

March 15,
2021

Economy

Pakistan confident UAE will rollover \$1b loan

Economy | Positive

The finance ministry has said that it is "confident" that the United Arab Emirates (UAE) will rollover the \$1 billion loan that matured on Friday, quelling reports that Dubai had withdrawn the financial support. The \$1 billion loan was part of the \$6.2 billion initial bailout that the UAE had announced in late 2018, helping the government of Prime Minister Imran Khan to avoid default on international debt obligations. (ET) | [Click for more info.](#)

RDA's exceed 0.1m mark in 6 months: SBP

Economy | Positive

The State Bank on Friday revealed that NRPs from over 100 countries have so far opened some 100,000 Roshan Digital Accounts. The deposited amount in Roshan Digital Accounts is also increasing, reaching \$671 million in March 2021. Out of arrived deposits, half of these were arrived during the last two months. Around 66 percent of investment was made in Naya Pakistan Certificates launched by the federal government to attract foreign investment. (BR) | [Click for more info.](#)

Rs51bn requests in a week as TERF deadline looms

Economy | Positive

The Temporary Economic Refinance Facility (TERF), which ends this month, posted growth of 12 per cent on a week-to-week basis to Rs481 billion on Feb 25 from Rs430bn on Feb 18, indicating higher activity in the economy. (Dawn) | [Click for more info.](#)

PM retains tax exemptions for SEZs

Economy | Positive

Special Assistant to Prime Minister on Revenues Dr. Waqar Masood said on Friday that the government has retained the Special Economic Zones (SEZs) from the proposed withdrawal of income tax exemptions in order to protect investments, especially in the context of China Pakistan Economic Corridor (CPEC). (The News) | [Click for more info.](#)

WEF highlights Pakistan's climate action plan, efficient response to Covid-19

Economy | Positive

The World Economic Forum (WEF) appreciated Pakistan's environmental policies, climate action plan, and response to the ongoing coronavirus pandemic in a video released on Sunday. The forum, through its video, highlighted the three ways in which Pakistan is moving ahead towards a greener future. (The News) | [Click for more info.](#)

Broader participation in CPEC to boost economic activity

Economy | Positive

With the smooth sailing of China Pakistan Economic Corridor (CPEC) project, Pakistan is foreseeing massive economic activity during days ahead. This project would not only earn billions of dollars revenue through trade but also generate thousands of jobs for the local people besides infrastructure development, power generation and projects in transportation, railways, agriculture, science and technology and tourism sectors. (BR) | [Click for more info.](#)

Income Tax Amendment Bill 2021; Several exemptions under CPEC proposed to withdraw: expert

Economy | Negative

International tax expert Dr Ikramul Haq has said that the proposed Income Tax Amendment Bill 2021 submitted to the National Assembly has proposed to withdraw some existing and many futuristic exemptions under the China-Pakistan Economic Corridor (CPEC). Dr Haq explains that the exemption of Thar Coal project is proposed to be deleted under the said Bill. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,372.6	30,013.1	640.4	2.2%
KSE100	42,779.8	43,788.1	1008.3	2.4%
KSE30	17,861.2	18,149.4	288.2	1.6%
KMI30	70,629.2	72,524.6	1895.4	2.7%

Top Five Gainers

	Open	Close	Chg.	%
WYETH	935.0	1,005.1	70.1	7.5%
SAPT	922.3	988.0	65.7	7.1%
PAKT	1,500.2	1,560.0	59.8	4.0%
SRVI	815.8	868.1	52.3	6.4%
NESTLE	5,710.5	5,750.0	39.5	0.7%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITY	25.3	26.6	1.3	88.26
TRG	120.3	120.0	-0.3	38.84
JSCL	20.4	19.0	-1.4	17.74
PRL	21.4	22.7	1.3	17.39
TELE	5.6	6.4	0.8	16.92

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.15	-0.18	-0.03
F-Corporates	31.09	-33.68	-2.60
O/S Pakistanies	9.57	-9.12	0.45
Net	40.81	-42.98	-2.18
LIPI			
Individuals	134.79	-139.09	-4.31
Companies	5.64	-9.70	-4.06
Comm. Banks	3.78	-4.34	-0.56
NBFC	0.98	-1.01	-0.03
Mutual Funds	15.74	-9.57	6.17
Other	0.95	-0.21	0.74
Brokers Proprietary	36.76	-35.68	1.08
Insurance	6.45	-3.31	3.14
Net	205.08	-202.91	2.18

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	65.61	-0.6%
Brent oil	USD/bbl.	69.22	-0.6%
Gold	USD/t oz.	1727.11	0.3%
Silver	USD/t oz.	25.92	-0.8%
Coal	USD/ton	88.85	0.0%
Steel Scrap (LME)	USD/ton	439.00	-0.2%
Steel Rebar (LME)	USD/ton	629.00	-0.2%
USD/PKR	Interbank	157.29	0.0%

News Source: Local / Int'l Newspapers and websites

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REP-055



SHC suspends FBR's Rs25b deal

Economy | Neutral

The Sindh High Court (SHC) has suspended the award of Rs25 billion worth contract, which the federal government gave last week to monitor production of four tax evasion prone sectors as part of a condition of the International Monetary Fund (IMF). The court granted stay order after the bidders raised serious questions over the manner the Federal Board of Revenue (FBR) handled the process and allegedly compromised transparency in award of the five-year deal worth minimum Rs25 billion. (ET) | [Click for more info.](#)

Third wave of Covid-19; Asad Umar hints at imposing another lockdown

Economy | Neutral

Federal Minister for Planning and Development and National Command and Operation Centre (NCOC) head Asad Umar said on Saturday that government may have to opt for another lockdown in parts of the country if there is a continued increase in coronavirus cases. (BR) | [Click for more info.](#)

Oil & Gas

OGRA recommends increase in price of petrol: sources

Oil | Neutral

The Oil and Gas Regulatory Authority (OGRA) has recommended an increase in the price of petrol, said sources on Sunday. According to a report on Geo News, OGRA has forwarded a summary to the Petroleum Division in which it has recommended an increase in the price of petrol by Rs5.50 per litre and a hike in the price of diesel by Rs6 per litre. (The News) | [Click for more info.](#)

PM for maintaining gas tariff for next few months

Gas | Positive

Prime Minister Imran Khan on Friday directed to maintain the gas tariff for next few months in an order to provide relief to the consumers. (BR) | [Click for more info.](#)

Petroleum Levy collection on the rise

OMCs | Positive

Apart from collecting other taxes, the government's collection from Petroleum Levy is continuously increasing from last few years, helping in meeting the country's expenditures. The government had collected mammoth Rs954.3 billion as Petroleum Levy (PL) in last three and a half years. (The Nation) | [Click for more info.](#)

LPG imports, its local supplies; Standard rate of 17pc ST may be imposed from July 1

LPG | Negative

The government is likely to impose standard rate of 17 percent sales tax on Liquefied Petroleum Gas (LPG) imports and its local supplies from July 1, 2021. Finance Bill proposes to omit LPG (Tariff Heading 2711.1910) imports thereof and local supplies of such imported LPG chargeable @10% from serial 58 of Eight Schedule whereby it will be chargeable @17%. (BR) | [Click for more info.](#)

No gas supply to Jamshoro JV hits local LPG production

SSGC | Negative

The discontinuation of gas supply to Jamshoro Joint Venture Ltd (JJVL) for domestic LPG production and separation of natural gas liquids (NGLs) for exports has pushed the country towards larger imports and a significant financial loss to the Sui Southern Gas Company Ltd (SSGCL). (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	43,788.1	1008.32	2.36%
US - Dow 30	32,778.6	293.05	0.90%
INDONESIA - IDX	6,358.2	93.53	1.49%
Taiwan - TWII	16,255.2	75.62	0.47%
CHINA - Shanghai	3,453.1	16.25	0.47%
PHILP - PSEi	6,728.6	9.37	0.14%
US - S&P 500	3,943.3	4.00	0.10%
KSA - Tadawul	9,664.6	-7.66	-0.08%
INDIA - SENSEX	50,792.1	-487.43	-0.95%
HK - Hang Seng	28,739.7	-645.89	-2.20%

Board Meetings

Scrip	Day	Agenda	Time
KSBP	Wednesday	ANN A/c 31-Dec-20	12:00 PM
DNCC	Wednesday	HY A/c 31-Dec-20	3:30 PM
PMPK	Thursday	ANN A/c 31-Dec-20	11:00 AM
IGIHL	Thursday	ANN A/c 31-Dec-20	4:00 PM
WAVES	Friday	ANN A/c 31-Dec-20	11:30 AM
PKGS	Friday	ANN A/c 31-Dec-20	1:30 PM

Source: PSX



Power

Power tariff may go up to comply with IMF plan

Power | **Positive**

The government may have to increase electricity tariff for consumers two times before December, in addition to making monthly fuel price adjustments and diverting substantial funds from taxpayers' money to the power sector, to keep the International Monetary Fund programme going, according to sources. (Dawn) | [Click for more info.](#)

KE okays Rs3.7bn investment plan for industrial areas

KEL | **Positive**

An investment plan of approximately Rs3.7 billion has been finalised for the captive requirements of industrial zones in the city, K-Electric (KE) said on Saturday. The overall load-requirement and enhancement of captive power plants (CPPs) that will be connected to the grid is around 747 MW, spread across 743 customers, the statement said, citing surveys conducted by the utility. (Dawn) | [Click for more info.](#)

KE allowed Rs2.73 hike, no impact on consumers

KEL | **Positive**

The National Electric Power Regulatory Authority (Nepra) on Friday approved an aggregate Rs2.73 per unit increase in K-Electric's power rates for four quarterly adjustments (April 2019 to March 2020) but this will not affect the consumers. (Dawn) | [Click for more info.](#)

PM chairs meeting on electricity tariffs: Cut in circular debt to benefit consumers

Power | **Neutral**

Prime Minister Imran Khan was told on Friday that electricity consumers would benefit from reduction of around Rs 325 billion in the circular debt due to the target set for next two years to check power sector losses and improve receipts. (BR) | [Click for more info.](#)

Autos

EVs manufacturing in Raiwind soon

Autos | **Positive**

With the grant of entry of China's largest automobile manufacturer by the Board of Investment (BoI), the manufacturing of electric vehicles will start in the country's first private Special Economic Zone (SEZ) in Raiwind. During the SEZ Committee meeting on Friday, the BoI approved the Zone Enterprise in order to facilitate the JW-SEZ China-Pakistan SEZ in Raiwind to manufacture electric vehicles with an estimated foreign direct investment of Rs663 million and local investment of Rs637m by MG JW Automobile Pakistan Ltd. (Dawn) | [Click for more info.](#)

Sazgar, Chinese firm to set up auto assembly plant

SAZEW | **Positive**

Sazgar Engineering Works Limited (SEWL) has signed an agreement with a Chinese automobile manufacturer for the manufacturing/assembly, sales and after-sales service of passenger and commercial vehicles in Pakistan, a bourse filing said on Friday. (The News) | [Click for more info.](#)

Tractors production increases 52.87pc in 8 months

MTL, AGTL | **Positive**

The production of farm tractors in the country witnessed an increase of 52.87 percent to 31,199 units during eight months of current financial year 2020-21, against the production of 20,408 units in same period of last year. (The Nation) | [Click for more info.](#)



Communication

Certain conditions spelt out; IT services to be allowed 100pc tax credit: Tola Tech & Comm. | Neutral

The 100 percent tax credit would be allowed to the IT services or IT-enabled services after fulfillment of certain conditions including filing of returns/withholding tax statements under the proposed bill submitted to the National Assembly for withdrawal of corporate income tax exemptions. (BR) | [Click for more info.](#)

Ministry evaluates seven bands for adoption of 5G services

Tech & Comm. | Neutral

The Ministry of Information Technology and Telecom-munication has evaluated seven bands for adoption of 5G services in the country. In this connection, the following bands are being evaluated for adoption of 5G services as low bands, mid bands and high bands: (a) 700 MHz; (b) 2.3 GHz; (c) 2.6 GHz; (d) 3.5 GHz; (e) Millimeter wave bands; (f) C-Band (3.6-4.2) GHz and (g) Unlicensed Backhaul Frequency bands (P2P & P2MP). (BR) | [Click for more info.](#)

Cement

Cement industry to expand 15pc by 2023

Cement | Neutral

Cement production in the country is likely to expand by more than 15 percent in two years as to date about five companies have announced their output with four more units to unfold their plans soon. According to reports, Lucky Cement, Fauji Cement, Kohat Cement, DG Khan and Attock Cement would expand their production, cumulatively by almost 11.8 million tons. This expansion would be expectedly complete by the second half of 2023. (The News) | [Click for more info.](#)

Sugar

Sugar prices surge to Rs100/kg or more in 10 cities of Pakistan

Sugar | Positive

As the holy month of Ramazan looms near, the prices of sugar in various cities of the country have once again increased. In Karachi, the commodity is being sold for the highest amount throughout the country, which is Rs110/kg, according to the Pakistan Bureau of Statistics (PBS). (The News) | [Click for more info.](#)

Miscellaneous

Govt won't directly receive HIV grant

Pharmaceutical | Positive

The federal government has lost its mandate to fight HIV as the Global Fund (GF) has declared Pakistan sub-recipient of its \$72 million aid. The aid will be given to the United Nations Development Programme (UNDP) and the private sector which will spend it in the country. However, as UN agencies spend a large chunk of funds on management expenses, such as on salaries and security, only a meagre amount will actually be spent on the people of Pakistan, it is feared. (Dawn) | [Click for more info.](#)

Plant, machinery; Govt plans to abolish 'first year allowance'

Economy | Neutral

The government is planning to abolish 'first year allowance' available on the plant, machinery and equipment installed by any industrial undertaking set up in specified rural and under developed areas and withdraw accelerated depreciation allowed to alternate energy projects. (BR) | [Click for more info.](#)



Chinese ambassador visits Challenge Textile Factory

Economy | Neutral

Nong Rong, Chinese Ambassador to Pakistan, has said that Pakistan has gained enormous importance after China-Pakistan Economic Corridor. During visit to \$60 million Challenge Textile Factory on Lahore-Multan Road on Friday, he said that Chinese companies' investment in Pakistan is likely to create thousands of jobs. Nong Rong said that more Chinese companies are ready to invest billions of dollars in various sectors which will see an improvement in Pakistan's economy. (The Nation) | [Click for more info.](#)

Political News

Opposition's senators intentionally rejected votes: NA speaker

Speaker National Assembly Asad Qaiser Sunday said that due to internal rift, the opposition's Senators have intentionally stamped ballot papers on wrong place in the elections for the post of Chairman Senate. (BR) | [Click for more info.](#)

Senate chairmanship; PPP forms legal team to challenge election

Pakistan People's Party (PPP) said on Sunday that the party has formed a legal team to file a petition on Tuesday or Wednesday on the issue of election of Chairman Senate. (BR) | [Click for more info.](#)

International News

Asia Stocks Set for Steady Start, Yields in Focus: Markets Wrap

Stocks begin the week in the shadow of a jump in benchmark Treasury yields ahead of the Federal Reserve policy meeting. The dollar edged higher in early Asian trading. (Bloomberg) | [Click for more info.](#)

Oil Advances Above \$66 as Week Opens With the Recovery in Focus

Oil topped \$66 a barrel as traders assessed prospects for further recovery from the pandemic and the outlook for rising global demand as the OPEC+ alliance presses on with output curbs to drain inventories. (Bloomberg) | [Click for more info.](#)



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Rating - Expected Total Return

Buy - Greater than 10%

Hold - Neither Buy nor Sell

Sell - Less than and equal to -10%

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