



January 8,
2021

Economy

Forex reserves rise to \$20.5bln

Economy | Positive

Pakistan's foreign exchange reserves increased \$258 million, or 1.27 percent, during the week ended December 31, the central bank reported on Thursday. The country's forex reserves stood at \$20.512 billion, compared with \$20.254 billion in the previous week. (The News) | [Click for more info.](#)

Trade deficit widens by 32.04pc to \$2.683bn in Dec

Economy | Negative

Pakistan's trade deficit widened by 32.04 percent to \$2.683 billion in December 2020 compared to \$2.032 billion in December 2019, says the Pakistan Bureau of Statistics (PBS). The PBS on Thursday released trade figures showing that the country's imports remained \$5.035 billion in December 2020 compared to \$4.020 billion in December 2019 registering 25.25 percent growth. (BR) | [Click for more info.](#)

Power

Ogra grants RLNG pipeline construction licence to K-Electric

KEL | Positive

The Oil and Gas Regulatory Authority (Ogra) has granted a licence to K-Electric for constructing and operating a gas pipeline for supplying RLNG for its 900 MWs power plant at Bin Qasim Power Complex (BQPS). (The News) | [Click for more info.](#)

Power generation inches up

Power | Positive

Power generation during the five months of FY21 (July-November 2020) inched up 2 percent to 60,077 GWh, regulator data suggests on Thursday. The highest growth of 22.3 percent was seen in the furnace oil-based generation, while hydel power witnessed the biggest jump of 1,134GWh in absolute terms; followed by the RLNG-based generation, which increased 942GWh over the period under review. (The News) | [Click for more info.](#)

Circular debt rose to Rs2.306tr in November

Power, Economy | Negative

The government confirmed on Thursday that power sector's circular debt went past Rs2.306 trillion as of Nov 30, 2020, up by Rs156 billion over the first five months of the current fiscal year, at a rate of Rs31.2bn per month. (Dawn) | [Click for more info.](#)

Smart metering system: CCoE seeks joint proposal from Power Division, IT ministry

Power | Neutral

The Cabinet Committee on Energy (CCOE) has sought a joint proposal from the Power Division and the Ministry of Information Technology and Telecommunication on 'Electricity-Meterless Smart Metering System'. The meeting discussed the proposal forwarded by the Ministry of Information Technology and Telecommunication regarding the Electricity-Meterless Smart Metering System. The CCOE directed the Power Division and IT ministry to hold further deliberations on the proposed design and submit a joint proposal to the CCoE. (PT) | [Click for more info.](#)

Cost of Nai Gaj Dam jumps to Rs47.723bn

Power | Neutral

The cost of Nai Gaj Dam in District Dadu, Sindh, has jumped to Rs47.723 billion from Rs26.236 billion, indicates the 2nd revised PC-1 of the project. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,630.6	31,652.4	21.8	0.1%
KSE100	45,153.4	45,344.5	191.1	0.4%
KSE30	18,921.7	19,008.2	86.6	0.5%
KMI30	73,830.4	73,680.0	-150.4	-0.2%

Top Five Gainers

	Open	Close	Chg.	%
IDYM	537.0	577.0	40.0	7.4%
PRET	255.0	274.1	19.1	7.5%
AKDCL	247.5	266.0	18.6	7.5%
MFFL	379.0	395.2	16.2	4.3%
DYNO	215.0	231.1	16.1	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BYCO	9.8	9.8	0.0	94.87
POWER	10.4	10.4	0.0	34.20
KAPCO	34.3	36.0	1.6	32.19
PRL	25.5	25.3	-0.3	27.52
PAEL	41.7	42.1	0.3	20.39

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	6.18	-0.02	3.69
F-Corporates	3.64	-2.30	1.34
O/S Pakistanies	9.53	-8.51	1.02
Net	13.21	-10.82	2.39
LIPI			
Individuals	132.23	-136.22	-3.99
Companies	8.38	-7.77	0.61
Comm. Banks	7.98	-6.08	1.90
NBFC	0.11	-0.10	0.02
Mutual Funds	14.76	-6.77	7.99
Other	1.12	-3.28	-2.15
Brokers Proprietary	27.04	-28.05	-1.01
Insurance	2.01	-7.76	-5.75
Net	193.64	-196.03	-2.39

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	50.83	0.4%
Brent oil	USD/bbl.	54.38	0.1%
Gold	USD/t oz.	1913.95	-0.2%
Silver	USD/t oz.	27.14	0.6%
Coal	USD/ton	88.50	3.0%
Steel Scrap (LME)	USD/ton	477.00	-1.3%
Steel Rebar (LME)	USD/ton	651.00	-1.7%
USD/PKR	Interbank	160.34	-0.1%

News Source: Local / Int'l Newspapers and websites

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Autos

Automobile Sector likely to see 11% growth in sale of passenger cars during December

Autos | Neutral

The Automobile sector is set to witness yet another victory as the volumetric sales is likely to increase by 11% to around 13,380 units during the month of December, as compared to same month of last year. This would take the cumulative sale for the first six months of the current Fiscal Year to 77,661 units, which is higher by 16% as compared to the corresponding period of last year. (Mettis) | [Click for more info.](#)

Sazgar Engineering sells 991 units of three-wheelers during December

SAZEW | Positive

Sazgar Engineering Works Limited (SAZEW) sold a total of 991 units of three-wheelers against the production of 1,608 units during the month of December 2020. The aforesaid information was revealed by the company in a notification issued to the Pakistan Stock Exchange, regarding the production and sales data for the month of December. (Mettis) | [Click for more info.](#)

Miscellaneous

Transshipment of containers and bulk cargo; Shipping lines required to submit indemnity bond

Transportation | Neutral

The Federal Board of Revenue (FBR) has made it mandatory for the shipping lines engaged in the business of international transshipment of containers and bulk cargo to submit an indemnity bond to the customs for ensuring to follow Customs rules and regulations of the FBR. (BR) | [Click for more info.](#)

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

Textile | Neutral

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.](#)

International News

Joe Biden's election victory certified by US Congress

Joe Biden and Kamala Harris's victory in the US election has been confirmed by the Congress on Thursday, a day after violence and protests saw unprecedented chaotic scenes at the Capitol Hill. The move by the US Congress makes it official and ensures that Biden will be inaugurated as the 46th President of the United States on January 20. (The News) | [Click for more info.](#)

Asian stocks jump as revived recovery hopes push Wall Street to new highs

Asian stocks opened higher on Friday, with Japan hitting a three-decade high as investors looked beyond rising coronavirus cases and political unrest in the United States and bet on an economic recovery later in the year. (Reuters) | [Click for more info.](#)

Oil hovers near 11-month highs, sustained by Saudi output cuts pledge

Oil prices edged higher on Friday, hovering near 11-month highs hit the previous day, as Saudi Arabia's pledge to make voluntary cuts to its output continued to buoy the mood in the market though worries over slower fuel demand capped gains. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
Taiwan - TWII	15,214.0	230.87	1.54%
US - Dow 30	31,041.1	211.73	0.69%
PAK (KSE-100)	45,344.5	191.12	0.42%
INDONESIA - IDX	6,153.6	87.95	1.45%
PHILP - PSEi	7,119.6	71.76	1.02%
KSA - Tadawul	8,737.2	66.40	0.77%
US - S&P 500	3,803.8	55.65	1.48%
CHINA - Shanghai	3,576.2	25.33	0.71%
INDIA - SENSEX	48,093.3	-80.74	-0.17%
HK - Hang Seng	27,548.5	-143.78	-0.52%

Board Meetings

Scrip	Day	Agenda	Time
EXIDE	Friday	3Q A/C 30-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.

Analyst Certification ^{AC}

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