

March 12,
2021

Economy

Workers Remittances see 'exceptional' growth of over 24pc in February

Economy | Positive

Remittances from Overseas Pakistanis continued exceptional performance in February 2021, reaching \$2.266 billion. As per the latest data released by the State Bank of Pakistan (SBP) on Thursday, the workers' remittances grew by 24.17 percent as compared to the same month in 2020. On a month-on-month basis, a decline of 0.34pc was recorded from \$2,273.6 million recorded in January 2021. (BR) | [Click for more info.](#)

Foreign exchange: SBP reserves rise \$38m to \$13b

Economy | Positive

The foreign exchange reserves held by the central bank rose 0.3% on a weekly basis, according to data released by the State Bank of Pakistan (SBP) on Thursday. On March 5, the foreign currency reserves held by the SBP were recorded at \$13,016.1 million, up \$38 million compared with \$12,978.4 million in the previous week. The central bank gave no reason for the increase in reserves. (ET) | [Click for more info.](#)

Pakistan's imports topped from China, trade increases over US \$6807 million

Economy | Neutral

China topped the list of countries from where Pakistan imported different products during the seven months of the current financial year (2020-21), followed by United Arab Emirates (UAE) and Singapore. The total imports from China during July-January (2020-21) were recorded at US \$ 6807.488 million against the US \$ 5794.114 million during July-January (2019-21), showing an increase of 17.48 percent during the period, according to State Bank of Pakistan (SBP). (BR) | [Click for more info.](#)

Fiscal deficit contained at 2.5pc of GDP in first half of FY21

Economy | Neutral

The effective expenditure control measures taken by the government have resulted in containing the overall fiscal deficit at 2.5 percent of the Gross Domestic Product (GDP) during the first half of the current fiscal year (2020-21). For the Financial Year 2020-21, the overall fiscal deficit was projected at 7.0 percent of the GDP, official sources said. (BR) | [Click for more info.](#)

Corporate income tax exemptions; Withdrawal causes Rs10bn revenue impact

Economy | Negative

The withdrawal of corporate income tax exemptions available to the industrial undertakings under section 65D of the Income Tax Ordinance 2001 has a revenue impact of Rs 10 billion. (BR) | [Click for more info.](#)

Ecneec approves 13 projects

Economy | Positive

A meeting of the Executive Committee of National Economic Council (Ecneec) Thursday approved 13 projects of health, water and communication and other sectors with projected cost of over Rs322 billion. (BR) | [Click for more info.](#)

Alarming surge in Covid-19 cases witnessed

Economy | Negative

With the steady increase in Covid-19 cases in Pakistan during the past 9 days, the positivity rate has jumped to 5.36 percent as the country recorded 2,258 Covid-19 cases during past 24 hours after Jan 29 when 2,186 cases were detected. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,038.1	29,372.6	-665.5	-2.2%
KSE100	43,691.7	42,779.8	-911.9	-2.1%
KSE30	18,325.9	17,861.2	-464.6	-2.5%
KMI30	72,234.3	70,629.2	-1605.1	-2.2%

Top Five Gainers

	Open	Close	Chg.	%
WYETH	908.2	935.0	26.8	3.0%
MUREB	540.0	560.0	20.0	3.7%
PMRS	390.0	400.0	10.0	2.6%
PKGS	466.4	474.5	8.1	1.7%
SYS	421.8	427.6	5.8	1.4%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITY	27.3	25.3	-2.0	34.89
TRG	130.1	120.3	-9.8	27.09
HUMNL	6.2	5.8	-0.4	21.53
WTL	1.3	1.2	-0.1	19.72
PIBTL	10.6	10.0	-0.6	17.72

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	-0.01	0.00
F-Corporates	3.06	-2.16	0.90
O/S Pakistanies	8.56	-8.03	0.53
Net	11.63	-10.20	1.43
LIPI			
Individuals	109.97	-119.00	-9.03
Companies	6.60	-3.71	2.89
Comm. Banks	7.17	-6.39	0.78
NBFC	0.08	-0.05	0.04
Mutual Funds	13.08	-11.91	1.17
Other	0.80	-0.21	0.59
Brokers Proprietary	29.27	-28.89	0.38
Insurance	3.48	-1.72	1.76
Net	170.45	-171.88	-1.43

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	66.02	2.5%
Brent oil	USD/bbl.	69.63	2.5%
Gold	USD/t oz.	1722.60	-0.2%
Silver	USD/t oz.	26.12	-0.3%
Coal	USD/ton	88.85	1.3%
Steel Scrap (LME)	USD/ton	440.00	0.6%
Steel Rebar (LME)	USD/ton	630.50	0.0%
USD/PKR	Interbank	157.34	0.1%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106

REP-055



Oil & Gas

HASCOL's losses contract by 42% during 1HCY20

HASCOL | Neutral

Hascol Petroleum Limited has incurred losses of Rs. 17.26 billion (LPS: 18.15) for the half-year ended June 30, 2020, i.e. nearly 42% lower than the losses recorded during the same period of last year. The company reported a nearly 31% decline in revenue on account of lower volumetric sale. Despite a 28.8% decline in cost of sales, the gross losses of the company increased by 81x. (Mettis) | [Click for more info.](#)

Power

Power surcharge bill passed by NA body

Power | Positive

National Assembly Standing Committee on Power on Thursday empowered the Federal Government to increase electricity tariff through imposition of surcharge up to 10 percent of aggregate revenue requirement of all electric suppliers, with a one-vote majority. (BR) | [Click for more info.](#)

Autos

Car sales up 55pc YoY in February

Autos | Positive

The sale of passenger cars, including KIA vehicles, increased 55pc year-on-year in February 2021. According to data released by the Pakistan Automotive Manufacturers Association (PAMA), Pak Suzuki Motor Company Ltd (PSMC) once again took the lead with a massive 66pc YoY increase in sales. PAMA attributed this growth to a 162pc surge in Alto and 106pc increase in Ravi sales, with Alto sales clocking in at 4,245 and Ravi at 1,268. (PT) | [Click for more info.](#)

Cement

Lucky Cement's Greenfield production facility in Iraq successfully commences operations

LUCK | Positive

Lucky Cement Limited has announced that the Greenfield cement production facility in Samawah, Iraq with a capacity of 1.2 million tons per annum has successfully commenced its operations with effect from March 10, 2021. The said cement production facility is a joint venture with Al-Shamookh group of Iraq. (Mettis) | [Click for more info.](#)

Miscellaneous

Rs51bn increase in consumer car financing seen

Banks | Positive

The consumer car financing has witnessed a significant rise of Rs51 billion amid attractive interest rates during 7MFY21, according to Summit Capital. It expected that the prevailing interest rate would keep this momentum intact going forward. (BR) | [Click for more info.](#)

Telecom sector gets status of industry thru relief package

Tech. & Communication | Positive

The government Thursday announced a relief package for telecom sector. The package includes the status of industry for this sector, cut in advance income tax on mobile phone users from 12.5 percent to 10 percent, which will be further reduced to 8 percent in 2022-23, federal excise duty will be brought down from 17 percent to 16 percent, Rs250 on SIM card has been abolished and services tax on telecommunication companies reduced from 8 percent to 3 percent. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	29,385.6	478.09	1.65%
Taiwan - TWII	16,179.6	267.89	1.68%
INDIA - SENSEX	51,279.5	254.03	0.50%
US - Dow 30	32,485.6	188.57	0.58%
CHINA - Shanghai	3,436.8	79.09	2.36%
INDONESIA - IDX	6,264.7	65.03	1.05%
US - S&P 500	3,939.3	40.53	1.04%
PHILP - PSEi	6,719.2	-89.14	-1.31%
PAK (KSE-100)	42,779.8	-911.92	-2.09%
KSA - Tadawul	6,719.2	-2876.27	-29.98%

Board Meetings

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

Source: PSX



SBP relieves 100% cash margin requirement on imports of certain items

Economy | Neutral

The State Bank of Pakistan (SBP) has relieved the 100 percent cash margin requirement on the import of certain items/raw materials to support the manufacturing and industrial sectors. According to a circular issued on Thursday, the SBP has decided to waive the condition of 100 percent cash margin requirement on imports of 11 items/ HS Codes. (Mettis) | [Click for more info.](#)

Etisalat's Group CEO meets minister

PTC | Neutral

A high-powered delegation of Etisalat Group, led by Group CEO Hatem Dowidar, visited Pakistan to meet with Federal Minister for IT & Telecommunication, Syed Amin-ul Haque. | [Click for more info.](#)

Political News

All options, including fresh elections, open: PM

Prime Minister Imran Khan Thursday, in a defiant mood, refused to accept pressure from the opposition tactics, including that of its planned march, and said he and his party enjoyed public support. (The News) | [Click for more info.](#)

International News

Asian stocks set for gains as bond yields dip

Asian stocks were set for a strong start on Friday, following firm overnight leads from Wall Street and Europe as a further retreat in bond yields eased concerns about rampant inflation, restoring appetite for battered tech stocks. (Reuters) | [Click for more info.](#)

Oil Holds Gains Near \$66 With Signs Fuel Consumption Expanding

Oil held gains near \$66 a barrel in early Asian trading amid signs a recovery in fuel consumption is accelerating and after the U.S. enacted a massive pandemic relief program that lifted markets in general. (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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THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst
zubair@abaalihabib.com

Behroze Atique – Research Analyst
behroze@abaalihabib.com

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

Zaheer Ahmed - Head of Institutional Sales
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Salman Ahmed - Head of Retail Sales
(021) 32412491

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Office (PSX Building)

Room # 419, 419 A & 421, 4th Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi
Contact: 021-32429665
Cell: [+92 3312766771](tel:+923312766771)



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