

January
29, 2021

Economy News

Pakistan, Kuwait vow to expand ties

Economy | Positive

Pakistan and Kuwait on Wednesday said they were keen to expand their bilateral relations. Mr Qureshi, while reaffirming Pakistan's desire for stronger bilateral relations with Kuwait, said there was a vast scope for enhancing cooperation in the areas of trade, investment, manpower export and food security. (Dawn) | [Click for more info.](#)

Qureshi hopeful country will get out of FATF grey list next month

Economy | Neutral

Foreign Minister Shah Mehmood Qureshi hope that the Financial Action Task Force (FATF), the global illicit financing watchdog, would delist Pakistan from its grey list at its next plenary meeting. The meeting is scheduled to take place virtually from Feb 22 to 25. | [Click for more info.](#)

Pakistan drops 4 spots to 124 in corruption index

Economy | Neutral

Pakistan has ranked 124 out of 180 countries, dropping four points over 2019 in the newly-released Corruption Perceptions Index (CPI) by the Transparency International (TI) – an annual index that ranks countries based on perceptions of public-sector corruption. | [Click for more info.](#)

Forex reserves fall to \$20.106bln

Economy | Neutral

Pakistan's foreign exchange reserves fell \$14 million, or 0.06 percent, in the week that ended January 22, the State Bank of Pakistan (SBP) reported on Thursday. The total liquid foreign exchange reserves held by the country stood at \$20.106 billion, compared with \$20.120 billion in the previous week. (The News) | [Click for more info.](#)

Oil & Gas

Ogra approves gas price hike for Sindh, Balochistan

SSGC | Positive

The Oil and Gas Regulatory Authority (Ogra) has allowed the Sui Southern Gas Company Limited (SSGCL) to charge 5.4 percent more charges from gas consumers to recover its multi-billion rupees shortfall. (The News) | [Click for more info.](#)

OGDCL plans study to classify shale reservoirs in Indus basin

OGDC | Neutral

State-owned Oil and Gas Development Company (OGDC) has planned to conduct a study to classify shale and tight gas reservoirs in the country identified by its initial investigation. (The News) | [Click for more info.](#)

Power

Initialed' IPP agreements likely to be presented before cabinet

IPPs | Neutral

Power Division is likely to seek federal cabinet's nod next week on the draft agreements already "initialed" by the representatives of both the GoP and nearly two dozen Independent Power Producers (IPPs), well-informed sources told. (BR) | [Click for more info.](#)

Capacity payment charges will soar to Rs1.5trn by 2023

Power | Negative

The government would be paying Rs1.5 trillion as capacity payment charges to the power producers by 2023, primarily because of the power generation contracts signed with them by the previous governments. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	32,072.9	31,914.1	-158.8	-0.5%
KSE100	46,458.1	46,166.1	-292.1	-0.6%
KSE30	19,370.3	19,259.1	-111.2	-0.6%
KMI30	74,008.6	73,617.9	-390.7	-0.5%

Top Five Gainers

	Open	Close	Chg.	%
BATA	1,500.0	1,599.6	99.6	6.6%
KHTC	569.2	611.9	42.7	7.5%
AKDCL	495.9	533.1	37.2	7.5%
NRL	394.3	423.9	29.6	7.5%
MUREB	560.0	582.0	22.0	3.9%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
SILK	1.3	1.5	0.2	354.97
KEL	4.1	4.1	0.0	31.21
TRG	126.0	120.2	-5.8	27.77
ASL	25.1	26.2	1.1	24.17
FCCL	23.4	24.0	0.5	22.01

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.07	-0.06	0.01
F-Corporates	1.40	-3.07	-1.67
O/S Pakistanies	13.41	-12.04	1.37
Net	14.88	-15.17	-0.29
LIPI			
Individuals	173.12	-170.88	2.24
Companies	14.41	-12.17	2.24
Comm. Banks	7.16	-7.78	-0.63
NBFC	0.05	-0.06	-0.01
Mutual Funds	13.47	-14.00	-0.53
Other	1.75	-2.01	-0.26
Brokers Proprietary	38.69	-40.83	-2.14
Insurance	3.40	-4.02	-0.62
Net	252.05	-251.75	0.29

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	52.34	-1.0%
Brent oil	USD/bbl.	55.53	-0.5%
Gold	USD/t oz.	1843.17	0.0%
Silver	USD/t oz.	26.50	4.9%
Coal	USD/ton	91.00	0.1%
Steel Scrap (LME)	USD/ton	453.00	-1.1%
Steel Rebar (LME)	USD/ton	631.00	0.0%
USD/PKR	Interbank	160.52	-0.2%

News Source: Local / Int'l Newspapers and websites

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REP-055



Banks

Silkbank agrees to sell majority stake to Fauji Foundation

SILK | Positive

A multi-industry company Fauji Foundation on Thursday got consent of Silkbank Limited to acquire the bank's majority stake. Financial terms were not disclosed. The bank allowed Fauji Foundation to conduct due diligence of Silkbank and the company intends to apply to the State Bank of Pakistan for the requisite approval. (The News) | [Click for more info.](#)

Bank Alfalah's new instrument listed, oversubscribed

BAFL | Positive

Bank Alfalah's new debt instrument, a medium-term note in the form of Term Finance Certificates (Tranche Series-A) of Rs11 billion, was listed on the Pakistan Stock Exchange on Thursday. (The News) | [Click for more info.](#)

Miscellaneous

Panther Tyres successfully raises Rs2.632bn through book building

Panther Tyres Limited successfully raised Rs 2.632 billion through a two-day book building which saw a broad based participation from institutional and high net worth investors. (BR) | [Click for more info.](#)

ICI Pakistan secures approval for an additional 10,000 TPA expansion of Light Soda Ash

ICI | Positive

ICI Pakistan Limited (ICI), has secured the Board's approval for an additional 10,000 TPA expansion of Light Soda Ash after finalization of negotiations with equipment and other suppliers. This will place the total capacity expansion at 135,000 TPA. (Mettis) | [Click for more info.](#)

Bata Brands S.A. waives off Trade Mark License Fee for Bata Pakistan

BATA | Positive

Bata Brands S.A., the brand holder of Trade Mark "Bata & other various brands", has given relief to Bata Pakistan by waiving off the Trade Mark License Fee of Rs. 223.36 million for the period starting from March 2020 to August 2020. This relief has been granted by way of a credit note to Company. (Mettis) | [Click for more info.](#)

Rs500bn tax demand created against sugar mills -

Sugar | Negative

The Large Taxpayers Office (LTO) Karachi has created Rs500 billion worth of tax demand against sugar mills during an ongoing audit exercise, sources said on Thursday. The LTO Karachi has jurisdiction over 29 sugar mills. The tax offices started a composite audit of income tax and sales tax of sugar mills in June last year. (The News) | [Click for more info.](#)

Regional exports plunge by over 25pc in July-December

Economy | Negative

Pakistan's exports to the region in the first half of the current fiscal year declined 25.4 per cent from a year ago due to the impact of Covid-19. (Dawn) | [Click for more info.](#)

Autos

Bike makers raise prices again - Positive

ATLH | Positive

Fully cashing in on a strong demand, Japanese and Chinese bike assemblers have again raised prices by between Rs1,500 and Rs3,400, citing costly raw materials on the world markets in the ongoing month. Atlas Honda Ltd (AHL) made a second price hike in the current month. The current price hike ranges between Rs2,400-3,400 of different models effective from Feb 1, while the company had jacked up price by Rs1,600-2,000 on Jan 5. (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	30,603.4	300.19	0.99%
US - S&P 500	3,787.4	36.61	0.98%
KSA - Tadawul	8,807.0	22.90	0.26%
PHILP - PSEi	6,851.8	-11.77	-0.17%
CHINA - Shanghai	3,505.2	-68.16	-1.91%
INDONESIA - IDX	5,979.4	-129.78	-2.12%
Taiwan - TWII	15,415.9	-285.57	-1.82%
PAK (KSE-100)	46,166.1	-292.08	-0.63%
INDIA - SENSEX	46,874.4	-535.57	-1.13%
HK - Hang Seng	28,550.8	-746.76	-2.55%

Board Meetings

Scrip	Day	Agenda	Time
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
INIL	Monday	HY A/c 31-Dec-20	10:30 AM
PRL	Monday	HY A/c 31-Dec-20	10:30 AM
CHAS	Monday	ANN A/c 31-Dec-20	11:00 AM
PMRS	Monday	ANN A/c 31-Dec-20	11:30 AM
BAFL	Wednesday	ANN A/c 31-Dec-20	11:00 AM
AGSML	Thursday	ANN A/c 31-Dec-20	11:00 AM
ADAMS	Thursday	ANN A/c 31-Dec-20	2:30 PM
FCCL	Wednesday	HY A/c 31-Dec-20	11:00 AM
KAPCO	Thursday	HY A/c 31-Dec-20	10:30 AM
OML	Tuesday	HY A/c 31-Dec-20	11:00 AM

Source: PSX



Political News

Taliban, Iran hold talks, accuse US of pushing war in Afghanistan

Iranian and Taliban officials met in Tehran on Wednesday and accused the US of provoking the continuation of war in Afghanistan, Iranian State TV reported. (Dawn) | [Click for more info.](#)

International News

Asian equities set to gain as short-squeeze subsides; dollar eases

Asian stocks were set to rise on Friday after U.S. shares rallied and the dollar eased overnight, as fears of social-media driven hedge fund selling abated and the U.S. earnings season got off to a strong start. (Reuters) | [Click for more info.](#)

Oil ends lower as demand concerns undermine support from supply decline

Oil futures settled with a loss on Thursday, as concerns over a slowdown in energy demand, due to the impact of the latest resurgence of coronavirus pandemic, undermined support provided Wednesday from a bigger-than-expected drop in U.S. crude supplies. (MarketWatch) | [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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