



January 6,
2021

Economy

FATF compliance pressure builds on as February around the corner

Economy | Neutral

A respite for Pakistan from the global financial system's watchdog that acknowledges the country's anti-money laundering and counter terrorist financing efforts should be taken as an opportunity to improve compliance and come out of its radar, a banker said on Tuesday. (The News) | [Click for more info.](#)

SBP says growth outcome hinges on response to Covid

Economy | Neutral

The State Bank of Pakistan (SBP) on Tuesday tied growth outcome to the government's response to the second wave of novel coronavirus after the economic recovery from the first upset that it says was overcome because of support to business activities. Real GDP growth is projected to be in the range of 1.5 to 2.5 percent in FY2021 compared to 0.4 percent contraction in FY2020. The projection is based on the current trends of economic activity. (The News) | [Click for more info.](#)

Six agenda items including NFLP to be considered by ECC today

Economy | Positive

A meeting of the Economic Coordination Committee (ECC) of the Cabinet Wednesday (Jan 6) will consider six agenda items of the ministries and divisions including the National Freight and Logistics Policy (NFLP) of Pakistan. | [Click for more info.](#)

Oil & Gas

Dec POL sales up 16pc YoY

Oil | Positive

The POL sales rose to 1.59 million tons in December 2020 from 1.37 million tons in December 2019, reflecting a 16 percent increase over the period with growth seen across all major fuel segments. (BR) | [Click for more info.](#)

Petroleum levy account

Oil | Neutral

The Federal Board of Revenue (FBR) has changed form for collection of petroleum levy on petroleum products. The changes were introduced through sales tax notification SRO01 issued on Tuesday. (Dawn) | [Click for more info.](#)

Power

IPPs not impressed by govt plan for dues settlement

IPPs | Negative

Independent power producers (IPPs) have cast off a payment plan offered by the government for partial settlement of their dues and demanded at least 50 per cent upfront cash payments before signing formal agreements for tariff discounts. (Dawn) | [Click for more info.](#)

\$57m 100MW solar power plant being installed in Layyah

Power | Neutral

Special Assistant to Chief Minister Punjab on Information Dr Firdous Ashiq Awan has said the provincial government is setting up a 100-MW solar power project in Layyah at a cost of \$57 million, which will add 200 million units of cheap electricity to the national grid. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,282.0	31,266.2	-15.9	-0.1%
KSE100	44,686.5	44,650.4	-36.0	-0.1%
KSE30	18,770.2	18,708.7	-61.5	-0.3%
KMI30	72,906.1	72,636.3	-269.8	-0.4%

Top Five Gainers

	Open	Close	Chg.	%
COLG	2,980.0	3,024.0	44.0	1.5%
GLPL	390.6	417.9	27.3	7.0%
BTL	300.0	322.5	22.5	7.5%
PECO	268.8	285.0	16.2	6.0%
AKDCL	214.2	230.2	16.1	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HUMNL	5.8	6.0	0.2	68.81
PRL	22.7	24.4	1.7	58.18
TRG	83.7	87.8	4.0	31.05
PAEL	40.9	41.9	1.0	26.06
KAPCO	31.4	33.8	2.4	25.99

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	7.12	-0.03	2.48
F-Corporates	2.44	-2.42	0.02
O/S Pakistanies	8.82	-9.32	-0.50
Net	11.30	-11.77	-0.46
LIPI			
Individuals	144.11	-142.33	1.78
Companies	8.26	-10.87	-2.60
Comm. Banks	5.24	-5.53	-0.29
NBFC	0.05	-0.04	0.01
Mutual Funds	10.40	-8.29	2.11
Other	1.76	-0.59	1.17
Brokers Proprietary	30.54	-31.44	-0.91
Insurance	1.03	-1.85	-0.82
Net	201.39	-200.93	0.46

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	49.93	4.9%
Brent oil	USD/bbl.	53.60	4.9%
Gold	USD/t oz.	1950.01	0.4%
Silver	USD/t oz.	27.55	1.2%
Coal	USD/ton	84.75	-1.1%
Steel Scrap (LME)	USD/ton	483.50	0.7%
Steel Rebar (LME)	USD/ton	662.00	0.9%
USD/PKR	Interbank	160.39	0.2%

News Source: Local / Int'l Newspapers and websites

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REP-055

Autos

Hyundai Pakistan vows to boost production by 100pc in Q1CY21

NML | Positive

Hyundai Pakistan is likely to boost its production by 100 per cent in the first quarter of the calendar year 2021 (Q1C21). According to a statement issued by Hyundai-Nishat Motor (Pvt) Ltd. CEO Hassan Mansha, double shift operations would ensure that capacity is further enhanced by the end of Q2CY21. (PT) | [Click for more info.](#)

Cement

Cabinet extends fixed tax scheme for construction sector till June 30th

Cement | Positive

The federal cabinet on Tuesday extended the fixed tax scheme for the construction sector till June 30, 2021. According to sources privy to this development, the Cabinet Division had presented a summary before the cabinet pertaining to the ratification of a decision taken by the Cabinet Committee for Disposal of Legislative Cases (CCLC) in its meeting held on December 31, 2020. (PT) | [Click for more info.](#)

Miscellaneous

Private sector borrows another net sum of Rs 60.91 billion during the week

Banks | Positive

The non-government sector has borrowed another net sum of Rs.60.91 billion during the week ended December 25, 2020, which brings the cumulative net borrowing for ongoing fiscal year FY2021 to Rs.113.76 billion. The net borrowing as of prior week was recorded at Rs.52.86 billion. (Mettis) | [Click for more info.](#)

Cherat Packaging to install its fourth polypropylene line owing to rising demand

CPPL | Positive

In view of rising demand for polypropylene bags produced by the Company, the Board of Directors of Cherat Packaging Limited in its meeting held on January 5, 2021, has decided to enhance its production capacity by installing its fourth Polypropylene line for woven bags. (Mettis) | [Click for more info.](#)

Procurement rules relaxed to allow vaccine import

Pharmaceutical | Positive

The federal cabinet on Tuesday approved the procurement of the anti-Covid-19 vaccine by relaxing the Public Procurement Regulatory Authority (PPRA) rules. There will be no need to fulfil the tender requirement to procure the vaccine, which will be procured from any of the six companies registered with the Ministry of National Health Services (NHS). (Dawn) | [Click for more info.](#)

VSS availed by 2,000 PIA employees to cost govt Rs5 bn

PIAA | Neutral

The Voluntary Separation Scheme (VSS) availed by 2,000 employees of Pakistan International Airlines will cost around Rs5 billion to the federal government. However, the PIA spokesperson claims the VSS will save Rs 2.5 billion annually, as the national flag carrier is paying this amount to the retiring 2,000 employees in terms of salaries and other perks and privileges. (The News) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	48,437.8	260.98	0.54%
HK - Hang Seng	27,649.9	177.05	0.64%
US - Dow 30	30,391.6	167.71	0.55%
Taiwan - TWII	15,000.0	98.00	0.66%
INDONESIA - IDX	6,137.3	32.44	0.53%
US - S&P 500	3,726.9	26.21	0.71%
CHINA - Shanghai	3,528.7	25.72	0.73%
KSA - Tadawul	8,682.1	14.45	0.17%
PAK (KSE-100)	44,650.4	-36.03	-0.08%
PHILP - PSEi	7,134.2	-63.32	-0.88%

Board Meetings

Scrip	Day	Agenda	Time
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



International News

Oil prices jump 5pc on OPEC+ output talks, Iran tension

Oil prices climbed more than 5% on Tuesday after news that Saudi Arabia will make voluntary cuts to its oil output in February, while tension simmered following Iran's seizure of a South Korean vessel. (BR) | [Click for more info.](#)

Asian stocks mixed as markets await U.S. runoff results

Asian stocks were mixed on Wednesday as investors anxiously awaited results of U.S. runoff elections that would determine the legislative balance of power in the world's largest economy while oil prices rose on news of planned output cuts. (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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