



September
25, 2020

Economy News

Jul-Aug period; Country received \$2.248bn external inflows: EAD

Economy | Neutral

The country received \$2.248 billion total external inflows from multiple financing sources in the first two months (July-August) of fiscal year 2020-21 including \$149 million from foreign commercial banks, which is 18 percent of budget estimates of \$12.233 billion for the entire fiscal year. (BR) | [Click for more info.](#)

Pakistan's budget deficit improves to Rs440b

Economy | Positive

The government has contained budget deficit at Rs440 billion or less than 1% of the size of national economy in first two months of the current fiscal year as it now faces the challenge of translating improvement in economic indicators into betterment in lives of people. (ET) | [Click for more info.](#)

Foreign exchange: SBP reserves fall \$119m to \$12.7b

Economy | Negative

The foreign exchange reserves held by the central bank declined 0.9% on a weekly basis, according to data released by the State Bank of Pakistan (SBP) on Thursday. On September 18, the foreign currency reserves held by the SBP were recorded at \$12,701.6 million, down \$119 million compared with \$12,820.4 million in the previous week. According to the central bank, the fall came on the back of government's external debt repayments. (ET) | [Click for more info.](#)

Oil & Gas

Pakistan's circular debt in gas sector jumps to Rs250b

Gas | Negative

Petroleum Minister Omar Ayub has blamed the government of Sindh for possible worsening of gas crisis in Karachi and lamented that the circular debt had swelled to Rs250 billion in the gas sector alone. (ET) | [Click for more info.](#)

Byco Petroleum reports 48pc increase in annual gross profit to Rs 2.9b

BYCO | Positive

Byco Petroleum Pakistan Ltd. on Thursday reported financial results for the year ending June 30, 2020. During the year, despite facing a 15pc fall in crude oil prices, Byco was able to limit the reduction in the company's gross sales by only 5pc, from Rs 252 billion to Rs 239 billion in the previous year, through implementation of prudent strategies. The company's gross profits, however, increased by 48% to Rs 2.9 billion from Rs 1.96 billion last year due to better pricing of crude cargos. (Pakobserver) | [Click for more info.](#)

Power

NEPRA approves Rs1.62 per unit hike in power tariff

KEL | Positive

The National Electric Power Regulatory Authority (NEPRA) approved a Rs1.62 per unit hike in power tariff on Thursday owing to fuel adjustments during the second and third quarter of last year's financial year. If the government approves NEPRA's tariff hike, consumers will have to bear the burden of Rs164.87bn. (The News) | [Click for more info.](#)

Govt estimates IPP talks could save Rs856bn over next decade

Power, IPPs | Neutral

The government is claiming to have saved about Rs856 billion over a period of 10 years on account of renegotiation with independent power producers (IPPs) and change in terms of contracts and closure of public sector power projects. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,754.6	29,597.3	-157.2	-0.5%
KSE100	41,876.3	41,806.4	-69.9	-0.2%
KSE30	17,674.1	17,658.5	-15.6	-0.1%
KMI30	67,040.4	66,931.8	-108.6	-0.2%

Top Five Gainers

	Open	Close	Chg.	%
FEROZ	390.4	419.7	29.3	7.5%
KSBP	286.6	308.1	21.5	7.5%
MFFL	282.9	304.1	21.2	7.5%
TRIPF	165.3	177.0	11.7	7.1%
IGIHL	219.2	226.8	7.6	3.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	4.2	4.2	0.0	40.53
UNITY	18.0	18.0	0.0	33.18
HASCOL	21.0	21.1	0.0	32.14
POWER	9.2	9.5	0.3	20.33
PIBTL	13.5	13.3	-0.2	19.09

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.22	-0.10	0.12
F-Corporates	1.87	-3.90	-2.03
O/S Pakistanies	5.64	-7.12	-1.49
Net	7.72	-11.12	-3.40
LIPI			
Individuals	90.78	-96.62	-5.84
Companies	9.57	-6.70	2.87
Comm. Banks	2.56	-2.49	0.08
NBFC	0.58	-0.06	0.52
Mutual Funds	5.55	-6.54	-0.99
Other	2.69	-1.28	1.41
Brokers Proprietary	21.73	-19.79	1.94
Insurance	4.48	-1.06	3.41
Net	137.94	-134.54	3.40

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	40.31	1.0%
Brent oil	USD/bbl.	41.94	0.4%
Gold	USD/t oz.	1868.07	0.3%
Silver	USD/t oz.	23.15	1.6%
Coal	USD/ton	57.25	0.1%
Steel Scrap (LME)	USD/ton	295.00	-0.3%
Steel Rebar (LME)	USD/ton	455.50	0.0%
USD/PKR	Interbank	166.27	0.0%

News Source: Local / Int'l Newspapers and websites

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REP-055

MORNING BRIEFING



Power generation up 4.1pc in Aug

Power | **Positive**

Overall power generation increased by 4.1 percent to 14,630 GWh in August 2020, compared with 14,052 GWh in the same month last year, official data showed. (The News) | [Click for more info.](#)

Cement

Cement 'cartel' inquiry proceeds

Cement | **Neutral**

Teams of Competition Commission of Pakistan (CCP) on Thursday carried out search and inspection of All Pakistan Cement Manufacturers Association (APCMA) in Lahore. The CCP enquiry was initiated on the information gathered through various media reports and complaints regarding increase in cement prices, particularly during the month of April 2020. The reports indicated that an increase of Rs45-55 per cement bag was apparently decided in a meeting of the cement manufacturers held under the umbrella of APCMA. (Dawn) | [Click for more info.](#)

Transport

Saudi govt grants special permission to PIA, as aqama deadline nears

PIAA | **Positive**

The government of the Kingdom of Saudi Arabia has granted special permission to Pakistan International Airlines (PIA) to fly 21 additional flights, on weekly basis, between the two countries. an increase in the number of flights PIA will be able to transport 25,500 passengers from Pakistan before the 30th of this month which is the deadline for many ensuring their presence in the kingdom. (BR) | [Click for more info.](#)

Miscellaneous

Expansion plan; Agha Steel to invest Rs7bn

Steel | **Positive**

Agha Steel Industries, under its second expansion plan, will invest some Rs7 billion to enhance its re-rolling capacity 160 percent by adopting the state-of-the-art Micro Mill Danieli Rolling Mill (MIDA) technology to cater to the rising demand for steel in the country. (BR) | [Click for more info.](#)

Govt okays up to 262pc hike in prices of nearly 100 medicines

Pharmaceutical | **Positive**

The federal government has approved price hikes as high as 262 per cent for nearly 100 local and imported medicines in Pakistan. Due to long-term shortages of some lifesaving medicines, the federal cabinet allowed rationalized prices of drugs that had previously been reported to be short in supply. According to the notification, the drugs that have become costlier include those used to treat eye, ear, tooth, mouth and blood infections, fever, postpartum issues, heart diseases, abdominal and stomach pains, malaria, diabetes, headache, sore throat, flu, skin diseases, as well as certain antibiotics. (PT) | [Click for more info.](#)

SBP eases cash margin restriction on import of certain items/raw materials

Economy | **Positive**

The State Bank of Pakistan (SBP) has eased 100 percent cash margin requirement on the import of certain items/raw materials to support manufacturing and industrial sectors and further enhance their capacity to contribute towards the recovery of the economy in post Covid-19 era. According to a circular issued on Thursday, the SBP has decided to waive the condition of 100 percent cash margin requirement on imports of 106 items. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	26,815.4	52.31	0.20%
US - S&P 500	3,246.6	9.67	0.30%
KSA - Tadawul	8,236.2	-8.65	-0.10%
PHILP - PSEi	5,845.8	-46.92	-0.80%
CHINA - Shanghai	3,223.2	-56.53	-1.72%
PAK (KSE-100)	41,806.4	-69.89	-0.17%
INDONESIA - IDX	4,842.8	-75.20	-1.53%
Taiwan - TWII	12,264.4	-319.50	-2.54%
HK - Hang Seng	23,311.1	-431.44	-1.82%
INDIA - SENSEX	36,553.6	-1114.82	-2.96%

Board Meetings

Scrip	Day	Agenda	Time
CJPL	FRIDAY	ANN A/C - 30JUN20	11:00 AM
MUREB	FRIDAY	ANN A/C - 30JUN20	11:00 AM
SHEZ	FRIDAY	ANN A/C - 30JUN20	11:00 AM
ISIL	FRIDAY	ANN A/C - 30JUN20	11:30 AM
TOWL	FRIDAY	ANN A/C - 30JUN20	11:30 AM
ZTL	FRIDAY	ANN A/C - 30JUN20	12:30 PM
TREET	FRIDAY	ANN A/C - 30JUN20	1:00 PM
AKGL	FRIDAY	ANN A/C - 30JUN20	2:30 PM
BFMOD	FRIDAY	ANN A/C - 30JUN20	3:30 PM
TSBL	FRIDAY	ANN A/C - 30JUN20	3:30 PM
FANM	FRIDAY	ANN A/C - 30JUN20	4:00 PM
DWTM	FRIDAY	ANN A/C - 30JUN20	4:30 PM
ADMM	FRIDAY	ANN A/C - 30JUN20	5:00 PM
DKTM	FRIDAY	ANN A/C - 30JUN20	5:30 PM
DMTM	FRIDAY	ANN A/C - 30JUN20	6:30 PM
DFSM	FRIDAY	ANN A/C - 30JUN20	7:30 PM
DSFL	FRIDAY	ANN A/C - 30JUN20	8:30 PM
DWAE	FRIDAY	ANN A/C - 30JUN20	9:30 PM
BUXL	SATURDAY	ANN A/C - 30JUN20	10:00 AM
ECOP	SATURDAY	ANN A/C - 30JUN20	10:00 AM
AHTM	SATURDAY	ANN A/C - 30JUN20	11:00 AM
ORIXM	SATURDAY	ANN A/C - 30JUN20	11:00 AM
PSYL	SATURDAY	ANN A/C - 30JUN20	11:30 AM
GATM	SATURDAY	ANN A/C - 30JUN20	2:30 PM
SHFA	SATURDAY	ANN A/C - 30JUN20	4:00 PM
SPL	SATURDAY	ANN A/C - 30JUN20	5:00 PM
786	MONDAY	ANN A/C - 30JUN20	9:00 AM
DKL	MONDAY	ANN A/C - 30JUN20	10:00 AM
ELCM	MONDAY	ANN A/C - 30JUN20	10:30 AM
PREMA	MONDAY	ANN A/C - 30JUN20	11:00 AM
FIBLM	MONDAY	ANN A/C - 30JUN20	11:00 AM
SLCL	MONDAY	ANN A/C - 30JUN20	11:00 AM
GLPL	MONDAY	ANN A/C - 30JUN20	11:30 AM
SERF	MONDAY	ANN A/C - 30JUN20	11:30 AM
STJT	MONDAY	ANN A/C - 30JUN20	12:00 PM
WYETH	MONDAY	3Q A/C - 30JUN20	12:00 PM
OGDC	MONDAY	ANN A/C - 30JUN20	12:30 PM
SEARL	MONDAY	ANN A/C - 30JUN20	1:30 PM
ORM	MONDAY	ANN A/C - 30JUN20	2:30 PM
TATM	MONDAY	ANN A/C - 30JUN20	2:30 PM
ALTN	MONDAY	ANN A/C - 30JUN20	3:00 PM
FNEL	MONDAY	ANN A/C - 30JUN20	3:00 PM
DWTM	MONDAY	ANN A/C - 30JUN20	3:30 PM
DADX	MONDAY	ANN A/C - 30JUN20	4:00 PM
DKTM	MONDAY	ANN A/C - 30JUN20	4:30 PM
DMTM	MONDAY	ANN A/C - 30JUN20	5:30 PM
DFSM	MONDAY	ANN A/C - 30JUN20	6:30 PM
DSFL	MONDAY	ANN A/C - 30JUN20	7:30 PM
DWAE	MONDAY	ANN A/C - 30JUN20	8:30 PM

Source: PSX



PTCL introduces fastest internet

PTC | Positive

Pakistan Telecommunication Company Limited (PTCL), in collaboration with Huawei, deploys first 10-Gigabit-capable Symmetric Passive Optical Access Network (XGS-PON) in Pakistan, becoming the first operator in South Asia and the Middle East to introduce Quick Optical Distribution Network (QuickODN) in their network, a statement said on Thursday. (The News) | [Click for more info.](#)

Banks to share customers' real-time data with FBR

Economy | Neutral

The Federal Board of Revenue (FBR) and Pakistan Banking Association (PBA) have finalized modalities for sharing the depositors' data. The banks will start providing information in respect of cash withdrawals, deposits, credit card payments and profit on debt to the FBR u/s 165 and 165A of the Income Tax Ordinance, 2001 through IT solution developed by the FBR. (The News) | [Click for more info.](#)

Political News

PM Imran calls on countries to return looted wealth

Prime Minister Imran Khan on Thursday made an impassioned plea to the international community to take decisive action and work to prevent white collar criminals from "bleeding" developing countries dry. In an address to the United Nations International Financial Accountability, Transparency and Integrity (FACTI), PM Imran said countries that such criminals view as "tax havens" must return wealth looted from developed countries. (The News) | [Click for more info.](#)

International News

Asia Looks Set for Modest Stock Gains; Dollar Dips: Markets Wrap

Asian stocks looked set for tentative gains after a volatile U.S. session as investors weighed the chances of a new stimulus package against an uptick in global coronavirus cases. The dollar slipped. (Bloomberg) | [Click for more info.](#)

Oil steady as market eyes coronavirus hit to demand

Oil prices were little changed on Friday but on track for a weekly fall on concerns that a global resurgence of COVID-19 infections will constrain fuel demand, while the likely return of exports from Libya will add to supply. (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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