



February
2, 2021

Economy News

Covid-19 pandemic; \$5bn stimulus packages by Pakistan lack aviation-specific benefits: ADB

Economy | Neutral

Pakistan had announced COVID-19 economic stimulus packages valued at \$5 billion however there was no aviation-specific benefits, where most jobs were at risk among the Central Asia Regional Economic Cooperation (CAREC) countries. According to the report, the largest aviation market in CAREC is Pakistan, which accounts for a third of all passenger traffic in CAREC. (BR) | [Click for more info.](#)

Inflation eased to 5.65pc in January

Economy | Positive

The inflation rate eased to 5.65 percent in January, the Pakistan Bureau of Statistics (PBS) said on Monday, from 8 percent the previous month. A decrease in the prices of vegetables, pulses, eggs, spices and chicken helped bring down the consumer price index (CPI). (The News) | [Click for more info.](#)

Oil & Gas

HASCOL to increase authorized share capital from Rs 10 billion to Rs 50 billion

HASCOL | Neutral

The Board of Directors of Hascol Petroleum Limited, at an emergent meeting held on Friday, have approved the increase in the authorized share capital of the company from Rs 10 billion to Rs 50 billion. (Mettis) | [Click for more info.](#)

Furnace oil sales jump over power sector demand

OMCs | Positive

Pakistan's total oil sales rose by 11 per cent to 11.258 million tonnes during the first seven months of FY21 owing to a massive jump in demand for furnace oil (FO), high-speed diesel (HSD) and petrol. A jump of 37pc was recorded in FO sales to 1.916m tonnes during July-January period of 2020-21 followed by 12pc and 6pc in HSD and petrol, respectively, to 4.288m tonnes and 4.740m tonnes. (Dawn) | [Click for more info.](#)

OGRA increases price of LPG by Rs10/kg

BPL | Positive

Following increase in oil prices, the Oil and Gas Regulatory Authority (OGRA) also increased price of the Liquefied Petroleum Gas (LPG) by Rs10 per kilogram (kg) for month of February. (BR) | [Click for more info.](#)

Ogra ordinance; CCLC reluctant to clear IMF's 'desired' amendments

Gas | Neutral

The Cabinet Committee on Disposal of Legislative (CCLC) headed by the Law Minister, Dr Farooq Naseem, has reportedly shown reluctance to clear International Monetary Fund's (IMF's) "desired" amendments in the Ogra Ordinance, saying that it will deprive the government of the power to freeze or partially pass on gas price rise on to the consumers. (BR) | [Click for more info.](#)

Petroleum Division suggests signing of long-term LNG contracts

Gas | Neutral

The Petroleum Division suggested to a parliamentary panel that Pakistan should sign long-term LNG contracts for the secure supply of imported fuel in winters. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	32,061.5	32,001.1	-60.5	-0.2%
KSE100	46,385.5	46,248.5	-137.1	-0.3%
KSE30	19,318.9	19,208.1	-110.7	-0.6%
KMI30	74,222.8	74,238.4	15.6	0.0%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	9,800.0	10,094.5	294.5	3.0%
UPFL	14,300.0	14,500.0	200.0	1.4%
AKDCL	573.1	615.4	42.3	7.4%
SAPL	757.0	797.9	40.9	5.4%
MTL	1,071.1	1,106.5	35.3	3.3%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PRL	26.9	27.1	0.2	81.62
KEL	4.4	4.5	0.1	65.11
PIBTL	13.1	13.5	0.4	62.07
HASCOL	14.3	13.6	-0.7	38.57
TRG	127.3	121.8	-5.5	29.54

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.03	-0.02	0.01
F-Corporates	2.01	-8.16	-6.15
O/S Pakistanies	11.99	-13.23	-1.24
Net	14.03	-21.41	-7.38
LIPI			
Individuals	188.12	-175.69	12.43
Companies	10.66	-10.75	-0.08
Comm. Banks	8.59	-6.54	2.05
NBFC	0.05	-0.08	-0.03
Mutual Funds	10.45	-14.86	-4.41
Other	0.86	-1.81	-0.94
Brokers Proprietary	40.73	-41.88	-1.15
Insurance	3.62	-4.10	-0.48
Net	263.08	-255.70	7.38

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	53.55	2.6%
Brent oil	USD/bbl.	56.35	2.4%
Gold	USD/t oz.	1860.78	0.7%
Silver	USD/t oz.	29.05	7.6%
Coal	USD/ton	83.25	-2.5%
Steel Scrap (LME)	USD/ton	453.26	0.0%
Steel Rebar (LME)	USD/ton	563.00	-10.6%
USD/PKR	Interbank	160.40	0.1%

News Source: Local / Int'l Newspapers and websites

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Power

Almost Rs2 hike allowed in KE tariff

KEL | Positive

The Federal Government has decided to increase tariff by Rs 1.95/ kWh for consumers of Karachi Electric (KE) aimed at maintaining uniform tariff across the country. (BR) | [Click for more info.](#)

Cement

Lucky Cement plans expansion

LUCK | Positive

Lucky Cement Ltd (LCL) has decided to enhance its capacity by 3.15 million tonnes per annum at its Pezu Plant to keep pace with rising demand on the back of revival of economic activity with uptick in both retail as well as mega infrastructure projects. (Dawn) | [Click for more info.](#)

Miscellaneous

Waves submits EOI to purchase Heavy Electrical Complex

WAVES | Positive

Waves Singer Pakistan Limited has shown an interest in acquiring 96.6pc shares of Heavy Electrical Complex (Private) Limited (HEC). The board of directors of Waves Singer Pakistan Limited has "approved the submission of an expression of interest (EOI) for the acquisition of 96.6pc shares of HEC from the government by way of privatisation process". (PT) | [Click for more info.](#)

Exports jump 8pc to \$2.14bn in January

Textile | Positive

Pakistan's exports grew 8pc to \$2.14 billion in January 2021, as compared to \$1.98 billion in the corresponding month of 2020, data released by the commerce ministry on Monday showed. According to provisional figures, the exports for Jul-Jan FY21 increased 5.5pc to \$14.24 billion as compared to \$13.50 billion during the corresponding months of FY20. (PT) | [Click for more info.](#)

500,000 doses of Chinese vaccine arrive in Pakistan

Pharmaceutical | Neutral

Pakistan and China on Monday said they were proud of their friendship and the year 2021 would be even more significant as both countries mark 70 years of establishing diplomatic relations. (The News) | [Click for more info.](#)

Talks with Mansha-led IPPs in final stages: Tabish

NPL, PKGP, NCPL, LPL | Positive

Hubco initiated the proposed agreement on Monday whereas negotiations with another group of IPPs led by Mansha are in the final stages. "As we get initials from the remaining IPPs, pacts will be submitted first to the CCoE/ECC and then Cabinet for final approval." | [Click for more info.](#)

International News

Oil prices rise as producers commit to output restraint

Oil prices rose around 1% on Tuesday after major producers showed they were cutting crude output in line with their commitments on restraint, supporting a market thrown out of kilter by weak demand during the coronavirus pandemic. (Reuters) | [Click for more info.](#)

Asian markets firmer as retail frenzy unsettles outlook

Asian markets looked set for a modestly firmer start on Tuesday as global markets faced another chaotic week, with retail investors expanding their duel with Wall Street into commodities and driving up the price of silver. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	48,600.6	2314.84	5.00%
HK - Hang Seng	28,892.9	609.15	2.15%
Taiwan - TWII	15,410.1	271.78	1.80%
US - Dow 30	30,211.9	229.29	0.76%
INDONESIA - IDX	6,067.6	205.20	3.50%
PHILIP - PSEi	6,814.8	202.14	3.06%
US - S&P 500	3,773.9	59.62	1.61%
CHINA - Shanghai	3,505.3	22.21	0.64%
KSA - Tadawul	8,648.4	-54.12	-0.62%
PAK (KSE-100)	46,248.5	-137.09	-0.30%

Board Meetings

Scrip	Day	Agenda	Time
BAFL	Wednesday	ANN A/c 31-Dec-20	11:00 AM
AGSML	Thursday	ANN A/c 31-Dec-20	11:00 AM
NICL	Thursday	HY A/c 31-Dec-20	12:00 PM
CWSM	Thursday	ANN A/c 31-Dec-20	1:00 PM
ADAMS	Thursday	ANN A/c 31-Dec-20	2:30 PM
TSML	Thursday	ANN A/c 31-Dec-20	3:00 PM
FCEPL	Monday	ANN A/c 31-Dec-20	3:00 PM
MCBAH	Monday	HY A/c 31-Dec-20	3:00 PM
EPCL	Wednesday	ANN A/c 31-Dec-20	2:00 PM
EPQL	Thursday	ANN A/c 31-Dec-20	10:30 AM
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



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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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