



May 12,
2021

Economy

Riyadh commits \$500m loan to Pakistan

Economy | Positive

Saudi Arabia's commitment to providing funds worth \$500 million (Rs75.5 billion) will help develop infrastructure, hydropower projects and water resources in Pakistan. Under one of the seven MoUs signed between the two countries, Saudi Arabia would finance energy, infrastructure, water, transportation and communication projects in Pakistan. (ET) | [Click for more info.](#)

Exports to US jump 29% to \$4b during 10MFY21

Economy | Positive

Pakistan's exports to the United States jumped 29% to \$4 billion during July-April 2020-21, announced Adviser to Prime Minister on Commerce Abdul Razak Dawood. In a series of tweets on Tuesday, he said that Pakistan had managed to ship merchandise worth \$3.2 billion in the same period of previous fiscal year. "US continues to remain an important market for Pakistan," he said. (ET) | [Click for more info.](#)

Exports to Saudi Arabia increased by 3.57pc in 9 months

Economy | Positive

Pakistan's exports of goods and services to Saudi Arabia has witnessed an increase of 3.57 percent during the first nine months of financial year (2020-21) compared to the corresponding period of last year, State Bank of Pakistan (SBP) reported. The overall exports to Saudi Arabia were recorded at \$365.240 million during July-March (2020-21) against exports of \$352.620 million during July-March (2019-20), showing growth of 3.57 percent, SBP data revealed. (BR) | [Click for more info.](#)

Power

Lucky Cement, Chinese energy-saving company sign agreement

LUCK | Positive

An agreement on a renovation project of a waste heat recovery power plant was signed between China Sinoma Energy Conservation Limited (Sinoma EC) and Lucky Cement last weekend. The generating capacity of the two power stations - Lines CD and 01 (former AB) of the Pezu Plant in Darra Pezu, Khyber Pakhtunkhwa - utilising waste heat is expected to increase by about 4MW after the transformation. (BR) | [Click for more info.](#)

Govt to revisit coal pricing formula

Power | Neutral

The Pakistan Tehreek-e-Insaf (PTI) government is set to renegotiate the existing coal pricing formula with the government of Sindh to remove dollar indexation for the rate of return. In this regard, the federal government has planned to amend the Renewable Energy Policy 2019. The federal government did not want more coal-based power plants in the near future either due to policy or lack of bankability. Therefore, it wants to convert the already commissioned and under-construction power plants to Thar coal. It said that 5,500MW imported coal-based IPPs and Jamshoro-I project would be converted to Thar coal, with supplies coming from the existing blocks 1 and 2. (ET) | [Click for more info.](#)

Work on Tarbela 5th Extension Project to start in July: Wapda

Power | Neutral

Chairman Pakistan Water and Power Development Authority (Wapda) Lt Gen Muzammil Hussain (Retd) said on Tuesday the construction work on Tarbela 5th Extension Project would commence in July. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,259.3	30,475.5	216.2	0.7%
KSE100	44,943.6	45,174.7	231.1	0.5%
KSE30	18,383.0	18,469.9	86.9	0.5%
KMI30	72,845.4	73,136.1	290.8	0.4%

Top Five Gainers

	Open	Close	Chg.	%
BATA	1,680.0	1,790.0	110.0	6.5%
PAKT	1,305.0	1,390.0	85.0	6.5%
WYETH	1,077.9	1,111.3	33.3	3.1%
SAPT	918.0	950.0	32.0	3.5%
PRET	345.0	370.9	25.9	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.4	1.5	0.1	80.90
TRG	162.4	165.8	3.4	14.80
TELE	15.6	15.5	0.0	12.80
UNITY	35.0	35.7	0.7	11.57
GGL	38.1	38.8	0.7	10.72

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	-0.03	-0.01
F-Corporates	1.47	-1.64	-0.17
O/S Pakistanies	6.92	-5.48	1.45
Net	8.41	-7.14	1.27
LIPI			
Individuals	116.01	-116.00	0.01
Companies	3.36	-3.16	0.20
Comm. Banks	0.62	-2.05	-1.43
NBFC	0.06	-0.04	0.01
Mutual Funds	4.16	-2.99	1.17
Other	0.49	-0.23	0.27
Brokers Proprietary	26.15	-27.80	-1.65
Insurance	1.34	-1.19	0.15
Net	152.19	-153.45	-1.27

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	65.28	0.6%
Brent oil	USD/bbl.	68.55	0.3%
Gold	USD/t oz.	1837.47	0.1%
Silver	USD/t oz.	27.62	1.2%
Coal	USD/ton	100.85	0.7%
Steel Scrap (LME)	USD/ton	525.00	9.3%
Steel Rebar (LME)	USD/ton	750.00	0.0%
USD/PKR	Interbank	152.40	-0.4%

News Source: Local / Int'l Newspapers and websites

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REP-055



Cement

Rs340bn projects registered under construction package

Economy | Positive

As many as 1,083 projects worth Rs340 billion have been registered with the Federal Board of Revenue (FBR) along with another 292 tentative projects with an indicative investment of Rs43bn under the prime minister's package for the construction industry. About 3,851 buyers had shown interest in purchasing properties by availing tax incentives for the construction sector till May 6. (Dawn) | [Click for more info.](#)

Autos

Hyundai to start local assembly of Santa Fe SUV

Autos | Positive

As the SUV market in Pakistan continues to grow, more competitive manufacturers like Hyundai are stepping up their production game. According to local media reports, the Korean automaker Hyundai is planning to commence the local assembly of the Santa Fe. The vehicle is already on sale in Pakistan as a CBU in only one trim-level, i.e. the GLS. (BR) | [Click for more info.](#)

Banks

Private sector's credit offtake surges 43pc in 10 months

Banks | Positive

Banks disbursed Rs454.5 billion in loans to private businesses during the first 10 months of the current fiscal year, up around 43 percent as the cost of borrowing has been reduced to spur economic growth, the central bank's latest data showed. (The News) | [Click for more info.](#)

Rs60bn collateral-free loan plan for SMEs in the works

Banks | Neutral

The PTI government is targeting disbursement of Rs60 billion through commercial banks as clean, collateral-free loans among small and medium enterprises (SMEs) over the next three years, says a senior official of the Small and Medium Enterprise Development Authority (Smeda). (Dawn) | [Click for more info.](#)

Miscellaneous

Gul Ahmed Textile to spin off 'Ideas' for IPO

GATM | Positive

Gul Ahmed Textile Mills, one of Pakistan's biggest mills, planned to spin off the retail business 'Ideas' paving a way for its public listing in near future, the company said on Tuesday. (The News) | [Click for more info.](#)

Withdrawal of GSP plus status by EU; PRGMEA urges PM, Adviser to help save '\$3bn' exports

Economy | Neutral

Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) on Tuesday has appealed to the Prime Minister of Pakistan Imran Khan and Adviser to PM on Commerce and Investment Abdul Razak Dawood to play its role to save the \$3 billion exports of Pakistan if the GSP plus status given by EU to Pakistan will be withdrawn. (BR) | [Click for more info.](#)

Political News

No talks with India until it revokes August 5 action

Prime Minister Imran Khan on Tuesday said that Islamabad would not engage in dialogue with New Delhi unless it retreats from its August 5, 2019 decision on Indian Illegally Occupied Jammu and Kashmir (IIOJ&K). (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	45,174.7	231.06	0.51%
KSA - Tadawul	10,322.7	94.33	0.92%
CHINA - Shanghai	3,441.9	13.86	0.40%
PHILP - PSEi	6,326.8	9.42	0.15%
US - S&P 500	4,152.1	-36.33	-0.87%
INDONESIA - IDX	5,938.4	-37.44	-0.63%
INDIA - SENSEX	49,161.8	-340.60	-0.69%
US - Dow 30	34,269.2	-473.66	-1.36%
HK - Hang Seng	28,013.8	-581.85	-2.03%
Taiwan - TWII	16,583.1	-652.48	-3.79%

Board Meetings

Scrip	Day	Agenda	Time
MIRKS	Thursday	HY A/c 31-Mar-21	11:00 AM
SKRS	Thursday	HY A/c 31-Mar-21	3:00 PM

Source: PSX



International News

Indian variant becomes global threat

The World Health Organisation (WHO) had announced that it reclassifying the highly contagious triple-mutant Covid variant in India as a “variant of concern,” indicating that it’s become a global health threat, foreign media reported on Tuesday. (The News) | [Click for more info.](#)

Asia shares at one-month lows as sell-off extends on inflation anxiety

Asian shares fell for a second straight session on Wednesday to one-month lows as investors speculated surging commodity prices and growing inflationary pressure in the United States could lead to earlier rate hikes and higher bond yields globally. (Reuters) | [Click for more info.](#)

Oil prices rise on nagging fears of fuel shortages

Oil prices settled higher on Tuesday, as lingering fears of gasoline shortages due to an outage at the largest U.S. fuel pipeline system after a cyber attack brought futures back from an early drop of more than 1%. (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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