



January  
28, 2021

## Economy News

### ADB approves \$10bn five-year loan programme for Pakistan

**Economy | Positive**

The Asian Development Bank (ADB) on Wednesday announced a new five-year loan program, estimated at approximately \$10 billion, for Pakistan to help in expanding economic opportunities in the country. The Manila-based lender said it endorsed a new 5-year country partnership strategy (CPS) to help restore economic stability and growth in Pakistan, enhance people's wellbeing, create jobs, and expand economic opportunities as the country works to overcome the coronavirus disease (COVID-19) pandemic. (The News) | [Click for more info.](#)

### ECC meeting rescheduled for today

**Economy | Neutral**

A meeting of the Economic Coordination Committee (ECC) of the Cabinet has been rescheduled for Thursday (Jan 28) to take up seven-point agenda, including the Ministry of Industries and Production's proposal regarding consumption of subsidy on essential commodities. (BR) | [Click for more info.](#)

### Govt raises Rs415.9bn through MTBs

**Economy | Neutral**

The government on Wednesday sold debt worth Rs415.9 billion by auctioning Market Treasury Bills (MTBs), with six-month paper cut-off yield recording an uptick, central bank data showed. (The News) | [Click for more info.](#)

### Govt to start Covid-19 vaccination drive next week: Umar

**Economy | Neutral**

Government will launch its Covid-19 vaccination drive next week, starting with front-line health workers, a government minister said on Wednesday.. (BR) | [Click for more info.](#)

## Oil & Gas

### Mari Petroleum awarded four blocks

**MARI | Positive**

Mari Petroleum Company Ltd said in a notice to the PSX that the Directorate General of Petroleum Concessions had communicated to the company provisional award of new exploration blocks (two blocks as an operator and two as a joint venture partner with other E&P companies.) (Dawn) | [Click for more info.](#)

### Imported LNG supply in Sindh; Ultimate Energy Services, Energas Marketing sign agreement

**Gas | Neutral**

The Ultimate Energy Services (Pvt) Ltd has signed an agreement with Energas Marketing (Pvt) Ltd for supply of imported LNG to the CNG stations in Sindh. As a result, the CNG consumers have been deprived of their favourite and most-needed, economical and environmentally-friendly fuel. Energas Marketing (Pvt) Ltd was granted a marketing licence to import and market LNG in Pakistan. The company will also establish a LNG terminal. (BR) | [Click for more info.](#)

### Azerbaijan seeks to build long-term energy ties

**Gas | Neutral**

Socar Trading — a commercial arm of the State Oil Company of Azerbaijan Republic — has offered supply of petrol and LNG cargoes to Pakistan LNG Ltd (PLL) and Pakistan State Oil (PSO) round the year on credit under a government-to-government (G2G) arrangement to build upon strategically friendly relationship between the two countries. (Dawn) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	32,025.5	32,072.9	47.4	0.1%
KSE100	46,287.4	46,458.1	170.8	0.4%
KSE30	19,259.0	19,370.3	111.3	0.6%
KMI30	73,608.4	74,008.6	400.3	0.5%

### Top Five Gainers

	Open	Close	Chg.	%
SAPT	1,023.6	1,100.0	76.4	7.5%
PMPK	1,448.0	1,508.2	60.2	4.2%
MARI	1,401.2	1,441.4	40.2	2.9%
KHTC	529.5	569.2	39.7	7.5%
AKDCL	461.3	495.9	34.6	7.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
ANL	32.0	32.1	0.1	40.21
PIBTL	13.0	13.3	0.3	39.65
TRG	118.4	126.0	7.6	37.01
HASCOL	14.8	14.9	0.2	34.04
FCCL	22.3	23.4	1.2	31.58

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.14	-0.12	0.02
F-Corporates	4.87	-4.82	0.05
O/S Pakistanies	13.75	-11.93	1.82
<b>Net</b>	18.76	-16.87	1.89

### LIPI

Individuals	198.75	-203.88	-5.13
Companies	14.17	-12.28	1.89
Comm. Banks	6.85	-6.51	0.34
NBFC	0.04	-0.08	-0.04
Mutual Funds	14.96	-12.04	2.92
Other	2.19	-2.41	-0.22
Brokers Proprietary	47.67	-48.28	-0.61
Insurance	2.82	-3.88	-1.05
<b>Net</b>	287.45	-289.34	-1.89

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	52.85	0.5%
Brent oil	USD/bbl.	55.81	-0.2%
Gold	USD/t oz.	1843.98	-0.4%
Silver	USD/t oz.	25.27	-0.8%
Coal	USD/ton	90.95	0.0%
Steel Scrap (LME)	USD/ton	458.00	0.0%
Steel Rebar (LME)	USD/ton	631.00	-0.3%
USD/PKR	Interbank	160.79	0.0%

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

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**REP-055**



## Power

**Sell-off of Discos; PC given documents to expedite process**

**Discos | Positive**

Power Division has handed over the entire documents of power Distribution Companies (Discos) to the Privatisation Commission (PC) meant to expedite sell-off process of those companies. (BR) | [Click for more info.](#)

**Rs3.50 per unit hike in power tariff on the cards**

**Power | Negative**

The National Electric Power Regulatory Authority (Nepra) on Wednesday hinted at increasing electricity tariff by about Rs3.50 per unit over the next few days. At a public hearing on monthly fuel price adjustment (FPA) for distribution companies of ex-Wapda, the case officers of Nepra explained that Rs1.95 per unit increase in base tariff would be notified in a few days across the country, while another Rs1.30-1.60 per unit FPA would be on top of that base price increase. (Dawn) | [Click for more info.](#)

## Banks

**Enforcement Action: SBP imposes Rs 59.5 million penalty on Habib Metropolitan Bank**

**HMB | Negative**

The State Bank of Pakistan (SBP) imposed a monetary penalty of Rs.59.516 Million on Habib Metropolitan Bank (HMB) on account of violation of its guidelines pertaining to AML/CFT. (Metitis) | [Click for more info.](#)

## Miscellaneous

**IPO awards GI tag for Pakistani Basmati rice**

**MFL | Positive**

The Intellectual Property Organization (IPO) has awarded geographical indication (GI) tag for Basmati rice to the Trade Development Authority of Pakistan (TDAP), following concerted efforts made by the Rice Exporters Association of Pakistan (REAP). (The News) | [Click for more info.](#)

**Pak exports to EU increased to \$7.5 bn after GSP Plus status**

**Economy | Positive**

The European Union's Ambassador to Pakistan, Androulla Kaminara, said on Wednesday that Pakistan's exports to the EU went to \$7.5 billion or 34 percent of total exports of the country after getting GSP Plus status and there was a need to focus more on Small and Medium Enterprises (SMEs). (The News) | [Click for more info.](#)

**FBR opposes zero-rating proposal**

**Economy | Neutral**

The Federal Board of Revenue (FBR) has strongly opposed a proposal of the textile sector for the restoration of zero-rating regime or applicability of lower rate of sales tax on five export-oriented sectors. (BR) | [Click for more info.](#)

## International News

**Asia shares unsettled by Wall St swoon, short seller squeeze**

Asian shares slid on Thursday while the safe-haven dollar rallied as a sudden sell-off on Wall Street and delays with coronavirus vaccines shook investor optimism about an early recovery for the global economy. (Reuters) | [Click for more info.](#)

**Oil slips on tightening COVID-19 curbs, especially in China**

Oil prices slid in early trade on Thursday on fresh worries about weakened fuel demand, after England clamped down on travel and China, the world's second-largest oil consumer, also sought to limit Lunar New Year trips to stem a surge in COVID-19 cases. (Reuters) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	46,458.1	170.75	0.37%
Taiwan - TWII	15,701.5	42.60	0.27%
CHINA - Shanghai	3,573.3	3.91	0.11%
KSA - Tadawul	8,784.1	-5.75	-0.07%
INDONESIA - IDX	6,109.2	-31.00	-0.50%
HK - Hang Seng	29,297.5	-93.73	-0.32%
US - S&P 500	3,750.8	-98.85	-2.57%
PHILP - PSEi	6,863.6	-113.55	-1.63%
US - Dow 30	30,303.2	-633.87	-2.05%
INDIA - SENSEX	47,409.9	-937.66	-1.94%

### Board Meetings

Scrip	Day	Agenda	Time
PCAL	Thursday	HY A/c 31-Dec-20	9:00 AM
FFC	Thursday	ANN A/c 30-Sep-20	9:30 AM
ARPL	Thursday	1Q A/c 31-Dec-20	11:00 AM
ICI	Thursday	HY A/c 31-Dec-20	11:00 AM
MIRKS	Thursday	1Q A/c 31-Dec-20	11:00 AM
NRSL	Thursday	HY A/c 31-Dec-20	11:30 AM
FRSM	Thursday	ANN A/c 30-Sep-20	12:30 PM
SANSM	Thursday	1Q A/c 31-Dec-20	12:30 PM
SHJS	Thursday	1Q A/c 31-Dec-20	12:30 PM
SML	Thursday	1Q A/c 31-Dec-20	12:30 PM
SIEM	Thursday	1Q A/c 31-Dec-20	1:00 PM
HSM	Thursday	1Q A/c 31-Dec-20	2:00 PM
ISL	Thursday	HY A/c 31-Dec-20	3:00 PM
ASL	Thursday	HY A/c 31-Dec-20	3:30 PM
DWSM	Thursday	1Q A/c 31-Dec-20	3:30 PM
SINDM	Friday	HY A/c 31-Dec-20	10:45 AM
ATLH	Friday	3Q A/c 31-Dec-20	11:00 AM
EXIDE	Friday	3Q A/c 31-Dec-20	11:00 AM
HACC	Friday	HY A/c 31-Dec-20	11:00 AM
JDWS	Friday	1Q A/c 31-Dec-20	11:00 AM
NONS	Friday	1Q A/c 31-Dec-20	11:00 AM
SEPL	Friday	HY A/c 31-Dec-20	11:00 AM
GADT	Friday	HY A/c 31-Dec-20	11:30 AM
SASML	Friday	1Q A/c 31-Dec-20	11:30 AM
FEROZ	Friday	HY A/c 31-Dec-20	12:15 PM
DNCC	Friday	1Q A/c 31-Dec-20	12:30 PM
KPUS	Friday	1Q A/c 31-Dec-20	2:30 PM
TRIPF	Friday	ANN A/c 31-Dec-20	2:30 PM
IML	Friday	1Q A/c 31-Dec-20	3:00 PM
LUCK	Friday	HY A/c 31-Dec-20	3:30 PM
MRNS	Friday	1Q A/c 31-Dec-20	4:00 PM
MACTER	Saturday	HY A/c 31-Dec-20	2:00 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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