



January 5,
2021

Economy

FATF Compliance: Pakistan Post initiate process to close saving accounts

Economy | Neutral

In order to comply with the Financial Action Task Force (FATF) demands, the Pakistan Post has initiated the process to close the general savings accounts and special savings accounts in post offices across the country from Monday, January 4. As per media reports, under the first phase, the Ministry of Communications will close the accounts in which the amount is between Rs 100 and Rs 500 and in which no transaction has taken place for the last one year from January 15. (BR) | [Click for more info.](#)

Govt to raise Rs3.6tr through bonds

Economy, Banks | Positive

The government will raise Rs3,620 billion through auction of bonds during January to March this fiscal year, reported State Bank on Monday. The details showed that the government will raise the highest amount of Rs2,900bn through auction of market treasury bills. It will raise Rs1,050bn for three months, Rs975bn for six months and Rs875bn for 12 months. At the same time, the government will raise Rs270bn through Pakistan Investment Bonds (PIBs) at floating rate and Rs300bn at the fixed rate. (Dawn) | [Click for more info.](#)

Hafeez Shaikh directs PC to present all privatisation plans within one week

Economy | Neutral

Finance and Revenue Minister Dr Abdul Hafeez Shaikh has directed the Privatization Commission to present the privatization/management contracts plan of all entities within a week. (PT) | [Click for more info.](#)

Oil & Gas

Fuel sales rise 11pc in first half

OMCs | Positive

The country's overall oil sales rose by 11 per cent in 6MFY21 to 9.742 million tonnes owing to massive increase in furnace oil (FO) followed by rising sales trend in petrol and high-speed diesel (HSD), signalling improving economic activities. Furnace oil sales clocked into 1.626m tonnes, up by 38pc in the first half of 2020-21, while petrol and HSD sales stood at 4.103m tonnes and 3.743m tonnes, up by seven and 11pc as compared to July-December period of FY20. (Dawn) | [Click for more info.](#)

Power

CCoP defers privatisation of Haveli Bahadur Shah, Balloki power projects

Power | Neutral

The Cabinet Committee on Privatization (CCoP) on Monday deferred its decision on sale-out of 1,230 MW Haveli Bahadur Shah and 1,223 MW Balloki power projects by constituting a subcommittee to finalise the transaction structure. The CCoP also deferred its decision regarding shareholding structure of Pakistan Credit Guarantee Company. The CCOP decided to seek input from law division in consultation with other stakeholders before moving ahead. (The News) | [Click for more info.](#)

Cement

Developers, builders: Cabinet may approve amnesty scheme today

Cement, Steel | Positive

The Federal Cabinet which is scheduled to meet on Tuesday (Jan 5) with the Prime Minister in the chair is likely to approve amnesty scheme for the developers and builders and discuss two-year performance of the government, political temperature, law and order in the country, Covid-19 situation as well as other important issues. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,169.5	31,282.0	112.5	0.4%
KSE100	44,434.8	44,686.5	251.7	0.6%
KSE30	18,584.0	18,770.2	186.2	1.0%
KMI30	72,454.8	72,906.1	451.2	0.6%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	6,627.5	6,700.0	72.5	1.1%
BATA	1,510.5	1,549.0	38.5	2.5%
GLPL	363.3	390.6	27.2	7.5%
SFL	950.0	974.0	24.0	2.5%
PMPK	1,477.4	1,500.0	22.6	1.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PAEL	39.1	40.9	1.7	27.37
HUBC	85.3	90.0	4.7	25.37
HASCOL	15.1	15.1	0.0	24.96
WTL	1.2	1.3	0.1	22.93
TRG	89.6	83.7	-5.8	21.65

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	8.41	0.00	7.87
F-Corporates	1.94	-1.64	0.31
O/S Pakistanies	9.01	-9.55	-0.54
Net	11.01	-11.19	-0.18
LIPI			
Individuals	142.68	-143.29	-0.61
Companies	10.93	-10.49	0.44
Comm. Banks	8.24	-14.26	-6.02
NBFC	0.04	-0.06	-0.02
Mutual Funds	19.74	-13.17	6.57
Other	1.09	-1.16	-0.07
Brokers Proprietary	29.61	-31.92	-2.31
Insurance	7.06	-4.86	2.20
Net	219.39	-219.21	0.18

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	47.62	-1.9%
Brent oil	USD/bbl.	51.09	-1.4%
Gold	USD/t oz.	1942.90	2.3%
Silver	USD/t oz.	27.24	3.2%
Coal	USD/ton	85.70	-1.6%
Steel Scrap (LME)	USD/ton	480.00	13.4%
Steel Rebar (LME)	USD/ton	656.00	10.5%
USD/PKR	Interbank	160.08	0.2%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING



Cement sales ascend 16pc to 28.6mln tons in July-Dec

Cement | Positive

Cement sales – local and exports – surged around 16 percent to 28.6 million tons in the first half of the current fiscal year of 2020/21 as demand in domestic market accelerated due to the attractive incentives announced by the government for the construction sector, industry data showed on Monday. Total cement dispatches stood at 24.8 million tons in the corresponding period a year earlier. Local sales increased 15.9 percent to 23.6 million tons. Exports increased from 4.2 million tons to 5 million tons, showing a growth of 14.6 percent. (The News) | [Click for more info.](#)

Fertilizer

Agri-sector performed robustly in 2020 despite challenges

Fertilizer | Positive

The full year industry estimates of urea and DAP offtake reveal that the agricultural sector has continued to show robust performance in 2020, despite facing stiff challenges from the Covid-19 supply disruptions and change in weather patterns. Industry estimates show that a total of 837,000 tons of urea and 207,000 tons of DAP fertilizers were sold in December. (BR) | [Click for more info.](#)

Gas diversions pose risk to food security, warn fertiliser makers

Fertilizer | Negative

The fertiliser industry has protested over a recent decision of the Cabinet Committee on Energy (CCoE) to divert natural gas to pipeline system from Mari Gas and has sought its reconsideration to ensure required fertiliser production and protect the country's agriculture sector. (Dawn) | [Click for more info.](#)

Tech. & Communication

PTCL awarded Rs3bn fibre optic cable contract for interior Sindh

PTC | Positive

The Universal Service Fund (USF) awarded two Optic Fiber Cable (OFC) project contracts worth approximately Rs 3 billion to Pakistan Telecommunication Company Limited (PTCL) for providing connectivity in Ghotki, Kashmore, Sukkur & Khairpur districts at a special ceremony held at Governor House, Karachi. (BR) | [Click for more info.](#)

Miscellaneous

Finance ministry constitutes body to bring sugar, oil prices down

Sugar, Food | Neutral

The government on Monday constituted a committee to propose measures to bring down prices of sugar and edible oil in the country. Minister for Industries and Production Hammad Azhar heads the committee with secretary to ministry of food security and research and other stakeholders as its members to come up with a concerted course of action to further reduce the prices of sugar and edible oil. (The News) | [Click for more info.](#)

Packaging sector seeks govt's help

Paper & Board | Neutral

The packaging industry has sought assistance from the government, as the demand for paper-based packaging has enhanced due to a ban on plastic bags, a statement said on Monday. Industry experts said the corrugated industry convert 100k tons to 150k tons/month, consumes 80 to 90 percent local manufacture paper and 10 to 20 percent imported paper. (The News) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	48,176.8	307.82	0.64%
PAK (KSE-100)	44,686.5	251.66	0.57%
HK - Hang Seng	27,472.8	241.68	0.89%
Taiwan - TWII	14,902.0	169.50	1.15%
INDONESIA - IDX	6,104.9	125.83	2.10%
PHILP - PSEi	7,197.5	57.79	0.81%
KSA - Tadawul	8,667.7	54.84	0.64%
CHINA - Shanghai	3,503.0	29.89	0.86%
US - S&P 500	3,700.7	-55.42	-1.48%
US - Dow 30	30,223.9	-382.59	-1.25%

Board Meetings

Scrip	Day	Agenda	Time
DNCC	Tuesday	ANN A/C 30-JUN-20	3:30 PM
FRSM	Wednesday	ANN A/C 30-SEP-20	12:30 PM
AGL	Wednesday	1Q A/C 31-MAR-20	3:30 PM
AGSML	Thursday	ANN A/C 30-SEP-20	11:00 AM

Source: PSX



Banks approve Rs8.4bn loans in 9 months for hospitals

Banks | Neutral

Financial Institutions approved loans worth Rs 8.4 billion during the last nine months under the State Bank of Pakistan's Refinance Facility to facilitate hospitals for combating COVID-19. (BR) | [Click for more info.](#)

CDWP agrees on KTP through PSDP, PPP mode of financing

Economy | Positive

The Central Development Working Party (CDWP) agreed on Karachi Transformation Plan (KTP) at the cost of Rs739 billion through Public Sector Development Programme (PSDP) and the public-private partnership (PPP) mode of financing. (BR) | [Click for more info.](#)

Political News

US House bill seeks termination of Pakistan status as non-Nato ally

A bill has been introduced in the US House of Representatives to terminate the designation of Pakistan as a major non-Nato ally. The bill was presented by Republican Congressman Andy Biggs to remove Pakistan's special status, which allows access to American defence supplies and participation in cooperative defence research and development programmes. (The News) | [Click for more info.](#)

International News

Oil Falls as OPEC+ Extends Talks to Second Day Without Decision

Oil dropped the most in two weeks with OPEC+ yet to resolve an impasse on whether to keep raising production at a time when the pandemic threatens demand. (Bloomberg) | [Click for more info.](#)

Asian shares fall amid uncertainty about Georgia senate runoff

Asian shares edged lower on Tuesday amid uncertainty about Senate runoffs in Georgia, which could have a big impact on incoming U.S. President Joe Biden's economic policies. MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.12%, pulling back from a record high hit in the previous session. Australian stocks fell 0.16%. (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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