

January 7,
2021

Economy

Auction Result: SBP sells PIBs worth Rs.35.33 billion

Economy | Positive

The State Bank of Pakistan conducted an auction on Wednesday in which it sold fixed rate PIBs worth Rs.35.33 billion against an auction target of Rs.100 billion. (Mettis) | [Click for more info.](#)

Govt raises Rs760 billion from domestic sukuk market in 2020

Economy | Positive

The government raised more than Rs760 billion from the domestic sukuk market with Islamic banks still having enough liquidity to fill in the fiscal gap. Issuance of the government of Pakistan Ijara sukuk based on variable and fixed rental rates amounted to Rs561 billion last year. (The News) | [Click for more info.](#)

Jewellers, accountants, developers/builders: Certain officials empowered to monitor and document

Economy | Neutral

The Federal Board of Revenue (FBR) has empowered certain officials of the Directorate General of Intelligence and Investigation Inland Revenue, Regional Tax Offices, and Model Customs Collectrates to monitor and document jewellers, accountants, and developers/builders under the Anti-Money Laundering Act, 2010 for assisting the Directorate General of Designated Non-Financial Business and Professions (DNFBPs). (BR) | [Click for more info.](#)

Pakistan prospects brighten for US market on removal of competitors from GSP

Economy | Neutral

Removal of India, Turkey and Thailand from US Generalized System of Preferences (GSP) has opened up an opportunity for Pakistan to capture an additional 2.0 percent of the US market under the programme, a policy note prepared by the Trade Development Authority of Pakistan (TDAP) said. The removal of the competing countries from the US GSP scheme takes effect from January 1, 2021. (The News) | [Click for more info.](#)

FBR estimates Rs1trn revenue loss

Economy | Negative

The Federal Board of Revenue (FBR) has estimated a revenue loss of approximately Rs1 trillion in its tax collection, if the FBR accepts the stance of the provincial revenue authorities on disputed areas of sales tax collection on goods and services including restaurants, transportation of petroleum products, toll manufacturing, and the construction business. (BR) | [Click for more info.](#)

Oil & Gas

Petroleum and energy projects; Pakistan, Saudi Arabia discuss JVs

Oil | Positive

Ambassador of Saudi Arabia to Pakistan Nawaf bin Saeed Ahmed Al-Maliki on Wednesday called on Minister for Energy Omar Ayub Khan and discussed matters related to joint ventures (JVs) in petroleum and energy projects. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,266.2	31,630.6	364.4	1.2%
KSE100	44,650.4	45,153.4	503.0	1.1%
KSE30	18,708.7	18,921.7	213.0	1.1%
KMI30	72,636.3	73,830.4	1194.1	1.6%

Top Five Gainers

	Open	Close	Chg.	%
PAKT	1,600.0	1,700.0	100.0	6.2%
RMPL	9,799.0	9,850.0	51.0	0.5%
IDYM	500.0	537.0	37.0	7.4%
MTL	1,083.7	1,105.5	21.8	2.0%
AKDCL	230.2	247.5	17.3	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BYCO	8.8	9.8	1.0	97.63
PRL	24.4	25.5	1.1	87.25
KAPCO	33.8	34.3	0.6	31.11
HASCOL	14.9	15.2	0.3	28.64
HUMNL	6.0	6.1	0.1	26.85

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	1.03	-0.01	-0.75
F-Corporates	2.43	-2.12	0.31
O/S Pakistanies	10.13	-9.06	1.07
Net	12.57	-11.19	1.37
LIPI			
Individuals	134.90	-134.75	0.15
Companies	9.34	-7.72	1.62
Comm. Banks	6.71	-8.56	-1.85
NBFC	0.05	-0.06	-0.02
Mutual Funds	7.90	-8.95	-1.06
Other	1.36	-2.10	-0.75
Brokers Proprietary	32.10	-32.40	-0.30
Insurance	3.43	-2.60	0.83
Net	195.78	-197.15	-1.37

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	50.63	1.4%
Brent oil	USD/bbl.	54.30	1.3%
Gold	USD/t oz.	1918.61	-1.6%
Silver	USD/t oz.	26.99	-2.0%
Coal	USD/ton	85.90	1.4%
Steel Scrap (LME)	USD/ton	477.00	-1.3%
Steel Rebar (LME)	USD/ton	651.00	-1.7%
USD/PKR	Interbank	160.44	0.0%

News Source: Local / Int'l Newspapers and websites

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REP-055



Petroleum division wants flare-gas for transportation despite Ogra's concerns

Oil | Neutral

Ministry of energy is determined to get the government's permission to the use of flare-gas in transportation sector despite safety concerns of the regulator over the fuel supply. Sources said the petroleum division has already prepared a summary to take the permission of the Economic Coordination Committee of the cabinet for compressed natural gas (CNG) licences based on flare-gas that refers to the combustion of associated gas generated during various processes including oil and gas recovery (The News)

| [Click for more info.](#)

Power

GSA with SSGCL: KE team in Islamabad

Power | Neutral

Well-informed sources told Business Recorder that the machinery for KE's new power plant at Port Qasim has started reaching Karachi but SSGCL altered the design of the pipeline due to which the entire design of the project has changed. The machinery has already reached Karachi and now Ogra has issued the licence and the Chinese are ready to start work on the plant. KE has asked SSGCL to conclude the signing of GSA and augment its gas pipeline network at the earliest to avoid sufferings of people of Karachi. (BR)

| [Click for more info.](#)

Base tariffs of Discos: Govt in a catch-22 situation

KEL | Neutral

The federal government is said to be facing a catch-22 situation with respect to increase in base tariffs of power Distribution Companies (Discos) by Rs 3.34 per unit to recover over Rs 300 billion from consumers. Discos, existing average tariff is Rs 14.94 per unit, of which Rs 13.35 per unit is base tariff whereas existing quarterly adjustment is Rs 1.59 per unit. The proposed average tariff will be Rs 18.28 per unit, of which new base tariff is Rs 16.69 per unit and existing quarterly adjustment is Rs 1.59 per unit. (BR) | [Click for more info.](#)

Mangla Dam Will Generate 1,310 Megawatt Electricity by July 2021

Power | Positive

WAPDA informed the Standing Committee that there are ten units in Mangla Dam with a producing capacity of 1000 Megawatt. Whereas, due to the raising of the Mangla Dam, the production of 1310 Megawatt electricity will begin by July 2021. (Propakistani) | [Click for more info.](#)

Sugar

Sugar price reaches Rs8800/100kg

Sugar | Positive

Price of white refined sugar price on Wednesday reached the level of Rs 8800 per 100 kg in the wholesale market adding Rs 2 per kilogram as against the price of Rs 8600 per 100 kg on Tuesday. The price of sugar is rising unbridled for the last 10 days during which it reached to today's level of Rs 88 per kilogram in the wholesale market from Rs 71 per kilograms. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	45,153.4	502.99	1.13%
US - Dow 30	30,829.4	437.80	1.44%
HK - Hang Seng	27,692.3	42.44	0.15%
CHINA - Shanghai	3,550.9	22.20	0.63%
US - S&P 500	3,748.1	21.28	0.57%
KSA - Tadawul	8,670.8	-11.31	-0.13%
Taiwan - TWII	14,983.1	-16.90	-0.11%
INDONESIA - IDX	6,065.7	-71.66	-1.17%
PHILP - PSEi	7,047.9	-86.33	-1.21%
INDIA - SENSEX	48,174.1	-263.72	-0.54%

Board Meetings

Scrip	Day	Agenda	Time
AGSML	Thursday	ANN A/C 30-SEP-20	11:00 AM

Source: PSX



Miscellaneous

New textile policy envisions trillion-rupee subsidies for exporters till year 2025

Textile | **Positive**

The government is set to unveil an ambitious Textile and Apparel Policy 2020-25 laden with cash subsidies and lower rates on utilities worth Rs960 billion to boost production and exports of value-added textile products. (Dawn) | [Click for more info.](#)

ECC approves removal of additional customs duties on 152 tariff lines

Economy | **Positive**

The Economic Coordination Committee (ECC) of the Cabinet on Wednesday gave a go-ahead to remove 2pc additional customs' duties on 152 tariff lines. According to details, the Ministry of Commerce had presented a summary regarding removal of 2pc additional duties on 152 tariff lines, mostly raw material, on horizontal basis under the National Tariff Policy 2019-24. (PT) | [Click for more info.](#)

PM Grants Status of Special Economic Zone to Siddiqsons Tin Plate

STPL | **Positive**

Prime Minister Imran Khan has granted the status of Special Economic Zone to the Siddiqsons Tin Plate, extending all tax incentives and exemptions to the "Siddiqsons Tin Plate Special Economic Zone" Hub Balochistan. (Propakistani) | [Click for more info.](#)

Service Industries Ltd's Subsidiary enters as shareholder in JV for Greenfield Project

SRVI | **Positive**

Service Industries Limited (SRVI) has informed via notification to Exchange that Service Global Footwear Limited ('SGFL') a subsidiary of the Company will be included as a shareholder in Joint venture project, Service Long March Tyres (Private) Limited ('SLM'), SRVI incorporated in terms of Joint Venture Agreement executed amongst the Company, Chaoyang Long March Tyre Co., Ltd (LM) of China and Myco Corporation of Pakistan (MC). (Mettis) | [Click for more info.](#)

Bank deposits up 17pc to Rs17.1trln in 2020

Banks | **Positive**

Bank deposits jumped 17 percent in 2020, the highest growth in four years, mostly owing to higher inflows of remittances from overseas and lower business activity amid restrictions aimed at arresting the spread of pandemic, data showed on Wednesday. (The News) | [Click for more info.](#)

International News

Asia Stocks to Rise Amid Capitol Chaos; Bonds Drop: Markets Wrap

Asian stocks looked set to rise as Democrats took control of the Senate and U.S. equities held gains even as protesters stormed the U.S. Capitol, forcing a lockdown that interrupted certification of the presidential election. Treasuries tumbled. (Bloomberg)

[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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