM
MLCF	Wednesday	HY A/c 31-Dec-20	3:30 PM
FEM	Wednesday	HY A/c 31-Dec-20	4:00 PM
SFL	Wednesday	HY A/c 31-Dec-20	4:00 PM
THALL	Wednesday	HY A/c 31-Dec-20	4:00 PM
UDPL	Wednesday	HY A/c 31-Dec-20	4:30 PM

Source: PSX



Political News

Broadsheet pays £20,000 in legal costs to Sharif family after withdrawing Avenfield claim

UK-based asset recovery firm Broadsheet LLC has paid 20,000 pounds in legal costs to the family of PML-N supremo Nawaz Sharif after withdrawing its claim over the Sharif family's Avenfield property in London, it emerged on Tuesday. (Dawn) | [Click for more info.](#)

International News

Asian stocks open lower on inflation fears

Asian equities opened lower on Wednesday on concerns about rising interest rates and rich equity valuations and following a downdraft in U.S. and European overnight trading. (Reuters) | [Click for more info.](#)

Oil slips after U.S. crude stocks rise amid deep freeze hit to refiners

Oil prices fell in early trade on Wednesday after industry data showed U.S. crude inventories unexpectedly rose last week as a deep freeze in the southern states curbed demand from refineries that were forced to shut. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	30,632.6	312.81	1.03%
KSA - Tadawul	9,151.7	74.09	0.82%
Taiwan - TWII	16,443.4	33.24	0.20%
INDONESIA - IDX	6,272.8	17.50	0.28%
US - Dow 30	31,537.4	15.66	0.05%
INDIA - SENSEX	49,751.4	7.09	0.01%
US - S&P 500	3,881.4	4.87	0.13%
PHILP - PSEi	6,814.7	4.33	0.06%
CHINA - Shanghai	3,636.4	-6.09	-0.17%
PAK (KSE-100)	45,728.8	-161.29	-0.35%

Board Meetings

Scrip	Day	Agenda	Time
FLYNG	Wednesday	HY A/c 31-Dec-20	10:00 AM
JLICL	Wednesday	ANN A/c 31-Dec-20	10:00 AM
NBP	Wednesday	ANN A/c 31-Dec-20	10:00 AM
PKGP	Wednesday	ANN A/c 31-Dec-20	10:45 AM
EFUL	Wednesday	ANN A/c 31-Dec-20	11:00 AM
GHNL	Wednesday	HY A/c 31-Dec-20	11:00 AM
PAKL	Wednesday	HY A/c 31-Dec-20	11:00 AM
QUICE	Wednesday	HY A/c 31-Dec-20	11:00 AM
RCML	Wednesday	HY A/c 31-Dec-20	11:00 AM
THCCL	Wednesday	HY A/c 31-Dec-20	11:00 AM
TOMCL	Wednesday	HY A/c 31-Dec-20	11:00 AM
GHGL	Wednesday	HY A/c 31-Dec-20	11:30 AM
OGDC	Wednesday	HY A/c 31-Dec-20	11:30 AM
PSEL	Wednesday	HY A/c 31-Dec-20	11:30 AM
SHEZ	Wednesday	HY A/c 31-Dec-20	11:30 AM
IBLHL	Wednesday	HY A/c 31-Dec-20	12:00 PM
TOWL	Wednesday	HY A/c 31-Dec-20	12:00 PM
LPL	Wednesday	ANN A/c 31-Dec-20	12:15 PM
GVGL	Wednesday	HY A/c 31-Dec-20	12:30 PM
SAPT	Wednesday	HY A/c 31-Dec-20	12:30 PM
ADMM	Wednesday	HY A/c 31-Dec-20	1:00 PM
AASM	Wednesday	HY A/c 31-Dec-20	2:00 PM
DIIL	Wednesday	HY A/c 31-Dec-20	2:00 PM
GHNI	Wednesday	HY A/c 31-Dec-20	2:00 PM
SPL	Wednesday	HY A/c 31-Dec-20	2:00 PM
JSBL	Wednesday	ANN A/c 31-Dec-20	2:15 PM
GATM	Wednesday	HY A/c 31-Dec-20	2:30 PM
TPLT	Wednesday	HY A/c 31-Dec-20	3:00 PM
UBL	Wednesday	ANN A/c 31-Dec-20	3:00 PM
GLPL	Wednesday	HY A/c 31-Dec-20	3:30 PM
MLCF	Wednesday	HY A/c 31-Dec-20	3:30 PM
FEM	Wednesday	HY A/c 31-Dec-20	4:00 PM
SFL	Wednesday	HY A/c 31-Dec-20	4:00 PM
THALL	Wednesday	HY A/c 31-Dec-20	4:00 PM
UDPL	Wednesday	HY A/c 31-Dec-20	4:30 PM

Source: PSX



Disclaimer

This report has been prepared by Aba Ali Habib Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Aba Ali Habib Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Aba Ali Habib Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents.

In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Aba Ali Habib Securities' Research Department and do not necessarily reflect those of the company or its directors. Aba Ali Habib as a firm may have business relationships, including investment- banking relationships, with the companies referred to in this report. Aba Ali Habib Securities or any of its officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the subject company, may have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company, may serve or may have served in the past as a director or officer of the subject company, may have received compensation from the subject company for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from the subject company for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the subject company.

All rights reserved by Aba Ali Habib Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Aba Ali Habib Securities. Action could be taken for unauthorized reproduction, distribution or publication.

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.

Analyst Certification ^{AC}

The research Analyst(s) hereby certify that the views about the company/companies and the security/securities discussed in this report accurately reflect his or her or their personal views and that s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

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

Behroze Atique – Research Analyst
behroze@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)



https://twitter.com/Aba_Ali_Habib



<https://www.facebook.com/aah162>



<https://www.linkedin.com/company/aba-ali-habib-securities/>