



June 16,  
2021

## Economy

### Pakistan one point shy of meeting FATF conditions

#### Capital Market, Economy | Positive

The Financial Action Task Force's (FATF) International Cooperation Review Group (ICRG) has prepared a preliminary report on the progress made by Pakistan on the implementation of 27-point action plan and will present it in the plenary meeting being held from June 21 to 25. According to sources in the Ministry of Finance, Pakistan's progress was reviewed at a virtual meeting of the ICRG by international observers on Tuesday. The group includes China, USA, UK, France and India. According to the sources, Pakistan has implemented 26 of the 27-point FATF Action Plan. They said, "There is partial progress on the point of conviction. Relevant laws have been amended in this regard. Therefore, it is hoped that there will be good news for Pakistan at the FATF's Plenary Session starting from June 21." (ET) | [Click for more info.](#)

### G-20 puts off Pakistan's \$3.7b loan repayment

#### Economy | Positive

In what comes as a relief amid the Covid-19 pandemic adversely affecting economic activities, G-20 countries have suspended the repayment of \$3.7 billion loan by Pakistan till the end of the year, it was announced after a meeting of the federal cabinet on Tuesday. The G-20 countries have approved the second part of Dalhart's Group Seasonal Index (DGSI) under which they have suspended repayment by Pakistan of its \$ 3.7 billion loan by end of the year. (ET) | [Click for more info.](#)

### Remittance processing time improves: survey

#### Economy | Positive

An overwhelming majority of foreign investors recently surveyed by the Overseas Investors Chamber of Commerce and Industry (OICCI) has reported a significant improvement in the foreign exchange remittance processing time. OICCI on Tuesday announced results of its annual remittance survey conducted among its members last month, 94 per cent respondents reported dividend remittances were now being approved by the central bank within three months of applications. The share of respondents reporting this level of processing time was 72pc in the preceding survey conducted in 2019. (Dawn) | [Click for more info.](#)

### Rupee hits two-year low

#### Economy | Neutral

The rupee fell to its lowest level in two years on Tuesday, as higher import payments continued to put pressure on the local unit, and dealers said they expected the currency to weaken further in the days ahead. In the interbank market, the rupee closed at 156.79/dollar, a level last seen on June 18, 2019. The rupee settled at 156.19 on Monday. It declined by 60 paisas, or 0.38 percent, during the session. (The News) | [Click for more info.](#)

### Govt. borrowing jumps to Rs.1.01 trillion as of last week

#### Economy | Neutral

The government of Pakistan has acquired an additional debt of Rs.358.36 billion during the week ended June 04, 2021, which brings its total net borrowing for ongoing fiscal year 2021 to Rs.1014.73 billion. As of prior week, the government had borrowed a net sum of Rs.656.37 billion. (Mettis) | [Click for more info.](#)

### Private sector retires a net sum of Rs.42.33 billion in a week

#### Economy | Neutral

The non-government sector has retired a net sum of Rs.42.33 billion during the week ended June 04, 2021, which brings the cumulative net borrowing for ongoing fiscal year FY2021 to Rs.421.82 billion. The net borrowing as of prior week was recorded at Rs.464.15 billion. (Mettis) | [Click for more info.](#)

#### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	33,103.2	33,053.8	-49.4	-0.1%
KSE100	48,726.1	48,632.6	-93.5	-0.2%
KSE30	19,647.4	19,625.0	-22.4	-0.1%
KMI30	80,168.0	79,900.2	-267.8	-0.3%

#### Top Five Gainers

	Open	Close	Chg.	%
WYETH	2,156.8	2,196.8	40.0	1.9%
INDU	1,319.0	1,346.2	27.2	2.1%
SHEZ	328.7	353.4	24.7	7.5%
SAPT	893.7	907.5	13.8	1.5%
TSML	143.8	154.6	10.8	7.5%

#### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	4.2	4.7	0.5	312.97
WTL	4.2	4.0	-0.3	147.62
BYCO	12.8	13.0	0.2	129.35
HASCOL	11.8	11.9	0.2	58.05
POWER	10.6	10.5	-0.1	29.85

#### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.03	-0.02	0.01
F-Corporates	1.38	-1.60	-0.23
O/S Pakistanies	10.27	-10.51	-0.24
<b>Net</b>	<b>11.68</b>	<b>-12.13</b>	<b>-0.45</b>
<b>LIPI</b>			
Individuals	165.02	-167.22	-2.21
Companies	7.83	-10.06	-2.22
Comm. Banks	5.43	-7.04	-1.61
NBFC	0.12	-0.08	0.04
Mutual Funds	13.26	-3.84	9.42
Other	0.28	-1.50	-1.22
Brokers Proprietary	36.93	-38.36	-1.43
Insurance	3.20	-3.52	-0.32
<b>Net</b>	<b>232.08</b>	<b>-231.63</b>	<b>0.45</b>

#### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	72.12	1.7%
Brent oil	USD/bbl.	73.99	1.6%
Gold	USD/t oz.	1859.02	-0.4%
Silver	USD/t oz.	27.66	-0.7%
Coal	USD/ton	114.30	-0.7%
Steel Scrap (LME)	USD/ton	502.50	-2.1%
Steel Rebar (LME)	USD/ton	720.00	0.7%
USD/PKR	Interbank	156.85	0.4%

News Source: Local / Int'l Newspapers and websites

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REP-055



## Oil & Gas

Prices of petrol, diesel raised to achieve PL target

OMCs | **Positive**

The government has raised the ex-depot prices of petroleum products, on Tuesday, in a bid to achieve a target of Rs500 billion from petroleum levy (PL) budgeted for the current financial year ending on June 30th. The government has announced to raise the ex-depot price of petrol by Rs2.13 per litre or almost two percent and per litre price of High Speed Diesel (HSD) has also been increased by Rs1.79 or 1.6 percent. (BR) | [Click for more info.](#)

## Power

KE allowed paisa 36/unit hike

KEL | **Positive**

National Electric Power Regulatory Authority (Nepra) on Tuesday agreed, in principle, to allow Paisa 36 per unit hike to Karachi Electric (KE) as Quarterly Tariff Adjustment (January-March) 2021 but deferred hearing on four months (January-April) 2021 Fuel Cost Adjustment (FCA) till second week of July 2021 aimed at passing on minimum burden to consumers. (BR) | [Click for more info.](#)

ADB highlights power capacity potential

Power | **Neutral**

Pakistan has developed only about 9,860 megawatts (MW) of capacity, out of a potential 60,000 megawatts and if it could harness all of its potential capacity, the country could overcome its energy shortage and at the same time reduce spending on imported fuel, says Asian Development Bank (ADB). (BR) | [Click for more info.](#)

## Autos

KIA to Launch another SUV for Same Price as Civic, Elantra and Corolla

LUCK | **Positive**

Despite the government's efforts to favor the production, sale, and purchase of smaller vehicles and Electric Vehicles (EVs), the new automakers seem to be fixated on introducing more SUVs to the Pakistani market. If the latest reports are to be believed, Kia may bring a smaller and cheaper SUV to the country this year. (Propakistani) | [Click for more info.](#)

## Miscellaneous

NTDC signs contracts with M/s Siemens for uplift of Grid stations Projects

SIEM | **Positive**

National Transmission and Despatch Company (NTDC) has signed three agreements with M/s. Siemens for extension/ augmentation works at its different 220 kV grid stations in KPK, Punjab and Sindh with the cost of Rs. 4.06 billion funded by the World Bank. (Pakobserver) | [Click for more info.](#)

Summit Bank seeks approval for pending AGMs

SMBL | **Neutral**

Summit Bank said on Tuesday it was seeking regulatory approvals for holding its long-delayed annual general meetings (AGMs) for 2019 and 2020 in the third and fourth quarters of 2021, respectively. (Dawn) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	52,773.1	221.52	0.42%
Taiwan - TWII	17,371.3	157.77	0.92%
PHILP - PSEI	6,976.7	59.24	0.86%
INDONESIA - IDX	6,089.0	8.66	0.14%
US - S&P 500	4,246.6	-8.56	-0.20%
CHINA - Shanghai	3,556.6	-33.19	-0.92%
KSA - Tadawul	10,831.4	-82.18	-0.75%
PAK (KSE-100)	48,632.6	-93.52	-0.19%
US - Dow 30	34,299.3	-94.42	-0.27%
HK - Hang Seng	28,638.5	-203.60	-0.71%

### 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



## Pay for your Honda car instantly with HBL Mobile

**HBL, HCAR | Neutral**

HBL enables its customers to pay for their Honda cars directly using HBL Mobile! The Bank is at the forefront of digitizing financial services in Pakistan through its technology driven initiatives. Digital payments adoption, especially through mobile apps and wallets have been growing at a very fast pace across Pakistan. Honda Atlas Cars Pakistan Limited aspires to expand the horizons to provide customer convenience through its numerous products, which can now be realized through digital payments directly from HBL Mobile. (Pakobserver) | [Click for more info.](#)

## Senate panel rejects proposed inclusion of sugar in Third Schedule

**Sugar | Neutral**

A meeting of the Senate Standing Committee on Finance Tuesday rejected the proposed inclusion of sugar in the Third Schedule of the Sales Tax Act, 1990, stating that it would increase the retail price of the commodity by Rs8-10 per kg and burden the masses already badly hit by the dearness. (BR) | [Click for more info.](#)

## CCP inquiry reveals cartelization, price-fixing in milk sector

**FFL, FCEPL, PREMA | Negative**

The Competition Commission of Pakistan (CCP) on Tuesday has ordered to initiate proceedings against three leading dairy associations in Karachi for involvement in cartelization and price-fixing of milk in the country's largest metropolitan. (The News) | [Click for more info.](#)

## Steel industry concerned at shifting it from FED to GST regime

**Steel | Neutral**

The steel industry Tuesday strongly protested against moving it from the FED to the GST regime and warned the government that the move will have disastrous consequences for the industry and economy. (The News) | [Click for more info.](#)

## International News

### Asia Stocks Steady as Fed Meets; Oil Extends Rally: Markets Wrap

Asian stocks saw a muted start Wednesday after their U.S. peers retreated from all-time highs, with investors awaiting a policy decision from the Federal Reserve. Crude oil traded at the highest since 2018. (Bloomberg) | [Click for more info.](#)

### Oil Hits Highest Since 2018 as Stockpiles Draw, Virus Curbs Ebb

Oil rallied to the highest level since 2018 after data showed a substantial draw in U.S. crude stockpiles, adding to evidence of a tightening market as economies reopen and top traders predict further gains. (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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