



February  
4, 2021

## Economy News

### Treasury bills attract \$7m foreign investment in fresh auction

#### Economy | Positive

The country received fresh foreign investment of \$6.921 million under the treasury bills (T-bills) on Feb 2, the State Bank reported on Wednesday. The latest inflow of almost \$7m in domestic bonds since the beginning of February could be an encouraging sign for foreign investors who have already parked over \$104m in long-term bonds. (Dawn) | [Click for more info.](#)

### Auction Result: SBP Sells PIBs worth Rs.62.13 billion

#### Economy | Positive

The State Bank of Pakistan conducted an auction on Wednesday in which it sold fixed rate PIBs worth Rs.62.137 billion against an auction target of Rs.100 billion. The SBP sold Rs.10.45 billion for 3 years, Rs.21.047 billion for 5 years, Rs.27.08 billion for 10 years and Rs.1.50 billion for 20 years. SBP received bids worth Rs.257.192 billion, however none were for 15 and 30 year PIBs. (Mettis) | [Click for more info.](#)

### Pakistan's fiscal deficit widens to Rs1.13tr in 6MFY21

#### Economy | Neutral

Amid a record Rs1.138 trillion fiscal deficit in first half of the current fiscal year, the government has called the inaugural meeting of the 10th National Finance Commission (NFC) on Feb 18 to review overall fiscal position of the centre and the provinces. (Dawn) | [Click for more info.](#)

## Oil & Gas

### Fauji Fertilizer to get gas supply for another five years

#### SSGC, FFBL | Positive

The Economic Coordination Committee (ECC) of the cabinet on Wednesday allowed continuation of gas supply to Fauji Fertilizer Bin Qasim for another five years and removed a cap on dividend distribution on Mari gas to facilitate divestment of about 20 per cent of its shareholding. (Dawn) | [Click for more info.](#)

### ECC allows removal of dividend distribution cap on MPCL

#### MARI, OGDC | Positive

The Economic Coordination Committee (ECC) of the Cabinet has allowed removal of dividend distribution cap on Mari Petroleum Company Limited (MPCL) to ensure that the divestment transaction generates optimum sale proceeds for the government. (BR) | [Click for more info.](#)

## Autos

### Automaker plans Rs2.4bn investment

#### GHNL | Positive

Ghandhara Nissan on Wednesday presented its brownfield investment business plan to the tune of Rs2.4 billion for launching passenger cars in Pakistan in collaboration with China's Cherry Group. The line-up includes various types of passenger cars ranging from hatchbacks to sedans, crossovers to SUVs and electric vehicles. In line with the government's initiative to implement electric vehicle policy, the company will introduce its lineup of electric vehicles in Pakistan in the next two to three years. (Dawn) | [Click for more info.](#)

### FBR abolishes additional duty

#### Autos | Positive

The Federal Board of Revenue (FBR) has abolished additional customs duty on the import of electric vehicles 2-3 wheelers completely built unit (CBU) condition; electric auto rickshaw, electric motorcycle, and 3-wheeler electric-loader up to June 30, 2025. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	32,168.0	32,359.0	191.0	0.6%
KSE100	46,580.3	46,933.6	353.3	0.8%
KSE30	19,398.6	19,568.8	170.2	0.9%
KMI30	74,905.1	76,020.6	1115.5	1.5%

### Top Five Gainers

	Open	Close	Chg.	%
MARI	1,435.1	1,534.0	98.9	6.9%
IDYM	612.0	657.9	45.9	7.5%
SUTM	434.5	467.0	32.6	7.5%
SAPL	760.7	786.0	25.3	3.3%
LUCK	714.7	731.4	16.7	2.3%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	4.5	4.7	0.2	59.32
PRL	26.4	27.9	1.5	39.98
HASCOL	12.7	12.3	-0.4	32.78
ASC	15.9	16.8	0.9	21.03
FCSC	1.3	1.8	0.5	20.50

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.08	-0.05	0.03
F-Corporates	8.40	-6.26	2.14
O/S Pakistanies	9.71	-9.25	0.45
<b>Net</b>	18.19	-15.57	2.62
<b>LIPI</b>			
Individuals	154.50	-154.96	-0.45
Companies	16.28	-9.70	6.58
Comm. Banks	7.10	-11.70	-4.60
NBFC	0.05	-0.08	-0.03
Mutual Funds	10.80	-10.61	0.19
Other	1.20	-2.87	-1.67
Brokers Proprietary	37.84	-37.36	0.48
Insurance	4.60	-7.72	-3.12
<b>Net</b>	232.39	-235.01	-2.62

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	55.69	1.7%
Brent oil	USD/bbl.	58.46	1.7%
Gold	USD/t oz.	1834.04	-0.2%
Silver	USD/t oz.	26.89	-2.1%
Coal	USD/ton	81.90	-0.4%
Steel Scrap (LME)	USD/ton	405.50	2.5%
Steel Rebar (LME)	USD/ton	580.00	0.1%
USD/PKR	Interbank	160.36	0.0%

News Source: Local / Int'l Newspapers and websites

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REP-055



## Miscellaneous

### Agha Steel to install 2.25 megawatt solar power project

**AGHA | Positive**

Agha Steel Industries has signed a contract with Renewable Power Pvt. Ltd. for installing a 2.25 megawatt solar power project at its production facility located at Port Qasim Karachi. Meezan Bank Ltd is the banking partner for this transaction. This would be among one of the largest solar power projects installed by a steel manufacturer in Pakistan. (BR) | [Click for more info.](#)

### Sugar mills pay 80% more in taxes: FBR tells PM

**Sugar | Negative**

According to sources, the FBR officials briefed the meeting that they took action on the irregularities highlighted during the forensic audit of sugar mills. The FBR issued tax demand notices of Rs345billion to sugar mills that had tempered their tax records. Since unveiling of the sugar commission report, the FBR has recovered 80% more tax from sugar mills. Earlier, the sugar mills paid Rs16billion in taxes but now they have paid Rs29billion taxes. (ET) | [Click for more info.](#)

### Medicinal products import increase 4.56pc in 1st half of FY 2020-21

**Pharmaceutical | Positive**

The import of medicinal products into the country witnessed an increase of 4.56 percent during the first half of the current financial year (2020-21) as compared to the corresponding period of last year. Pakistan imported medicinal products worth \$538.941 million during July-December 2020-21 as compared to the imports of \$515.429 million during July-December 2019-20. (BR) | [Click for more info.](#)

### Building material gets costlier with boom in construction

**Economy | Neutral**

The prices of building materials have risen sharply in the last two years with construction activities picking up momentum after launching of housing and highrise projects. (Dawn) | [Click for more info.](#)

### Cotton production falls by 34pc, lowest in 30 years

**Textile | Negative**

The country's cotton production fell by 34.35 per cent to 5.571 million bales up to Jan 31 against 8.487m bales produced in the same period of last year, the Pakistan Cotton Ginners Association (PCGA) said in its fortnightly report. (Dawn) | [Click for more info.](#)

## International News

### Oil rises after OPEC+ alliance of major producers maintains oil output cuts

Oil prices edged higher on Thursday after the OPEC+ alliance of major producers stuck to a reduced output policy at a meeting on Wednesday, and as crude stockpiles in the United States fell to their lowest levels since March last year. (Reuters) | [Click for more info.](#)

### Asian stocks ease as caution persists despite calmer markets

Asian stocks came under pressure on Thursday as a mixed Wall Street session gave investors few immediate reasons to increase their risk positions following the recent social media-driven trading chaos. (Reuters) | [Click for more info.](#)

### Oil rises on falling crude stocks, demand hopes on stimulus and vaccine rollouts

Oil rose in early trade on Wednesday on expectations global oil stocks will fall back to more normal levels this year and as U.S. lawmakers moved closer to approving President Joe Biden's \$1.9 trillion COVID-19 aid bill without Republican support. (Reuters) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	50,255.8	458.03	0.92%
PAK (KSE-100)	46,933.6	353.29	0.76%
HK - Hang Seng	29,307.5	58.76	0.20%
US - Dow 30	30,723.6	36.12	0.12%
INDONESIA - IDX	6,077.8	33.91	0.56%
Taiwan - TWII	15,771.3	11.27	0.07%
US - S&P 500	3,830.2	3.86	0.10%
PHILP - PSEi	6,859.5	-8.42	-0.12%
CHINA - Shanghai	3,517.3	-16.38	-0.46%
KSA - Tadawul	8,542.6	-76.02	-0.88%

### Board Meetings

Scrip	Day	Agenda	Time
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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