



March 11,
2021

Economy

Govt Allows 6 Sectors to Avail 100% Tax Credit

Economy | Positive

The government has decided to allow six sectors to avail 100 percent tax credit after withdrawal of income exemptions from IT services and IT enabled services; coal mining; green field industries; renewable energy and ship building projects. Highly-placed government officials told Propakistani that the Income Tax (Second Amendment) Bill, 2021 has proposed replacement of income tax exemption with 100 percent tax credit to IT services and IT enabled services; coal mining; green field industries; renewable energy and projects of ship building. These sectors would be allowed to avail 100 percent tax credit at the time of filing of income tax returns. (Propakistani) | [Click for more info.](#)

IMF wants SBP Amended Act 2021 approved from parliament

Economy | Neutral

The International Monetary Fund (IMF) has shared a draft of the Memorandum of Financial and Economic Policies (MEFP) with the Pakistani authorities and placed approval of the SBP's amendment act 2021 from parliament as part of condition for the completion of the sixth review under the \$6 billion Extended Fund Facility (EFF) programme. (The News) | [Click for more info.](#)

Auction Result: SBP Sells T-Bills worth Rs.715.46 Billion

Economy | Neutral

The State Bank of Pakistan (SBP) conducted an auction on Wednesday in which it sold Market Treasury Bills (MTBs) worth Rs.715.46 billion for 3, 6 and 12 months. Auction target was Rs.700.00 billion against a maturing amount of Rs.607.00 billion. Cut off yield for 3, 6 and 12 months were 7.5898, 7.8 and 7.79 percent. (Mettis) | [Click for more info.](#)

Ramazan Package-2021; Rs7.8bn subsidy approved by ECC

Economy | Neutral

The Economic Coordination Committee (ECC) of the Cabinet on Wednesday approved Rs7.8 billion subsidy for Ramadan Relief Package-2021 to provide 19 essential items at relatively lower rate at Utility Store Corporations (USC) during Ramazan. (BR) | [Click for more info.](#)

Oil & Gas

OGDCL carries out 1,715 L-KMs 2D, 156 Sq. KMs 3D surveys

OGDC | Neutral

Oil and Gas Development Company Limited (OGDCL) has carried out 1,715 L-KMs 2D and 156 Sq. KMs 3D seismic surveys in its various operational areas during the first half of the current fiscal year aimed at expediting hydrocarbon exploration activities and making the country self-reliant in the energy sector. (Mettis) | [Click for more info.](#)

JJVL-SSGC contract extension; Law division yet to give its opinion

SSGC | Neutral

The law division is yet to give its opinion on the extension of a contract between Jamshoro Joint Venture Limited (JJVL) and Sui Southern Gas Company (SSGC) as it is pending before it since August 21, 2020. On a proposal by the Petroleum Division, the Economic Coordination Committee (ECC) in a meeting held on August 21, 2020, took up the issue of JJVL expired agreement with SSGC and had given approval in principle for resumption of LPG/ Natural Gas Liquids (NGL) production from JJVL plant under the proposed conditions subject to their endorsement from the office of the Attorney General for Pakistan. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,382.5	30,038.1	-344.4	-1.1%
KSE100	44,222.9	43,691.7	-531.2	-1.2%
KSE30	18,570.6	18,325.9	-244.8	-1.3%
KMI30	73,074.1	72,234.3	-839.8	-1.1%

Top Five Gainers

	Open	Close	Chg.	%
BATA	2,132.9	2,170.3	37.4	1.8%
COLG	2,713.2	2,750.0	36.8	1.4%
NESTLE	5,926.7	5,948.0	21.3	0.4%
WYETH	894.4	908.2	13.8	1.5%
SFL	884.0	897.0	13.0	1.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	137.2	130.1	-7.1	38.16
UNITY	28.9	27.3	-1.5	25.04
GGL	22.8	23.9	1.1	19.18
FFBL	25.6	25.1	-0.5	15.80
PRL	24.3	23.2	-1.1	14.98

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.03	-0.01	0.01
F-Corporates	5.38	-4.57	0.81
O/S Pakistanies	7.87	-8.10	-0.23
Net	13.28	-12.68	0.60
LIPI			
Individuals	152.77	-151.79	0.98
Companies	7.66	-6.74	0.92
Comm. Banks	4.48	-1.44	3.04
NBFC	0.09	-0.05	0.04
Mutual Funds	5.96	-8.29	-2.33
Other	1.16	-0.43	0.72
Brokers Proprietary	40.06	-40.36	-0.30
Insurance	1.98	-5.65	-3.67
Net	214.16	-214.76	-0.60

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	64.44	0.7%
Brent oil	USD/bbl.	67.90	0.6%
Gold	USD/t oz.	1726.71	0.6%
Silver	USD/t oz.	26.21	1.1%
Coal	USD/ton	87.75	0.3%
Steel Scrap (LME)	USD/ton	437.50	-4.7%
Steel Rebar (LME)	USD/ton	630.50	-1.2%
USD/PKR	Interbank	157.17	0.0%

News Source: Local / Int'l Newspapers and websites

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REP-055



Gas production inches up

Gas | Neutral

Pakistan's oil production in the last one week fell by 0.2 per cent to 77,586 barrels per day while gas production inched up 1.5pc to 3.485 mmcf from Feb 24 to March 2 over the preceding week. However, Pakistan oil reserves (excluding Aminah, Ayesha and Zainab fields) have increased by 1pc or nine million barrels in the last six months due to introduction of eight new fields. (Dawn) | [Click for more info.](#)

LNG handling at Port Qasim; Ministry terms 'exorbitant' charges main reason behind higher prices

Gas | Neutral

Ministry of Energy (Petroleum Division) is said to have termed "exorbitant" LNG cargo handling charges at Port Qasim the main reason behind higher LNG prices, well-informed sources told. Pakistan State Oil (PSO) and Pakistan WS Limited (PLL) (state-owned entities) were importing LNG. (BR) | [Click for more info.](#)

Power

KE consumers to get Rs2.35bn fuel cost benefit

KEL | Positive

The National Electric Power Regulatory Authority (Nepra) on Wednesday notified fuel cost adjustments (FCAs) for K-Electric for 11 months — July 2019 to May 2020 — involving a net relief of Rs2.355bn to consumers. (Dawn) | [Click for more info.](#)

Mughal Iron & Steel to enter into Power Purchase Agreement with Mughal Energy Ltd

MUGHAL | Positive

The Board of Directors of Mughal Iron & Steel Industries Limited, in their meeting held on March 10, 2021, have considered, and approved the increase in the authorized capital of the Company from Rs. 3 billion to Rs. 5 billion by amending the Memorandum and Articles of Association of the Company. (Mettis) | [Click for more info.](#)

Autos

Sazgar Engineering sells 1,553 units of three-wheelers during February

SAZEW | Positive

Sazgar Engineering Works Limited (SAZEW) sold a total of 1,553 units of three-wheelers against the production of 1,352 units during the month of February 2021. (Mettis) | [Click for more info.](#)

Banks

Govt. borrowing expands by Rs.226 billion in a week

Banks | Positive, Economy | Negative

The government of Pakistan has acquired an additional debt of Rs.225.58 billion during the week ended February 26, 2021, which brings its total net borrowing for ongoing fiscal year 2021 to Rs.301.27 billion. As of prior week, the government had borrowed a net sum of Rs.75.69 billion. (Mettis) | [Click for more info.](#)

Private sector borrows another net sum of Rs.32.65 billion during the week

Banks | Positive

The non-government sector has borrowed another net sum of Rs.32.65 billion during the week ended February 26, 2021, which brings the cumulative net borrowing for ongoing fiscal year FY2021 to Rs.378.99 billion. The net borrowing as of prior week was recorded at Rs.346.34 billion. (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	32,297.0	464.28	1.46%
INDIA - SENSEX	51,279.5	254.03	0.50%
HK - Hang Seng	28,907.5	134.29	0.47%
KSA - Tadawul	9,595.5	122.25	1.29%
INDONESIA - IDX	6,264.7	65.03	1.05%
Taiwan - TWII	15,911.7	58.58	0.37%
PHILP - PSEi	6,808.3	41.49	0.61%
US - S&P 500	3,898.8	23.37	0.60%
CHINA - Shanghai	3,357.7	-1.55	-0.05%
PAK (KSE-100)	43,691.7	-531.23	-1.20%

Board Meetings

Scrip	Day	Agenda	Time
JSCL	Thursday	ANN A/c 31-Dec-20	12:15 PM
IGIL	Friday	ANN A/c 31-Dec-20	2:30 PM
SIBL	Saturday	ANN A/c 31-Dec-20	12:30 PM

Source: PSX



Banks directed to digitise payment, financial services

Banks | Neutral

The State Bank of Pakistan (SBP) on Wednesday instructed all banks to provide a set of minimum services on internet banking (IB) and mobile banking (MB) channels to encourage use of digital modes for various kinds of payments and replace the manual process. (Dawn) | [Click for more info.](#)

Miscellaneous

Energy storage efficiency; GGL announces manufacturing of sophisticated technology

GGL | Positive

Ghani Global Limited (GGL), a Lahore based Islamic-commerce oriented industrial and manufacturing group, on Wednesday announced its foray into the manufacturing of sophisticated technology for enhancing energy storage efficiency through production of long-life super capacitor batteries in Pakistan. (BR) | [Click for more info.](#)

ALAC to be listed on PSX thru IPO

ALIC | Positive

Adamjee Life Assurance Company (ALAC) Limited has decided to list itself on the Pakistan Stock Exchange (PSX) Limited through Initial Public Offering. (BR) | [Click for more info.](#)

No proposal to withdraw tax exemptions on IT exports: FBR

Tech. & Communication | Positive

The Federal Board of Revenue (FBR) on Wednesday said there was no proposal under consideration to withdraw exemption available to income from exports of computer software or IT services or IT enabled services. (Dawn) | [Click for more info.](#)

Political News

Senate to elect its leader tomorrow

The Election Commission of Pakistan (ECP) on Wednesday notified the victory of newly elected senators to the Upper House of the Parliament following the March 03 Senate polls. Election for chairman and deputy chairman of Senate will be held tomorrow (Friday). | [Click for more info.](#)

International News

Asian stocks set to firm after Dow hits record

Asian stocks were set to open slightly higher, following Wall Street's momentum, after a report on U.S. consumer prices calmed concerns about inflation, helping steer the Dow Jones Industrial Average to a record close. (Reuters) | [Click for more info.](#)

Oil prices rise on economic outlook, drawdown in fuel stocks

Crude oil prices rose on Thursday as vaccine rollouts bolstered the economic outlook and U.S. fuel stocks fell sharply, although gains were capped by a surge in crude oil inventories after last month's Texas storm. (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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