



November
24, 2020

Economy News

Dollar rises on high demand

Economy | Negative

Rupee depreciated by another 32 paisas on Monday as demand for dollar spiked after importers rushed to open letter of credits (LCs) in fears of rising number of Covid-19 cases and lockdowns. Currency experts in the inter-bank market said the dollar on Monday was traded at Rs161.04 compared to Rs160.72 on Nov 20. (Dawn) | [Click for more info.](#)

Policy rate kept unchanged at 7pc

Economy | Neutral

The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) has maintained the policy rate at 7 percent as risks to the outlook for economic growth and inflation appear balanced. (BR) | [Click for more info.](#)

Foreign firms repatriate \$678.6mln in July-Oct

Economy | Neutral

Repatriation of profits and dividends on investment in Pakistan by the foreign firms increased 23.8 percent to \$678.6 million in the first four months of this fiscal year owing to improved profitability and eased rules, central bank numbers showed on Monday. (The News) | [Click for more info.](#)

Consultation process on 'Digital Assets' begins

Economy | Neutral

The Securities and Exchange Commission of Pakistan (SECP) has decided to formulate laws related to establishment of Digital Assets in the country and defining the status of cyber currency. (Dawn) | [Click for more info.](#)

Oil & Gas

Industry rejects SSGC's plea for gas price hike

SSGC | Neutral

Major stakeholders including commercial and industrial representatives on Monday opposed increase in prescribed gas prices demanded by the Karachi based Sui Southern Gas Company Ltd (SSGCL) to meet its revenue requirements for the current fiscal year. (Dawn) | [Click for more info.](#)

Autos

FBR announces Rs1.5bln sales tax discount on tractors

AGTL, MTL | Positive

The Federal Board of Revenue (FBR) on Monday announced Rs1.5 billion in sales tax discounts to tractor manufacturers to financially support farmers. The FBR allowed subsidy adjustment of an amount Rs1.5 billion against the payment of sales tax on manufacturing of tractors under a statutory regulatory order (SRO 1248(I)/2020). (The News) | [Click for more info.](#)

Banks

MCB Financial Services Ltd is no longer a subsidiary of MCB Bank

MCB | Neutral

MCB Bank Limited via notification to PSX, has informed that the sale of its wholly owned subsidiary MCB Financial Services Limited ("MCBFSL"), through Share Purchase Agreement has now completed in accordance with necessary approvals, including the approval granted by the Securities and Exchange Commission of Pakistan (SECP). (Mettis) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,273.9	27,932.1	-341.8	-1.2%
KSE100	40,187.2	39,632.5	-554.7	-1.4%
KSE30	16,903.3	16,693.5	-209.8	-1.2%
KMI30	64,009.8	63,049.5	-960.3	-1.5%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	8,300.0	8,450.0	150.0	1.8%
SFL	915.0	975.0	60.0	6.6%
NESTLE	6,500.0	6,550.0	50.0	0.8%
COLG	2,799.1	2,841.3	42.3	1.5%
KHTC	446.8	465.3	18.5	4.1%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITY	23.7	23.1	-0.6	15.42
HASCOL	14.1	13.3	-0.8	15.31
TRG	53.5	51.1	-2.4	13.32
WTL	1.0	1.0	0.0	9.46
PRL	17.6	16.9	-0.7	8.67

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	4.12	0.00	3.68
F-Corporates	1.22	-2.29	-1.07
O/S Pakistanies	6.97	-6.92	0.05
Net	8.21	-9.20	-0.99
LIPI			
Individuals	49.77	-53.13	-3.36
Companies	8.03	-4.77	3.25
Comm. Banks	4.11	-1.18	2.93
NBFC	0.01	-0.01	0.01
Mutual Funds	3.16	-5.89	-2.72
Other	0.81	-0.60	0.21
Brokers Proprietary	10.96	-10.95	0.00
Insurance	2.55	-1.87	0.68
Net	79.39	-78.40	0.99

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	43.06	2.2%
Brent oil	USD/bbl.	46.06	2.4%
Gold	USD/t oz.	1837.86	-1.8%
Silver	USD/t oz.	23.60	-2.4%
Coal	USD/ton	68.40	0.9%
Steel Scrap (LME)	USD/ton	319.00	0.5%
Steel Rebar (LME)	USD/ton	489.00	-0.5%
USD/PKR	Interbank	161.11	0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055



Miscellaneous

Pharmaceutical sector earnings grow

Pharmaceutical | Positive

The pharmaceutical sector continued on a growth trajectory during the first quarter of FY21. Sales during the quarter depicted robust growth (20 percent YoY) amid high demand for pharmaceutical products coupled with the impact of the latest price increases. (BR) | [Click for more info.](#)

Avanceon secures its biggest Oil and Gas contract to date in UAE

AVN | Positive

Avanceon FZE, a subsidiary of Avanceon Limited, has secured a multimillion-dollar long term purchase contract from a major oil company in the middle east. As per the contract, Avanceon shall supply Hydraulic & PLC control panels on a call off basis as and when requested by the client. (Mettis) | [Click for more info.](#)

BoP, FrieslandCampina join hands

BOP | Positive

The Bank of Punjab (BoP) and FrieslandCampina Engro Pakistan Limited have entered into a collaboration to deliver easily accessible financing to dairy farmers, through the Bank of Punjab branches across the country, a statement said on Monday. (The News) | [Click for more info.](#)

Rs10 Health Levy proposed on cigarette packets

Tobacco | Negative

The Federal Board of Revenue (FBR) has proposed Rs10 Health Levy on a packet of cigarettes to the Ministry of Law. (The News) | [Click for more info.](#)

Covid-19; Hospitalization of patients doubled in two weeks: NCO

Economy | Negative

Owing to increasing number of Covid-19 cases, the hospitalisation of patients has doubled in the country within the past two weeks, the National Command and Operation Centre (NCO) Monday revealed. (BR) | [Click for more info.](#)

International News

Exclusive: JPMorgan dominates gold market with record \$1 billion precious metals revenue

JPMorgan has earned record revenue of around \$1 billion so far this year from trading, storing and financing precious metals, vastly outperforming rival banks, two sources familiar with the matter told Reuters. (Reuters) | [Click for more info.](#)

Stocks shoot up as vaccine progress, Biden transition boost confidence

Asian stocks opened higher on Tuesday as COVID-19 vaccine progress shored up global sentiment and U.S. President-elect Joe Biden was given the go-ahead to begin his White House transition. (Reuters) | [Click for more info.](#)

Oil holds near three-month highs as vaccines stoke demand recovery hopes

Oil prices held gains on Tuesday as news of a third promising vaccine candidate spurred hopes of a quick recovery in oil demand, while U.S. President-elect Joe Biden received the go-ahead to begin his presidential transition. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	29,591.3	327.79	1.12%
INDIA - SENSEX	44,077.2	194.90	0.44%
Taiwan - TWII	13,878.0	161.57	1.18%
INDONESIA - IDX	5,652.8	81.10	1.46%
CHINA - Shanghai	3,414.5	36.76	1.09%
HK - Hang Seng	26,486.2	34.66	0.13%
KSA - Tadawul	8,610.8	22.67	0.26%
US - S&P 500	3,577.6	20.05	0.56%
PHILP - PSEi	7,178.6	8.83	0.12%
PAK (KSE-100)	39,632.5	-554.66	-1.38%

Board Meetings

Scrip	Day	Agenda	Time
QUICE	Thursday	1Q A/C - 30SEP20	10:30 AM
WAHN	Thursday	1Q A/C - 30SEP20	12:00 PM
SIEM	Thursday	ANN A/C - 30SEP20	1:00 PM
HINO	Friday	HY A/C - 30SEP20	10:00 AM
KEL	Friday	1Q A/C - 30SEP20	10:30 AM
ASC	Friday	1Q A/C - 30SEP20	11:15 AM
ARUJ	Friday	1Q A/C - 30SEP20	12:00 PM
DSL	Friday	1Q A/C - 30SEP20	3:30 PM
FZCM	Friday	1Q A/C - 30SEP20	3:30 PM
SSGC	Saturday	3Q A/C - 31MAR20	10:00 AM
SILK	Saturday	3Q A/C - 30SEP20	12:00 PM
EXIDE	Saturday	HY A/C - 30SEP20	3:00 PM

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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