



March 17,
2021

Economy

Monetary policy on Friday

Economy | Neutral

The State Bank of Pakistan (SBP) on Tuesday said that the monetary policy for the next two months will be announced on Friday. At its meeting on June 25, 2020 the Monetary Policy Committee (MPC) decided to reduce the policy rate by 100 basis points to 7 per cent and it is still unchanged. (Dawn) | [Click for more info.](#)

Rupee hits one-year high against dollar

Economy | Positive

The rupee on Tuesday soared to one-year high against the US dollar at Rs156.72 in the interbank market. The dollar was traded at Rs156.58 on March 9, 2020. (Dawn) | [Click for more info.](#)

Large-scale manufacturing rises 9.13pc in January

Economy | Positive

The overall output of large-scale manufacturing industries (LSMI) has increased by 7.85 per cent in the first seven months of fiscal year 2021 (July 2020 to January 2021) compared to the same period last year. According to data released by the Pakistan Bureau of Statistics (PBS) on Tuesday, the LSMI output increased by 9.13pc for Jan 2021 compared to Jan 2020, and 5.36pc over Dec 2020. (Dawn) | [Click for more info.](#)

Imports into Pakistan increase by 14.42% YoY in February

Economy | Neutral

Imports into Pakistan during February 2021 amounted to Rs. 735,609 million (provisional) as against Rs. 771,939 million (provisional) in January 2021 and Rs. 642,896 million during February 2020 showing a decrease of 4.71% over January 2021 but an increase of 14.42% over February 2020. (Mettis) | [Click for more info.](#)

Exports from Pakistan decrease by 4.22% MoM during February

Economy | Negative

The total exports from Pakistan during February 2021 amounted to Rs. 329,116 million (provisional) as against Rs. 343,612 million (provisional) in January 2021 and Rs. 329,588 million during February 2020 showing a decrease of 4.22% over January 2021 and of 0.14% over February 2020. (Mettis) | [Click for more info.](#)

Tax exemptions to be withdrawn through ordinance

Economy | Negative

The government has decided to withdraw various income tax exemptions through a presidential ordinance instead of presenting a bill in the national assembly, sources said on Tuesday. The sources said the government strongly desires to bring out the law prior the upcoming International Monetary Fund's board decision likely on March 24 for approving and releasing the third tranche of \$500 million. (The News) | [Click for more info.](#)

Electricity, gas and POL products; 'Continuous rise in prices will lead to economic weakness'

Economy | Negative

United Business Group (UBG) patron in chief and former president of FPCCI S M Muneer said the continuous rise in prices of electricity, gas and petroleum products will lead to economic weakness in the country and domestic industries will enormous difficulties to keep the wheels on industry moving. There is a need for the government to refrain from putting any kind of pressure on industries to increase exports. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,647.6	30,663.3	15.7	0.1%
KSE100	44,766.6	44,857.1	90.5	0.2%
KSE30	18,569.5	18,628.0	58.5	0.3%
KMI30	74,262.2	74,062.1	-200.1	-0.3%

Top Five Gainers

	Open	Close	Chg.	%
INDU	994.3	1,029.0	34.7	3.5%
SAPL	871.7	905.0	33.3	3.8%
IDYM	867.0	899.5	32.5	3.8%
KHTC	375.2	403.4	28.1	7.5%
SRVI	925.7	950.1	24.4	2.6%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITY	28.6	30.0	1.4	37.24
TELE	7.4	7.9	0.6	35.61
TRG	129.0	138.7	9.7	28.55
GGL	22.1	22.7	0.7	23.42
PRL	24.4	23.8	-0.6	16.06

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.06	-0.04	0.02
F-Corporates	12.58	-11.94	0.64
O/S Pakistanies	7.66	-9.47	-1.81
Net	20.30	-21.45	-1.16
LIPI			
Individuals	140.90	-140.99	-0.09
Companies	4.08	-4.42	-0.35
Comm. Banks	2.21	-2.85	-0.64
NBFC	0.07	-0.08	-0.01
Mutual Funds	9.28	-5.10	4.18
Other	0.52	-0.45	0.06
Brokers Proprietary	36.39	-39.53	-3.15
Insurance	3.14	-1.99	1.15
Net	196.57	-195.42	1.16

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	64.80	-0.9%
Brent oil	USD/bbl.	68.39	-0.7%
Gold	USD/t oz.	1731.40	0.0%
Silver	USD/t oz.	25.94	-1.2%
Coal	USD/ton	91.50	0.5%
Steel Scrap (LME)	USD/ton	440.50	0.0%
Steel Rebar (LME)	USD/ton	632.00	-0.3%
USD/PKR	Interbank	156.89	-0.2%

News Source: Local / Int'l Newspapers and websites

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REP-055



Oil & Gas

Cabinet approves draft protocol on amendments in Pak-Russia NSGP accord Gas | Neutral

The federal cabinet has approved the draft protocol on amendments in Inter-Governmental Agreement (IGA) between Pakistan and Russia on North-South Gas Pipeline (NSGP) Project, it was learnt on Tuesday. According to sources, the Petroleum Division, in a summary titled 'NSGP project – approval of protocol on the agreement between Govt of Pakistan (GoP) and the Russian Federation', had sought an approval from the federal cabinet. (PT) | [Click for more info.](#)

Power

Saudi Business Tycoon Comes to Pakistan to Resolve KE Payment Issues KEL | Positive

The owner of the Aljomaih Holding Company of Saudi Arabia that had originally bought the Karachi Electricity Supply Corporation, (now called 'K-Electric') in 2005, arrived in Pakistan on Monday, Dawn News reported. Shaikh Abdulaziz Hamad Aljomaih's visit is aimed at resolving K-Electric's issues about outstanding dues and new challenges in the wake of the arrest of the Abraaj Capital Chief, Arif Naqvi, in London, for the misappropriation of securities funds. (Propakistani) | [Click for more info.](#)

Govt set to raise power tariff by Rs3.9 per unit

KEL | Positive, Power | Negative

In another development, the government is all set to increase power tariff by Rs3.4-3.9 per unit under the head of FCA (Fuel Charges Adjustment) for the consumers utilising 300 units a month and private agriculture consumers. (The News) | [Click for more info.](#)

Autos

Auto industry under pressure to increase price of products: experts

Autos | Negative

The local automotive industry is facing difficulties in bearing the cost of production as the prices of various type of raw materials have gone up by 27 to 67 percent in the last 13 months, causing a dramatic increase in the production cost of the vehicles. (BR) | [Click for more info.](#)

Hyundai Nishat Finally Announces Launch Date for Elantra in Pakistan

NML | Positive

Hyundai Elantra is one of the most hotly anticipated cars that are yet to be launched in the Pakistani market. The compact sedan segment has been dominated by Honda Civic and Toyota Corolla, and the car buyers are longing for a third option in the segment and thus the excitement around Hyundai Elantra. (Propakistani) | [Click for more info.](#)

Cement

Pioneer Cement's newly installed Coal Power Plant starts power generation

PIOC | Positive

Pioneer Cement Limited (PIOC), in an announcement to the Stock Exchange, said that the second turbine 1x12 MW of its newly installed Coal Power Plant having a generation capacity of 24 MW, has started power generation. (Mettis) | [Click for more info.](#)

Cement exports fall 18pc YoY in February

Cement | Negative

Cement exports during the month of February 2021 declined by 5.9pc on a month-on-month (MoM) basis and 17.93pc on a year-on-year (YoY) basis, data released by the Pakistan Bureau of Statistics revealed. (PT) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	29,027.7	193.93	0.67%
PAK (KSE-100)	44,857.1	90.47	0.20%
Taiwan - TWII	16,313.2	63.83	0.39%
CHINA - Shanghai	3,446.7	26.78	0.78%
KSA - Tadawul	9,660.3	14.53	0.15%
PHILP - PSEi	6,559.1	6.62	0.10%
US - S&P 500	3,962.7	-6.23	-0.16%
INDONESIA - IDX	6,309.7	-14.56	-0.23%
INDIA - SENSEX	50,364.0	-31.12	-0.06%
US - Dow 30	32,826.0	-127.51	-0.39%

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
PSMC	Monday	ANN A/c 31-Dec-20	11:00 AM

Source: PSX



Miscellaneous

HBL to Sell Off Its Business in Mauritius

HBL | **Negative**

The management of Habib Bank Limited (HBL) has decided to wind up its operations in Mauritius. The bank is at an advanced stage of discussions with a potential buyer for its Mauritius operations, according to HBL's latest annual report. (Propakistani) | [Click for more info.](#)

Food imports surge 50.3pc to \$5.34bn in eight months

Unity | **Positive, Food & PC** | **Neutral**

The import bill of edible items widened 50.3pc to \$5.34 billion year-on-year in the first eight months (July-Feb) of FY21, triggering higher-than-expected trade deficit, data compiled by the Pakistan Bureau of Statistics (PBS) showed. Food group exports, on the other hand, declined 5.85pc YoY to \$2.85 billion during 8MFY21. (PT) | [Click for more info.](#)

Textile exports fall 3.1 percent in February

Textile | **Negative**

Textile exports fell 3.1 percent year-on-year and 6.8 percent month-on-month to \$1.2 billion in February, the official data showed on Tuesday, as less number of working days during the month compounded the negative impact of high yarn price. In February, exports of knitwear and bedwear fell 13 percent and 1.2 percent year-on-year, respectively, according to the Pakistan Bureau of Statistics (PBS). (The News) | [Click for more info.](#)

Sindh allows private sector to import Covid-19 vaccine

Pharmaceutical | **Positive**

The Sindh government has decided to engage private hospitals and laboratories in Covid-19 mass vaccination programme and encourage the private health sector to import coronavirus vaccine, allocate human resources and establish vaccination centres, specially in Karachi. (ET) | [Click for more info.](#)

Zara Supplier Service Global Plans \$10 Million Pakistan IPO

SRVI | **Positive**

Service Global Footwear Ltd., Pakistan's largest shoe exporter, is planning an initial public offering in the domestic market to raise funds to invest in its parent's tire joint venture. The Lahore-based company plans to raise at least 1.6 billion rupees (\$10 million) by offering 41 million shares at a floor price of 38 rupees each. (Bloomberg) | [Click for more info.](#)

Political News

PDM defers long march over 'differences on resignation issue'

Pakistan Democratic Movement (PDM) President Maulana Fazlur Rehman on Tuesday announced that the opposition alliance's March 26 long march has been postponed after Pakistan Peoples Party (PPP) expressed reservations over en masse resignation from the assemblies. (ET) | [Click for more info.](#)

International News

Asian stocks to open lower as investors eye Fed meeting

Asian stocks were set to open mostly lower on Wednesday following a sell-off in U.S. stocks, as investors awaited the Federal Reserve's meeting and whether the central bank will maintain near-zero interest rates amid the economy's post-pandemic recovery. (Reuters) | [Click for more info.](#)

Oil drops as COVID-19 vaccine halt threatens demand

Oil prices fell for a third day on Tuesday, as Germany, France and other European states suspended the use of a major coronavirus vaccine, threatening the recovery of fuel demand. (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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