



December
8, 2020

Economy News

CPEC second phase; Local, foreign investors to be invited

Economy | Positive

China and Pakistan have agreed to invite foreign and local investors - apart from Chinese investors - to invest in industrial zones under the industrial cooperation, in the second phase of the China-Pakistan Economic Corridor (CPEC). In this respect, the newly-appointed Chinese Ambassador to Pakistan. (BR) | [Click for more info.](#)

Health experts raise alarm over lethal Covid-19 situation

Economy | Negative

Bitterly criticizing the federal and provincial governments and political parties for their failure to implement the Covid-19 SOPs in the country, leading health experts of the country on Monday claimed that there was no space left at the ICUs and High Dependency Units (HDUs) of leading public and private health facilities in Karachi as the number of patients requiring hospitalization is constantly on the rise. (BR) | [Click for more info.](#)

Oil & Gas

PARCO's Coastal Oil Refinery to enable country achieve production of petroleum products at local level: PM

Refineries | Positive

Prime Minister Imran Khan on Monday said that the completion of oil refinery project by Pak Arab Refinery Limited (PARCO) besides improving the capacity would also enable the country achieve its capability of producing oil products at local level. He described the addition of PARCO Refinery as "good omen" for the country's petroleum sector. (BR) | [Click for more info.](#)

MoC seeks approval for montanide oil's import from France

Oil | Neutral

Ministry of Commerce (MoC) has sought Cabinet approval for import of 37,605kg of montanide oil from France by Alternative Chemicals (Pvt) LTD for onward supply to Livestock & Dairy Development Department Punjab, well informed sources told Business Recorder. Commerce Ministry has moved the summary, already seen by the Prime Minister, as Minister in-Charge Commerce Division, weeks after government and TLP signed an agreement that the French products will be boycotted at the level of government. (BR) | [Click for more info.](#)

Power

Abolishment of ToU power scheme; Rs9bn subsidy approved by ECC

Power, KEL | Positive

The Economic Coordination Committee (ECC) has approved a Rs 9 billion subsidy against abolishment of Time-of-Use (ToU) scheme for industrial consumers of Discos and KE despite opposition by two top aides of Prime Minister on estimation mechanism, well-informed sources told. (BR) | [Click for more info.](#)

Autos

4th Gen Kia Carnival Launched in Pakistan

LUCK | Positive

Kia revealed on their social media page on Friday that the brand new Kia Carnival is now available for sale in Pakistan. The latest model, while still a minivan, has been greatly influenced by the SUV design. (Propakistani) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,549.4	29,482.5	-66.9	-0.2%
KSE100	42,207.0	42,115.3	-91.7	-0.2%
KSE30	17,682.5	17,625.9	-56.6	-0.3%
KMI30	68,296.6	68,014.4	-282.3	-0.4%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	6,585.1	6,750.0	165.0	2.5%
NRL	231.1	248.4	17.3	7.5%
PRET	220.0	235.0	15.0	6.8%
POML	185.6	199.5	13.9	7.5%
MACTER	166.0	178.5	12.5	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	72.6	74.1	1.5	41.31
UNITY	27.2	27.8	0.6	33.26
GGLR1	3.1	3.0	-0.1	18.04
JSL	29.1	29.5	0.4	15.89
PRL	20.1	20.0	-0.2	15.89

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	4.76	-0.03	0.22
F-Corporates	2.38	-2.41	-0.03
O/S Pakistanies	6.93	-7.54	-0.61
Net	9.35	-9.98	-0.63
LIPI			
Individuals	111.65	-108.31	3.34
Companies	3.11	-4.55	-1.44
Comm. Banks	0.80	-4.55	-3.75
NBFC	0.04	-0.05	-0.01
Mutual Funds	4.78	-4.18	0.60
Other	0.29	-0.28	0.01
Brokers Proprietary	27.31	-27.92	-0.61
Insurance	3.19	-0.69	2.50
Net	151.16	-150.53	0.63

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	45.76	-1.1%
Brent oil	USD/bbl.	48.79	-0.9%
Gold	USD/t oz.	1862.73	1.3%
Silver	USD/t oz.	24.49	1.2%
Coal	USD/ton	81.80	-2.2%
Steel Scrap (LME)	USD/ton	391.00	1.3%
Steel Rebar (LME)	USD/ton	562.00	0.7%
USD/PKR	Interbank	160.47	0.2%

News Source: Local / Int'l Newspapers and websites

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REP-055



Volkswagen to Start Producing Vehicles in Pakistan in 2022

Autos | Neutral

Volkswagen (VW) is set to begin the production of its vehicles in Pakistan in 2022. VW is the largest automaker in the world, having manufactured and sold the most cars in the world, with Toyota coming in at a close second. (Propakistani) | [Click for more info.](#)

Banks

Banks deferred Rs659bn of payment of principal on loans: IMF

Banks | Neutral

Under the State Bank of Pakistan's temporary regulatory measures, banks have deferred Rs659 billion of clients' payment of principal on loan obligations for one year so far, to maintain the banking system's soundness and sustain economic activity, says the International Monetary Fund (IMF). (BR) | [Click for more info.](#)

Miscellaneous

Al-Karam Textile and GAP inc. join hands for 6 years

Textile | Positive

Pakistan's leading Textile Company, Al-Karam Textile Mills has signed a six-year license agreement with GAP Inc, a U.S top brand of home textile. Al-Karam Textile Limited's Managing Director, Fawad Anwar said that the company has signed a license for home textiles with Gap Inc. for all of North America and Mexico for six years. (The Newsers) | [Click for more info.](#)

Arif Habib, Yunus Brothers, Mari Petroleum to start mining company in Balochistan

AHL, MARI | Positive

In a notice sent to the Pakistan Stock Exchange on November 20, Mari Petroleum said it had created a joint venture company called National Resources Limited (NRL), with four other parties: fabrics traders Y.B. Pakistan, Arif Habib Equity, Liberty Mills, and Reliance Commodities. Mari is to have a 20% equity share in NRL. NRL will potentially undertake mineral mining projects in Balochistan. "These projects will involve, inter alia, exploration, survey, extraction, excavation, mining and sale of produced minerals," the notice said. (PT) | [Click for more info.](#)

Avanceon's subsidiary secures three high-value contracts

AVN | Positive

Avanceon FZE, a subsidiary of Avanceon Limited, has received three high-value contracts. As per the details shared by the company, Avanceon FZE has been contracted to provide a comprehensive upgrade solution for the Emergency Shutdown System for one of the largest chemical fertilizer companies in Pakistan. The ESD upgrade is critical for the fertilizer giant as it has the output of more than 6,000 MT a day and employs thousands of personnel at its plants. The total value of the project is approx. Rs 25 million. (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	45,427.0	347.42	0.77%
Taiwan - TWII	14,256.6	124.16	0.88%
INDONESIA - IDX	5,930.8	120.28	2.07%
PHILP - PSEI	7,203.7	69.11	0.97%
KSA - Tadawul	8,633.4	49.28	0.57%
US - S&P 500	3,692.0	-7.16	-0.19%
CHINA - Shanghai	3,416.6	-27.98	-0.81%
PAK (KSE-100)	42,115.3	-91.69	-0.22%
US - Dow 30	30,069.8	-148.47	-0.49%
HK - Hang Seng	26,506.9	-329.07	-1.23%

Board Meetings

Scrip	Day	Agenda	Time
AGL	Thursday	ANNUAL ACCOUNT	10:00 AM

Source: PSX



Thal Ltd to invest Rs 1.7 bln in Woven Polypropylene Bags manufacturing facility

THAL | Positive

The Board of Directors of Thal Limited, in their meeting held on December 4, 2020, has approved the investment of Rs 1.7 billion by the company in Woven Polypropylene (WPP) Bags manufacturing facility. (Mettis) | [Click for more info.](#)

The Organic Meat Company secures high value contract with National Food Company (Americana)

TOMCL | Positive

The Organic Meat Company Limited (TOMC) has secured a high value contract for supply of frozen boneless meat with National Food Company (Americana), which is one of the most successful organization in the Middle East. As per the details shared by the company, the value of this contract is approx. USD 3.9 million, and the timeline is for 12 months. Moreover, the company will supply 100MT of Frozen Boneless Meat per month via sea to Jeddah. (Mettis) | [Click for more info.](#)

Political

Govt has no issue with opposition rallies: PM

As the opposition parties have up the ante on the government through protest rallies across the country, Prime Minister Imran Khan on Monday plainly said that "do whatever you like but no "crook" is going to get an NRO [national reconciliation ordinance]". (BR) | [Click for more info.](#)

International News

WHO against mandatory Covid-19 vaccines

The World Health Organization said Monday that persuading people on the merits of a Covid-19 vaccine would be far more effective than trying to make the jabs mandatory. The WHO said it would be down to individual countries as to how they want to conduct their vaccination campaigns against the coronavirus pandemic. (BR) | [Click for more info.](#)

Pfizer to deliver first vaccine doses to Canada in December: PM

Pfizer and BioNTech will deliver the first doses of their Covid-19 vaccine to Canada this month, Prime Minister Justin Trudeau announced Monday, with inoculations to start as early as next week. Another vaccine candidate developed by Moderna could also be shipped "as soon as December," the American company said. (BR) | [Click for more info.](#)

Asian stocks under pressure as pandemic concerns outweigh stimulus hopes

Asian stocks came under pressure in early trade on Tuesday as investors struggled to balance hopes for more economic stimulus and vaccines with anxiety over the growing number of COVID-19 cases. (Reuters) | [Click for more info.](#)

Oil slips as gloom grows over soaring COVID-19 cases, lockdowns

Oil prices fell on Tuesday, adding to losses from the previous session that came as California tightened its pandemic lockdown through Christmas and coronavirus cases continued to surge in the United States and Europe. (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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