



December
29, 2020

Economy

Saudi FM to visit Pakistan next month

Economy | Positive

A high-level Saudi delegation led by the kingdom's foreign minister will pay an official visit to Pakistan next month for talks with the Pakistani leadership on the latest situation in the region, including the Middle East, and other bilateral issues. The establishment of a Saudi oil refinery in Pakistan will be discussed during the visit. (ET) | [Click for more info.](#)

China rejects reports of seeking guarantees from Pakistan for approving \$6bn loan

Economy | Neutral

China on Monday dismissed reports that it asked Pakistan of additional guarantees for approving a \$6 billion loan for Main Line -1 (ML-1) project and moving away from its financial commitments to the ambitious China-Pakistan Economic Corridor (CPEC). (BR) | [Click for more info.](#)

Islamabad, Kabul initiate technical level talks on PTA

Economy | Positive

Pakistan and Afghanistan have started technical level negotiations on Preferential Trade Agreement (PTA) to be effective in February 2021. Both sides pledged to enhance bilateral trade and facilitate transit trade. The technical teams of both countries will finalize the draft of the agreement, which will later be signed after the approval of both the governments. "Both countries will discuss PTA and APTTA in three day negotiations. Afghanistan will be given uninterrupted trade facilities," Dawood added. Pakistani delegation will visit Afghanistan next month to finalize the agreement. Presently, talks are being held on PTA. (BR) | [Click for more info.](#)

Oil & Gas

LNG bids for February 2021: Pakistan secures two bids at higher than diesel price

Gas | Negative

Amid the burgeoning gas crisis that will hit the country the most in January 2021 because of failure to procure three LNG cargoes for the first 20 days of next month, Pakistan on Monday received bids from five LNG trading companies for two LNG cargoes for February 2021 at the highest price of up to 32.4888 percent of Brent. (The News) | [Click for more info.](#)

SSGC oversupplying gas to K-Electric

SSGC, KEL | Positive

Sui Southern Gas Company (SSGC) is currently supplying 70 to 100 million metric cubic feet per day of gas to K-Electric despite that sales agreement covers only 10 mmcf, the spokesperson said on Monday. SSGC spokesperson Shahbaz Islam said SSGC has always provided much more gas to KE than the gas sale agreement- (GSA) allocated amount to avert power outages in the city, despite less gas being injected into SSGC's system from the gas fields. (The News) | [Click for more info.](#)

Power

Raise in power tariff approved

Power | Positive

The federal government on Monday has approved an increase in electricity prices by Rs0.18 per unit, a notification issued by the Ministry of Energy stated. The average electricity tariff has increased from Rs13.35 to Rs13.53 per unit. Moreover, the increase will not apply to consumers using less than 300 units of electricity per month. The increase in electricity prices will apply to this month's [December's] bills, the notification said. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,444.5	30,601.8	157.3	0.5%
KSE100	43,416.8	43,674.3	257.5	0.6%
KSE30	18,097.7	18,213.3	115.6	0.6%
KMI30	70,749.3	71,309.2	559.9	0.8%

Top Five Gainers

	Open	Close	Chg.	%
SFL	916.0	980.0	64.0	7.0%
BATA	1,500.0	1,530.0	30.0	2.0%
GLPL	526.1	555.4	29.3	5.6%
OTSU	305.0	325.0	20.0	6.6%
SHEL	261.7	281.3	19.6	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	3.8	4.1	0.3	47.20
UNITY	28.5	30.5	2.0	31.87
TRG	78.4	84.3	5.9	25.87
PRL	20.8	21.6	0.8	25.20
GGLR1	4.1	4.5	0.4	23.07

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	7.47	-0.01	5.78
F-Corporates	0.35	-3.08	-2.73
O/S Pakistanies	6.65	-8.50	-1.85
Net	7.04	-11.59	-4.54
LIPI			
Individuals	115.64	-110.94	4.71
Companies	7.17	-6.39	0.79
Comm. Banks	1.31	-2.41	-1.10
NBFC	0.03	-0.06	-0.03
Mutual Funds	7.22	-5.66	1.56
Other	0.49	-2.15	-1.66
Brokers Proprietary	21.47	-22.47	-1.00
Insurance	3.26	-1.98	1.28
Net	156.60	-152.06	4.54

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	47.62	-1.3%
Brent oil	USD/bbl.	50.95	-0.7%
Gold	USD/t oz.	1873.69	-0.5%
Silver	USD/t oz.	26.25	1.6%
Coal	USD/ton	91.25	1.6%
Steel Scrap (LME)	USD/ton	426.50	0.0%
Steel Rebar (LME)	USD/ton	596.00	0.0%
USD/PKR	Interbank	160.66	0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055



National power policy: Govt. wants multi-buyer, multi-seller electricity system

Power | Neutral

Special Assistant to Prime Minister, Special Assistant on Power Tabish Gauhar said on Monday that domestic and agriculture consumers are being provided a subsidy of Rs.450 billion per annum which is not sustainable. "Industrial and commercial consumers are cross subsidizing Rs.250 billion that's why Prime Minister says industrial tariff is 25 per cent expensive in Pakistan as compared to India and Bangladesh. In addition, to Rs.250 billion cross subsidy by industrial and commercial consumers, Rs.200 billion subsidy is being given by the federal government, which we cannot afford," he added. (BR) | [Click for more info.](#)

FBR may depute team to help resolve govt-IPPs matters

Power | Positive

The Federal Board of Revenue (FBR) is likely to depute an experts' team of tax officials to assist the Power Division for resolving taxation-related issues of 47 Independent Power Producers (IPPs), including payment of pending refunds.

Banks

Making affordable housing possible for all; PMRC signs agreement with leading banks

Banks | Positive

Pakistan Mortgage Refinance Corporation (PMRC) on Monday signed a Master Guarantee Agreement with six leading Islamic and conventional banks: Meezan Bank, Habib Bank, BankIslami, Faysal Bank, JS Bank and Soneri Bank. This is a major step the government's Naya Pakistan Housing Program has taken in making affordable housing possible for all. (BR) | [Click for more info.](#)

Miscellaneous

Sapphire to Partner With Chinese Automaker BYD to Produce EVs in Pakistan

SAPT | Positive

In one of his social media posts over the weekend, the owner of automark.pk, Hanif Memon, revealed that Sapphire Power Generation Limited (SPGL) is setting up an Electric Vehicle (EV) manufacturing plant in Pakistan in partnership with a Chinese Automaker BYD. (Propakistani) | [Click for more info.](#)

Ghani Global Holdings Ltd announces Bonus share issue of 10%

GGL | Positive

The Board of Directors of Ghani Global Holdings Limited, in their meeting held on December 26, 2020, has decided to issue Bonus Shares in the proportion of one (01) Ordinary Share for every ten (10) Ordinary Shares held by the Members (i.e.@ 10%) by the capitalization of a sum of Rs.254,487,668/- out of the share premium account whose names will appear on the Members' register on the book closure date. (Mettis) | [Click for more info.](#)

Pakistan's textile sector receives 6-mth export orders

Textile | Positive

Pakistan's textile businesses have received export orders for the next six months with the sector expanding production capacity to meet robust demand from foreign buyers, an industry official said on Monday. (The News) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	47,353.8	380.21	0.81%
PAK (KSE-100)	43,674.3	257.51	0.59%
US - Dow 30	30,404.0	204.10	0.68%
Taiwan - TWII	14,483.1	151.65	1.06%
INDONESIA - IDX	6,093.6	84.85	1.41%
US - S&P 500	3,735.4	32.30	0.87%
CHINA - Shanghai	3,397.3	0.73	0.02%
KSA - Tadawul	8,715.4	-25.28	-0.29%
HK - Hang Seng	26,314.6	-71.93	-0.27%
PHILP - PSEi	7,122.3	-82.13	-1.14%

Board Meetings

Scrip	Day	Agenda	Time
PIAA	Wednesday	MULTI. PERIOD	11:00 AM
MRNS	Wednesday	ANN A/C 30-SEP-20	11:30 AM
HSM	Thursday	ANN A/C 30-SEP-20	10:00 AM
NONS	Thursday	ANN A/C 30-SEP-20	11:00 AM
SHJS	Thursday	ANN A/C 30-SEP-20	12:00 PM
SASML	Thursday	ANN A/C 30-SEP-20	3:00 PM
KPUS	Friday	ANN A/C 30-SEP-20	2:30 PM
JDWS	Saturday	ANN A/C 30-SEP-20	11:00 AM
SANSM	Saturday	ANN A/C 30-SEP-20	12:30 PM

Source: PSX



Drugs' price hike irks parliamentary body

Pharma | **Neutral**

A parliamentary panel on Monday expressed serious concerns over the massive increase in medicine prices, and recommended a reasonable reduction. The committee observed that drugs' entire value chain needs to be made at par with international standards by following all the standard operating procedures (SOPs) in import of raw materials and plants. The parliamentary secretary informed the committee that the government has allowed the private sector to import corona vaccines; however, it could be imported by those who could afford.

Political News

Govt. hints at holding talks with opposition

The Federal Minister for Information and Broadcasting, Shibli Faraz on Monday said the government was ready for talks, but with only responsible members who sat in the Parliament. (BR) | [Click for more info.](#)

International News

Asian shares rise on U.S. stimulus fix, Nikkei hits 30-year high

Asian shares jumped on Tuesday, with Japanese stocks hitting a 30-year high, as hopes that a long-awaited U.S. pandemic relief package would be expanded and a Brexit trade deal supported investor risk appetite. (Reuters) | [Click for more info.](#)

Oil gains on hopes U.S. pandemic stimulus payments to spur fuel demand

Oil rose on Tuesday, for the third time in four sessions, on expectations for rising fuel demand as the United States may expand their pandemic aid payments and a final Brexit deal is set to stabilize trade between Europe and the UK. (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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