

June 10,
2021

Economy

Applicability of 100pc additional tax; Foreign investors may be exempted Capital Market | Positive

The Federal Board of Revenue (FBR) is considering a budget proposal of the Securities and Exchange Commission of Pakistan (SECP) to exempt foreign investors from applicability of 100 percent additional tax, in case their name is not appearing in the Active Taxpayers List (ATL). (BR) | [Click for more info.](#)

Saudi Arabia pledges Rs37.4b for construction of Mohmand dam Energy, Cement | Positive

Ambassador of Saudi Arabia in Pakistan Nawaf bin Saeed Al-Malkiy on Wednesday informed a Pakistani official that the kingdom has approved 901 million Saudi Riyal (Rs37.4 billion) for Mohmand Hydropower Project. In a meeting with Federal Minister for Economic Affairs Omar Ayub Khan in Islamabad, the Saudi envoy said the loan will be given at a very concessional rate of 2 per cent for a period of 25 years. (ET) | [Click for more info.](#)

Govt-IMF talks still inconclusive Economy | Neutral

Pakistan and the IMF have so far remained unable to narrow down their differences and both sides decided to continue talks till approval of the upcoming budget 2021-22 from Parliament. (The News) | [Click for more info.](#)

Covid restrictions to ease post June 15 Economy | Positive

The National Command and Operations Centre (NCOC) decided on Wednesday to slightly relax restrictions, put in place to curb the spread of Covid-19 during the third wave of the virus in the country, from June 15 onwards. (ET) | [Click for more info.](#)

Govt raises Rs161bn through PIBs Economy | Positive

The government raised Rs160.899 billion through auction of Pakistan Investment Bonds (PIBs) on Wednesday which was higher than the target of Rs125bn. (Dawn) | [Click for more info.](#)

Direct, indirect taxes likely to increase in FY22 budget Economy | Neutral

With the federal budget scheduled to be announced on June 11, top tax officials are still debating the fate of key revenue measures, a well-placed source in the Revenue Division familiar with the matter told. (Dawn) | [Click for more info.](#)

Rs47bn grants okayed with lion's share going to KP Economy | Neutral

The Economic Coordination Committee (ECC) of the Cabinet on Thursday approved a Rs43 billion grant for Khyber Pakhtunkhwa to cover its cash shortfall, allowed signing of about \$1bn worth of debt relief from G20 countries and agreed in principle for a \$1.1bn requirement for procurement of vaccination. (Dawn) | [Click for more info.](#)

EAD allowed to approach G20 for debt relief extension Economy | Neutral

A meeting of the Economic Coordination Committee (ECC) of the Cabinet has allowed Economic Affairs Division (EAD) to approach the G20 countries for extension in debt relief to Pakistan under the Debt Service Suspension Initiative (DSSI). (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	32,634.0	32,397.3	-236.7	-0.7%
KSE100	48,148.0	47,777.6	-370.4	-0.8%
KSE30	19,574.9	19,381.8	-193.1	-1.0%
KMI30	78,792.8	78,230.8	-562.1	-0.7%

Top Five Gainers

	Open	Close	Chg.	%
ILTM	2,055.0	2,209.1	154.1	7.5%
INDU	1,275.3	1,335.6	60.3	4.7%
MEHT	479.0	505.0	26.0	5.4%
BTL	425.0	450.0	25.0	5.9%
WAHN	242.5	260.7	18.2	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	3.6	4.2	0.6	716.81
HUMNL	8.4	8.7	0.3	75.86
KEL	4.2	4.2	0.1	59.63
KAPCO	46.7	44.8	-1.8	41.14
PTC	12.4	12.9	0.5	34.11

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.02	-0.02	0.00
F-Corporates	2.20	-1.44	0.77
O/S Pakistanies	8.06	-9.16	-1.10
Net	10.28	-10.62	-0.33
LIPI			
Individuals	135.69	-127.69	7.99
Companies	5.67	-4.08	1.59
Comm. Banks	4.72	-7.38	-2.66
NBFC	0.06	-0.05	0.01
Mutual Funds	5.95	-7.70	-1.75
Other	1.14	-0.40	0.74
Brokers Proprietary	24.60	-25.76	-1.16
Insurance	3.50	-7.95	-4.44
Net	181.35	-181.01	0.33

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	69.96	-0.1%
Brent oil	USD/bbl.	72.22	0.0%
Gold	USD/t oz.	1888.57	-0.2%
Silver	USD/t oz.	27.77	0.6%
Coal	USD/ton	116.65	0.2%
Steel Scrap (LME)	USD/ton	498.50	0.0%
Steel Rebar (LME)	USD/ton	715.00	0.0%
USD/PKR	Interbank	155.82	0.0%

News Source: Local / Int'l Newspapers and websites

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REP-055



Oil & Gas

Consumers of SNGPL, SSGC; Ogra increases LNG price for June
SSGC, SNGP | Positive

The Oil and Gas Regulatory Authority (Ogra), on Wednesday, increased the provisional price of LNG for the consumers of both gas companies, the Sui Northern Gas Pipeline Limited (SNGPL) and the Sui Southern Gas Company (SSGC) for the month of June. As compared with the previous month of May, the price of LNG went up from \$10.2528 to \$10.3326 per mmbtu or \$0.0798 per mmbtu for the consumers of the SNGPL. While, the price of LNG for the consumers of the SSGC was also increased as compared with the previous month of May. The price of LNG increased from \$9.9692 in May to \$10.0497 per mmbtu or \$0.0805 per mmbtu for the month of June. (BR) | [Click for more info.](#)

Power

K-Electric, PLL enter into agreement
KEL | Positive

In a major breakthrough, K-Electric and Pakistan LNG Limited (PLL) have entered into an initial Gas Supply Agreement (GSA) for the supply of 150mmcf RLNG for K-Electric's flagship 900MW power plant at Port Qasim (BQPS-III). The GSA will be executed promptly after the approval of the Oil & Gas Regulatory Authority (Ogra), sources at KE told. (BR) | [Click for more info.](#)

CPHGC faces liquidity constraints
Power, HUBC | Neutral

Liquidity constraints are taking a toll on China Power Hub Generation Company (CPHGC), an early-harvest project under the China-Pakistan Economic Corridor (CPEC). Hub Power Company (Hubco) outgoing CEO Khalid Mansoor said cash flows of CPHGC, an associate company of the country's largest independent power producer (IPP), are suffering because the government isn't fulfilling its commitment. (Dawn) | [Click for more info.](#)

Power sector eats away Rs3.5tr
Power | Negative

Pakistan's cash-bleeding power sector has eaten up Rs3.5 trillion on power subsidies and other liquidity injections in the last 14 years since FY2007. According to official data available with The News since the beginning of the circular debt problem in FY2007 up to FY2020, the government has cumulatively spent Rs 3.5 trillion on power subsidies and other liquidity injections. (The News) | [Click for more info.](#)

6,500 MW power shortfall leads to load-shedding
Power | Negative

Despite the fact that the country has de-rated capacity to generate electricity up to 29,000 MW, the electricity shortfall has swelled to 6,500 MW mainly because of less supply of RLNG to power houses. Owing to this very fact, masses, at a time when the mercury remained on Wednesday in the range of 41 to 46 degree centigrade, have been left to huge loadshedding of up to 20 hours in KP, interior Sindh and Balochistan. (The News) | [Click for more info.](#)

Power Generation from Tarbela and Mangla Dams Reduces Massively
Power | Negative

Power generation from the Tarbela and Mangla dams has been reduced by 3300 MW, while Pakistan's total electricity demand is currently 24,100 MW. According to the spokesperson for the Ministry of Energy, the power shortfall today is 1500 MW. The power generated by the system is 22,600 MW, and power generation will be restored within a few days. (Propakistani) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PHILP - PSEi	6,902.5	92.82	1.36%
KSA - Tadawul	10,790.2	54.85	0.51%
INDONESIA - IDX	6,047.5	48.11	0.80%
CHINA - Shanghai	3,591.4	11.29	0.32%
US - S&P 500	4,219.6	-7.71	-0.18%
HK - Hang Seng	28,742.6	-38.75	-0.13%
Taiwan - TWII	16,966.2	-109.99	-0.64%
US - Dow 30	34,447.1	-152.68	-0.44%
INDIA - SENSEX	51,941.6	-333.93	-0.64%
PAK (KSE-100)	47,777.6	-370.36	-0.77%

Board Meetings

Scrip	Day	Agenda	Time
HUMNL	Monday	ANN A/c 30-Jun-20	12:00 PM
ADAMS	Wednesday	HY A/c 31-Mar-20	2:30 PM

Source: PSX



Autos

Sazgar Engineering sells 912 units of three-wheeler during May

SAZEW | Neutral

Sazgar Engineering Works Limited (SAZEW) sold a total of 912 units of three-wheeler against the production of 955 units during the month of May 2021. (Mettis) | [Click for more info.](#)

Miscellaneous

Investment to deposit ratio reaches 73% after 5 years

Banks | Positive

The total Deposits held by Commercial Banks have shown a growth of 16% YoY to Rs17.95 trillion, which is the highest growth in the month of May'21 in six years. While, on a sequential basis, commercial banks' deposits inched up by 2% MoM from Rs17.56tn, data issued by the State Bank of Pakistan (SBP) showed. (Mettis) | [Click for more info.](#)

Corporate sector, REITs; Major tax relief expected

DCR | Positive

The government is expected to announce some major tax relief measures for the corporate sector, development of the capital market, regulated commodity market, documentation of the real estate sector, and promoting the real estate investment trusts (REITs) in budget (2021-22). (BR) | [Click for more info.](#)

Value-added textile export body for zero- rating restoration

Textile | Neutral

The Value-added Textile Exports Association Wednesday demanded of the government to restore zero rating - no payment no refund system – and continue with Duty Drawback of Taxes (DDT) & Technology Upgradation Fund (TUF) scheme and duty-free import of cotton yarn in the forthcoming budget for 2021-22. (BR) | [Click for more info.](#)

Army chief assures business community of full support

Economy | Positive

Chief of Army Staff (COAS) General Qamar Javed Bajwa on Wednesday appreciated the role of business community in economic uplift of Pakistan and reaffirmed army's complete support, says an official statement issued by Inter Services Public Relations (ISPR). (ET) | [Click for more info.](#)

International News

Asian Stocks Set for Steady Open after Bonds Rally: Markets Wrap

Asian stocks look set for a steady start Thursday after Treasuries rallied and U.S. equities edged lower ahead of an American inflation report that may provide clues on the direction of monetary policy. (BR) | [Click for more info.](#)

Oil slips as start of U.S. summer driving season fails to lift fuel demand

Oil prices slid on Thursday as inventory data in the United States, the world's top oil consumer, showed a surge in gasoline stocks that indicates weaker-than-expected fuel demand at the start of summer, the country's peak season for motoring. (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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