



April 12,
2021

Economy

Pakistan eyes another \$1b debt relief from G-20

Economy | Positive

The global debt payments suspension initiative has provided a temporary relief of around \$3.5 billion to Pakistan and one-third of the relief has come from China, reducing immediate borrowing requirements by the same amount. Under the third-phase (July-December 2021) of the Debt Service Suspension Initiative (DSSI) by the G-20 countries, Pakistan will get around \$1 billion relief, the economic affairs ministry said on Friday. This includes \$785 million worth of pause on principal loan repayments and the remaining on account of interest repayments. (ET) | [Click for more info.](#)

Pakistan, IMF agree to establish asset declaration system

Economy | Positive

Pakistan and the International Monetary Fund (IMF) have agreed to establish an asset declaration system by the end of June. In this regard, the government will establish a robust asset declaration system that is comprehensive in scope such as assets beneficially owned or located abroad filed with a central federal agency. Data in this regard will not only be electronically available to the public but also searchable and effectively verified. (PT) | [Click for more info.](#)

China offers full support to Pakistani business community

Economy | Positive

Nong Rong, Ambassador of the People's Republic of China along with Mr. Li Bijian, Consul General of China at Karachi along with his team visited the Federation of Pakistan Chambers of Commerce and Industry. The meeting took note of various subjects pertaining to economic relationship between Pakistan and China particularly in reference to China Pakistan Economic Corridor and China-Pakistan Free Trade Agreement. (Pakobserver) | [Click for more info.](#)

Pakistan to become 23rd biggest economy by 2040: US intelligence report

Economy | Neutral

Pakistan is set to become the world's 23rd biggest economy by 2040 based on its predicted gross domestic product (GDP) rank which currently sits at 39th position, according to a United States intelligence report, which is issued every four years. The assessment was included in this year's Global Trends report by US National Intelligence Council (NIC), which is designed to help policymakers and citizens anticipate the economic, environmental, technological and demographic forces that are likely to shape the world through the next 20 years. (ET) | [Click for more info.](#)

Economy to experience sluggish recovery: IMF

Economy | Neutral

Pakistan's economy, which was relatively resilient in 2020, are forecast to experience a sluggish recovery in 2021, while foreign investors have not yet returned in significant volumes, says International Monetary Fund (IMF). (BR) | [Click for more info.](#)

Exchange companies deposit \$2.8bn in banks in 9MFY21

Economy | Neutral

Foreign currency dealers in the open market have deposited more than \$2.8 billion in banks during the first nine months of the current fiscal year (9MFY21) indicating the deposits could touch an all-time high figure of \$4bn by the end of FY21. Inflows of foreign exchange from both the open market and banking channels have increased significantly during the current fiscal year, with the total reserves of the country touching \$20.68bn — the highest since July 2017. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

| | Open | Close | Chg. | % |
|---------|----------|----------|-------|------|
| KSE All | 30,423.3 | 30,709.5 | 286.2 | 0.9% |
| KSE100 | 44,741.4 | 45,186.5 | 445.1 | 1.0% |
| KSE30 | 18,332.2 | 18,484.9 | 152.7 | 0.8% |
| KMI30 | 73,956.9 | 74,473.3 | 516.3 | 0.7% |

Top Five Gainers

| | Open | Close | Chg. | % |
|--------|---------|---------|------|------|
| SAPT | 801.0 | 861.1 | 60.1 | 7.5% |
| NESTLE | 5,800.0 | 5,849.0 | 49.0 | 0.8% |
| SRVI | 1,169.5 | 1,216.7 | 47.1 | 4.0% |
| NRL | 556.8 | 597.2 | 40.4 | 7.2% |
| SIEM | 484.0 | 517.5 | 33.5 | 6.9% |

Top Five Volume Leaders

| | Open | Close | Chg. | Vol. |
|-------|------|-------|------|--------|
| WTL | 1.2 | 1.4 | 0.2 | 124.48 |
| TELE | 7.7 | 8.5 | 0.7 | 60.21 |
| BYCO | 9.8 | 10.3 | 0.6 | 50.21 |
| UNITY | 29.6 | 30.7 | 1.1 | 37.43 |
| PRL | 24.4 | 25.7 | 1.3 | 30.22 |

Portfolio Investments – Net Position

| FIPI | Buy | Sell | Net |
|---------------------|---------------|----------------|--------------|
| F-Individuals | 0.07 | -0.07 | 0.00 |
| F-Corporates | 2.89 | -3.15 | -0.25 |
| O/S Pakistanies | 14.33 | -11.20 | 3.13 |
| Net | 17.30 | -14.42 | 2.88 |
| LIPI | | | |
| Individuals | 176.79 | -176.17 | 0.63 |
| Companies | 5.95 | -7.52 | -1.56 |
| Comm. Banks | 2.17 | -3.24 | -1.08 |
| NBFC | 0.03 | -0.03 | -0.01 |
| Mutual Funds | 6.22 | -6.13 | 0.09 |
| Other | 0.52 | -0.62 | -0.10 |
| Brokers Proprietary | 41.40 | -41.13 | 0.27 |
| Insurance | 2.26 | -3.39 | -1.13 |
| Net | 235.34 | -238.22 | -2.88 |

Commodity Outlook

| | Unit | Close | % chg. |
|-------------------|-----------|---------|--------|
| Crude oil | USD/bbl. | 59.32 | -0.5% |
| Brent oil | USD/bbl. | 62.95 | -0.4% |
| Gold | USD/t oz. | 1743.88 | -0.7% |
| Silver | USD/t oz. | 25.27 | -0.7% |
| Coal | USD/ton | 95.15 | -0.6% |
| Steel Scrap (LME) | USD/ton | 442.50 | -2.3% |
| Steel Rebar (LME) | USD/ton | 639.50 | 0.6% |
| USD/PKR | Interbank | 153.03 | -0.1% |

News Source: Local / Int'l Newspapers and websites

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REP-055



Public debt up by Rs12.5tr in 30 months

Economy | Neutral

Finance and Revenue Minister Hammad Azhar on Saturday told the National Assembly that the country's public debt had increased by Rs12.5 trillion in 30 months -- between June 2018 and December 2020. "Of [this amount], domestic and external debt contributed Rs7.9 trillion and Rs4.6 trillion, respectively," he added in his written reply to a lawmaker's query. The minister added that the current government had to pay Rs6.2 trillion, or 50% of the increase, as interest on debts borrowed predominantly by the previous governments. Hammad pointed out that public debt had increased by Rs3 trillion, or 24% of the increase, due to currency devaluation. (ET) | [Click for more info.](#)

PSDP 2020-21; Rs500.94bn released against budgeted Rs650bn

Economy | Neutral

The federal government has released Rs500.94 billion (77.1 percent) including Rs82 billion foreign aid for various ongoing and new development projects under the Public Sector Development Programme (PSDP) 2020-21 against the budgeted allocation of Rs650 billion. (BR) | [Click for more info.](#)

Deadliest Covid day since June claims 114 lives

Economy | Negative

While the country reported the highest number of single-day deaths since June last year, 5,050 more people contracted Covid-19 on Sunday. The number of critical patients reached all-time high of 4,920 and that of active cases crossed 70,000 mark. (Dawn) | [Click for more info.](#)

Refinery

Pakistan Refinery seeks used complex to upgrade operations

PRL | Neutral

Pakistan Refinery Ltd (PRL) is looking to buy a second-hand refinery complex to upgrade its operations and increase output to help meet rising demand for petroleum products as the country emerges from a pandemic-driven slump. The South Asian country currently has five refineries with a total capacity of 417,000 barrels per day (bpd), according to Pakistan's 2020 economic survey, the largest of which stands at 150,000 bpd. (Dawn) | [Click for more info.](#)

Power

Inaction may double circular debt, says PM's aide

Power | Neutral

The PTI government's strategy to cap the flow — or the addition of new stock — of the power sector's circular debt in the next two years has 'too many variables and moving parts', which need to be implemented concurrently for the success of the proposed plan. The government has formulated the Circular Debt Management Plan with the assistance of the World Bank as a prior action for the resumption of the IMF's \$6 billion facility. According to Tabish Gauhar, Special Assistant to the Prime Minister on Power and Petroleum, the circular debt stock was likely to double from the existing Rs2.3 trillion to Rs4.6tr in two years to 2023 in case no measures were taken to plug its flow. (ET) | [Click for more info.](#)

Cut in rate of return of 12 IPPs to help govt save Rs150bn

IPPs | Negative

The National Electric Power Regulatory Authority (Nepra) on Friday approved reduction from 17 to 12-13 per cent in the Return on Equity (RoE), Return on Equity during Construction (RoEDC), Operation & Maintenance and Insurance components of a total of 12 renewable independent power producers (IPPs) under renegotiated tariff contracts with the government. (Dawn) | [Click for more info.](#)

World Indices

| | Last | Chg. | Chg. % |
|------------------|----------|---------|--------|
| PAK (KSE-100) | 45,186.5 | 445.12 | 0.99% |
| US - Dow 30 | 33,800.6 | 297.03 | 0.89% |
| US - S&P 500 | 4,128.8 | 31.63 | 0.77% |
| INDONESIA - IDX | 6,070.2 | -1.51 | -0.02% |
| KSA - Tadawul | 10,012.1 | -2.17 | -0.02% |
| CHINA - Shanghai | 3,450.7 | -31.88 | -0.92% |
| Taiwan - TWII | 16,854.1 | -72.34 | -0.43% |
| PHILP - PSEi | 6,545.2 | -106.54 | -1.60% |
| INDIA - SENSEX | 49,591.3 | -154.89 | -0.31% |
| HK - Hang Seng | 28,698.8 | -309.27 | -1.07% |

Board Meetings

| Scrip | Day | Agenda | Time |
|-------|-----------|-------------------|----------|
| PTC | Sunday | 1Q A/c 31-Mar-21 | 2:00 PM |
| HRPL | Monday | 3Q A/c 31-Mar-21 | 11:00 AM |
| KOHC | Monday | 3Q A/c 31-Mar-21 | 11:00 AM |
| PTL | Monday | 3Q A/c 31-Mar-21 | 2:00 PM |
| BWHL | Tuesday | 3Q A/c 31-Mar-21 | 11:00 AM |
| SIBL | Tuesday | 1Q A/c 31-Mar-21 | 12:30 PM |
| FDIBL | Tuesday | 3Q A/c 31-Mar-21 | 3:00 PM |
| EPQL | Wednesday | 1Q A/c 31-Mar-21 | 10:00 AM |
| BPL | Wednesday | ANN A/c 31-Jun-20 | 11:30 AM |
| AWTX | Thursday | 3Q A/c 31-Mar-21 | 12:30 PM |
| DCR | Thursday | 3Q A/c 31-Mar-21 | 2:00 PM |
| MCBAH | Friday | 3Q A/c 31-Mar-21 | 11:00 AM |
| NEXT | Friday | 3Q A/c 31-Mar-21 | 11:30 AM |
| EPCL | Friday | 1Q A/c 31-Mar-21 | 2:30 PM |
| PSX | Friday | 3Q A/c 31-Mar-21 | 2:30 PM |
| MARI | Monday | 3Q A/c 31-Mar-21 | 10:00 AM |
| EFERT | Monday | 1Q A/c 31-Mar-21 | 12:30 PM |
| CYAN | Monday | 1Q A/c 31-Mar-21 | 3:30 PM |
| FCEPL | Tuesday | 1Q A/c 31-Mar-21 | 10:30 AM |
| ISL | Tuesday | 3Q A/c 31-Mar-21 | 10:30 AM |
| TRIPF | Tuesday | 1Q A/c 31-Mar-21 | 11:00 AM |
| MEBL | Tuesday | 1Q A/c 31-Mar-21 | 12:30 PM |
| AVN | Tuesday | ANN A/c 31-Mar-21 | 7:30 PM |
| UBL | Wednesday | 1Q A/c 31-Mar-21 | 3:00 PM |
| KAPCO | Thursday | 3Q A/c 31-Mar-21 | 10:30 AM |
| AGIL | Thursday | 3Q A/c 31-Mar-21 | 12:30 PM |
| FCCL | Thursday | 3Q A/c 31-Mar-21 | 2:00 PM |
| PAKT | Thursday | 1Q A/c 31-Mar-21 | 2:00 PM |
| PKGS | Friday | 1Q A/c 31-Mar-21 | 11:00 AM |
| BUXL | Saturday | 3Q A/c 31-Mar-21 | 11:00 AM |
| OML | Monday | 3Q A/c 31-Mar-21 | 11:00 AM |
| HAFL | Tuesday | 3Q A/c 31-Mar-21 | 11:30 AM |
| UPFL | Wednesday | 1Q A/c 31-Mar-21 | 2:30 PM |
| INDU | Wednesday | 3Q A/c 31-Mar-21 | 3:00 PM |
| PICT | Thursday | 1Q A/c 31-Mar-21 | 11:45 AM |
| AATM | Thursday | 3Q A/c 31-Mar-21 | 2:00 PM |

Source: PSX



Additional power to KE; NTDC gives its consent

KEL | Neutral

National Transmission and Dispatch Company (NTDC) is said to have given its consent for provision of additional power to Karachi Electric (KE) for summers 2021 and 2022 with reservations on billing mechanism by CPPA-G, well-informed sources told. (BR) | [Click for more info.](#)

Autos

IMC Pakistan's first co to install solar PV plant

INDU | Positive

Indus Motor Company (IMC) becomes Pakistan's first company to install one of the largest rooftop mounted Solar Photovoltaic (PV) plant and biggest Solar PV plant in the automobile industry in Pakistan. It is also the first such unit in the Toyota Asia-Pacific region. The Solar PV Plant has more than 10k PV panels that have a capacity of 4.5 MWp rating. The unit is expected to reduce the factory's carbon footprint by more than 3,000 tons annually and considerably reducing energy cost. (BR) | [Click for more info.](#)

Sazgar Engineering sells 1,209 units of three-wheelers during March

SAZEW | Positive

Sazgar Engineering Works Limited (SAZEW) sold a total of 1,209 units of three-wheelers against the production of 1,193 units during the month of March 2021. (Mettis) | [Click for more info.](#)

SUV tyre manufacturing begins

GTJR | Positive

General Tyre and Rubber Company of Pakistan Limited (GTR) has started manufacturing 18-inch tyres for Sports Utility Vehicle (SUV). The move comes as demand for new sizes of tyres has increased in the country with the arrival of automobile variants. (Dawn) | [Click for more info.](#)

Fast charging station for electric vehicles installed in Pakistan

Autos | Positive

In a first of its kind, a fast-charging unit station for electric vehicles has been installed by Tesla Industries in Islamabad, paving way for the e-vehicles to be recharged. The unit was inaugurated by the President of the Islamabad Chamber of Commerce Sardar Yasir Ilyas along with Tesla Industries CEO Aamir Hussain. (Pakobserver) | [Click for more info.](#)

Chemicals

Engro okays \$31m for new facility

ENGRO | Neutral

Engro Corporation Ltd informed the PSX: "In continuation of our letter dated April 26, 2019, in relation to the company's intent to explore investment opportunities in the petrochemical sector and the approval of the board for commencement of a study in relation to a polypropylene facility based on propane dehydrogenation". (Dawn) | [Click for more info.](#)

Food & Allied

Pakistani rice export to China increasing: PCJCCI

MATCO | Positive

China has emerged as one of the destinations for Pakistani rice as reflected by substantial increase in its exports to the country during the last four years. PCJCCI Senior Vice President Daud Ahmad said that export target of around 10 million tons of Irri-6 rice to China could be achieved if sustained efforts to market Pakistani rice to China were pursued, focusing on the need of the Chinese population. (The Nation) | [Click for more info.](#)



Miscellaneous

DRAP allows IDC, Shifa International Hospital to resume COVID-19 vaccination after verification of cold chain monitoring

SHFA, AGP | Neutral

The Drug Regulatory Authority Pakistan (DRAP) has allowed Shifa International Hospital and Islamabad Diagnostic Centre (IDC) to resume administration of coronavirus vaccination. DRAP had authorized AGP Limited to be the first company to import Sputnik-V vaccine in Pakistan for private sales. On April 7, DRAP had stopped both the centers from administering Sputnik V supplied by AGP Limited. (BR) | [Click for more info.](#)

Individuals' category; Modaraba cos can extend Rs20m housing finance: SECP

Modaraba | Positive

The Securities and Exchange Commission of Pakistan (SECP) has directed the Modaraba companies to extend housing finance facilities to its customers within the category of individuals with a maximum limit of Rs20 million. According to the SECP regulations, Modarabas with the prior approval of the SECP Registrar may extend housing finance facilities to its customers and the maximum per party limit in respect of housing finance by a Modaraba shall be Rs20 million. (BR) | [Click for more info.](#)

CCP says govt should deregulate sugar prices

Sugar | Neutral

The Competition Commission of Pakistan (CCP) has issued a "Policy Note" recommending that instead of fixing the sugar price, the government should deregulate the sugar industry to promote free trade mechanisms where price signals can be effectively conveyed to all stakeholders to attract investment, increase competitiveness, and reduce distortions in local supply. (BR) | [Click for more info.](#)

Independent capital market tribunals may be established

Capital Market | Neutral

The Securities and Exchange Commission of Pakistan (SECP) has proposed amendments in the SECP Act 1997 to establish 'independent capital market tribunals' to facilitate regulated stock market participants to appeal against the decisions of the SECP. (BR) | [Click for more info.](#)

International News

Asia off to cautious start ahead of earnings, U.S. data

Asian shares started cautiously on Monday as investors wait to see if U.S. earnings can justify sky-high valuations, while bond markets could be tested by what should be very strong readings for U.S. inflation and retail sales this week. (Reuters) | [Click for more info.](#)

Oil Steady Near \$59 as Fed's Powell Points to Economic Growth

Oil was steady near \$59 a barrel in Asian trading after Federal Reserve Chair Jerome Powell said the U.S. economy was poised for stronger growth, while cautioning that Covid-19 still remains a threat. (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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