



June 15,
2021

Economy

CPEC economic growth; Rs10bn allocated for special initiatives

Economy | Neutral

The Punjab government is committed to expanding economic cooperation with China under CPEC and allocated funds amounting to Rs 10 billion for special initiatives for CPEC Economic Growth in ADP 2021-22. (BR) | [Click for more info.](#)

BOI launches major initiatives to promote investments

Economy | Positive

With the support of the multilateral donor agencies and private sector, the Board of Investment (BOI) on Monday launched three major initiatives for fostering an enabling business climate with automation and reduced compliance burden to help boost foreign investment in Pakistan. (The News) | [Click for more info.](#)

NA approves legal amendments to increase SMEs financing

Economy | Positive

The National Assembly has passed a legal amendment to increase access of small and medium enterprises (SMEs) to loans and make transactions secured for financial institutions. (The News) | [Click for more info.](#)

SBP proposes framework to facilitate exporters

Economy | Neutral

In a press release issued on Monday, the central bank said it had proposed changes in its regulatory instructions for exporting goods from Pakistan with the agenda of modernizing foreign exchange regulations. It added that the changes were aimed at promoting ease of doing business by simplifying existing instructions. (Pakobserver) | [Click for more info.](#)

Oil & Gas

Petrol price likely to be hiked by Rs4.20 per litre

Oil | Neutral

The Oil and Gas Regulatory Authority (Ogra) has recommended a hike in the price of petrol by Rs4.20 per litre to the federal government in line with fluctuation in global oil prices. The new price, if approved, will come into effect from Wednesday (Jun 16). However, the price of high-speed diesel (HSD) may go down by Rs3.50 per litre. (ET) | [Click for more info.](#)

ST on two petroleum products reduced

Oil | Positive

The Federal Board of Revenue (FBR) has reduced sales tax on two petroleum products, effective from June 1, 2021, to keep prices of the petroleum products unchanged during June. The FBR has amended SRO 57(I)/2016 (sales tax on petroleum products) through a notification SRO 750(1)/2021, issued on Monday. As per the notification, the sales tax on kerosene oil has been reduced from 10.07 percent to 9.15 percent and from 3.67 percent to 2.74 percent on light diesel oil. (BR) | [Click for more info.](#)

Refinery

Oil refineries term four clauses of budget 'counterproductive'

Refineries | Neutral

The country's oil refineries have termed four clauses of the federal budget 2021-22 as counterproductive, including imposition of 2.5 percent customs duty on crude oil. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	32,715.6	33,103.2	387.6	1.2%
KSE100	48,304.7	48,726.1	421.4	0.9%
KSE30	19,478.7	19,647.4	168.7	0.9%
KMI30	78,798.8	80,168.0	1369.3	1.7%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	9,500.0	9,690.0	190.0	2.0%
WYETH	2,006.4	2,156.8	150.5	7.5%
GATI	522.2	561.0	38.8	7.4%
PMPK	987.9	1,025.8	37.9	3.8%
BATA	1,682.8	1,710.0	27.2	1.6%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BYCO	11.8	12.8	1.0	109.21
HUMNL	8.6	8.7	0.1	108.39
WTL	4.2	4.2	0.0	98.04
ASL	26.3	28.0	1.7	40.57
AGL	7.2	6.8	-0.5	39.08

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.12	-0.02	0.10
F-Corporates	0.71	-3.84	-3.12
O/S Pakistanies	18.08	-16.01	2.07
Net	18.91	-19.87	-0.96

LIPI

Individuals	236.06	-221.27	14.79
Companies	17.89	-26.78	-8.90
Comm. Banks	7.68	-11.43	-3.75
NBFC	0.29	-0.24	0.05
Mutual Funds	17.88	-14.75	3.13
Other	2.29	-1.82	0.48
Brokers Proprietary	51.88	-53.15	-1.28
Insurance	13.88	-17.44	-3.56
Net	347.85	-346.89	0.96

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	70.88	0.0%
Brent oil	USD/bbl.	72.86	0.2%
Gold	USD/t oz.	1866.18	-0.6%
Silver	USD/t oz.	27.86	-0.2%
Coal	USD/ton	115.15	-0.5%
Steel Scrap (LME)	USD/ton	513.50	0.0%
Steel Rebar (LME)	USD/ton	715.00	0.0%
USD/PKR	Interbank	156.20	0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055



Cement

Cement Sector- Indirect beneficiary of higher development expenditure

Cement | Positive

With the pro-capital market budget, Cement Sector appeared as one of the key beneficiaries as Federal Public Sector Development Program (PSDP) allocation has been increased to Rs900 billion in the budget for the FY22 from Rs630 billion last year- the highest ever PSDP announcement. (Mettis) | [Click for more info.](#)

Banks

UBL intends to wind up its wholly-owned subsidiary, UBL (Switzerland) AG

UBL | Neutral

As part of its global realignment strategy, UBL intends to voluntarily wind up its wholly-owned subsidiary, UBL (Switzerland) AG, notification issued to PSX said. This decision is in line with the UBL's strategy to exit from non-core markets. (Mettis) | [Click for more info.](#)

SBP Issues Instructions to Improve Stability in Islamic Banking

MEBL | Positive

The State Bank of Pakistan (SBP) has issued exclusive instructions on Shariah Non-Compliance Risk (SNCR) management, aimed at enhancing the stability and soundness of Islamic banking. The increasing size of the industry in terms of assets and deposits, diversified operations, products, and services make focused management of SNCR a necessity. In addition, the adoption of uniform practices will help in maintaining consistency over time and across IBIs. (Propakistani) | [Click for more info.](#)

Miscellaneous

Rs18 billion USF budget for FY 2021-22 approved

Tech. & Communication | Positive

The Universal Service Fund (USF) Board has approved four projects worth approximately Rs2.14 billion to provide high speed internet to approximately 2.2 million people in the under-served and un-served areas of Punjab and Khyber Pakhtunkhwa (KP) provinces. The Internet contracts awarded to Telenor and Jazz and Optic Fiber Cable contract to PTCL. The Board also approved the USF's budget worth approximately PKR 18 Billion for FY 2021-22. (Pakobserver) | [Click for more info.](#)

Citi Pharma IPO's book building from today

Citi pharma | Positive

Citi Pharma IPO's book building phase will be held on June 15 and 16, 2021 where high net worth individuals and institutional investors will subscribe to 75 percent of the issue size (54.5 million shares). The book building will start at the floor price of Rs 28 per share, including premium of Rs 18 per share. Based on the interest from investors during the book building process, the strike price can rise by 40 per cent (Rs 39.20 a share), thus helping the company collect Rs 2.8 billion. (BR) | [Click for more info.](#)

Reanda Consulting Private Limited submits PAI to acquire 35% ordinary and 63% preference shares of Saudi Pak Leasing Company

SPLC | Neutral

Reanda Consulting Private Limited has submitted a Public Announcement of Intention (PAI) to acquire 15,835,403 ordinary voting shares i.e. 35% of total voting ordinary shares and 33,320,850 preference shares i.e., 63.08% of non-voting, non-cumulative, convertible, unlisted, non-redeemable preference shares of Saudi Pak Leasing Company on behalf of the acquirer, Icon Global Private Limited. (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	48,726.1	421.36	0.87%
HK - Hang Seng	28,842.1	103.25	0.36%
INDIA - SENSEX	52,551.5	76.77	0.15%
Taiwan - TWII	17,213.5	54.30	0.32%
KSA - Tadawul	10,913.6	16.09	0.15%
PHILP - PSEi	6,917.5	9.70	0.14%
US - S&P 500	4,255.2	7.71	0.18%
INDONESIA - IDX	6,080.4	-15.12	-0.25%
CHINA - Shanghai	3,589.8	-21.11	-0.58%
US - Dow 30	34,393.8	-85.85	-0.25%

Board Meetings

Scrip	Day	Agenda	Time
ADAMS	Wednesday	HY A/c 31-Mar-21	2:30 PM
HINO	Thursday	ANN A/c 31-Mar-21	10:30 AM

Source: PSX



Leather garments exports increase by 7.41pc

Leather | **Positive**

Leather Garments exports during first ten months of FY 2020-21 grew by 7.41 per cent as compared to the exports of the corresponding period of last year. (Pakobserver) | [Click for more info.](#)

Sindh allows businesses to operate six days a week as Covid cases drop

Economy | **Positive**

The Sindh government on Monday allowed the resumption of business activities in the province for six days a week, following the National Command and Operation Centre's (NCOC) decision in this regard. (PT) | [Click for more info.](#)

Punjab follows in the footsteps of Centre

Economy | **Neutral**

The Punjab government on Monday presented the budget for the fiscal year 2021-22 with an estimated outlay of Rs 2,653 billion which is 18 percent more than the current fiscal year's budget and includes an Annual Development Programme (ADP) worth Rs560 billion. (BR) | [Click for more info.](#)

Charges of concealment of income: IR officers empowered to arrest any person

Economy | **Neutral**

The Inland Revenue officers have been empowered to arrest any person on the charges of concealment of income. Through the Finance Bill 2021, the FBR has proposed Section 203A (Power to arrest and prosecute) in the Income Tax Ordinance, 2001. Tax experts told Business Recorder that the FBR could not arrest or prosecute the taxpayers, who had availed the tax amnesty schemes in the past. (BR) | [Click for more info.](#)

International News

Oil steadies after hitting 2-yr high as demand hopes face supply growth

Oil prices ended mostly unchanged on Monday, after hitting their highest levels in more than two years, as growing U.S. crude production and Britain's delayed COVID-19 reopening dampened expectations for fuel demand growth and tighter supplies. (Reuters) | [Click for more info.](#)

Asia Stocks Set for Steady Open; Treasuries Drop: Markets Wrap

Asia stocks looked set for a steady start Tuesday after their U.S. peers closed at a record and a bond rally stalled ahead of a key Federal Reserve meeting. (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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