

June 18,  
2021

## Economy

### 2021-22: WB projects 2pc GDP growth

#### Economy | Neutral

The World Bank has projected Pakistan's GDP growth rate at 2 percent for 2021-22, saying that poverty is projected to remain high. (BR) | [Click for more info.](#)

### Forex reserves rise to \$23.586bln

#### Economy | Positive

Pakistan's foreign exchange reserves slightly rose to \$23.586 billion in the week ended June 11 from \$23.577 billion a week ago, the central bank said on Thursday. (The News) | [Click for more info.](#)

### Action against offshore assets; Panel approves proposal against time-limit restriction

#### Economy | Neutral

The Senate Standing Committee on Finance has approved a proposal for allowing the Federal Board of Revenue (FBR) to remove time limitation for taking action against owners of offshore income and assets abroad. (BR) | [Click for more info.](#)

### Senate body rejects many budgetary proposals

#### Economy | Neutral

The Senate Standing Committee on Finance on Thursday rejected the government proposals to tax markup on Provident Fund (PF), lowering of benchmark for charging withholding tax on electricity bills and declaration of business account. (Dawn) | [Click for more info.](#)

## Oil & Gas

### CNG prices expected to go up Rs9/kg

#### Gas | Neutral

Prices of compressed natural gas (CNG) are expected to increase by up to Rs9/kg following the imposition of tax on liquified natural gas (LNG) proposed for the next fiscal year's budget, a trade association said on Thursday. (The News) | [Click for more info.](#)

### Long-awaited Refinery Policy steps in to foster refineries

#### Refineries | Neutral

Government has offered a set of incentives to the refineries operating in Pakistan in a recently announced federal budget for FY22, to push their growth momentum towards the upward trail. In a bid to encourage refineries to upgrade and improve their product slates of MS and HSD at the expense of Furnace Oil whose yield stands at 25-30% currently, government has announced an increase in effective duty protection on Motor Spirit (MS) from 0% to 7.5% on import of crude oil, while maintaining effective duty protection on HSD at 7.5%. (Mettis) | [Click for more info.](#)

## Power

### Industries; Nepra approves extension in concessional tariff till 30<sup>th</sup>

#### Power | Positive

The National Electric Power Regulatory Authority (Nepra) has approved extension in concessional tariff of Rs12.96 paise per unit for industry at peak hours across the country till June 30, 2021 on the request of Power Division and Karachi Electric. However, a proposal for automatic incorporation of extension in industrial package in the then prevailing tariff structure of Discos and K-Electric has been rejected. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	32,943.1	32,789.9	-153.1	-0.5%
KSE100	48,480.9	48,157.6	-323.3	-0.7%
KSE30	19,547.8	19,421.1	-126.7	-0.6%
KMI30	79,355.8	78,946.4	-409.3	-0.5%

### Top Five Gainers

	Open	Close	Chg.	%
WYETH	2,243.4	2,325.8	82.4	3.7%
NESTLE	5,750.0	5,780.0	30.0	0.5%
SAPT	865.5	887.5	21.9	2.5%
SCL	370.0	389.0	19.0	5.1%
SIEM	637.8	649.2	11.3	1.8%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	3.8	4.0	0.2	243.18
SILK	1.6	1.8	0.2	188.57
KEL	4.5	4.4	-0.1	57.44
BYCO	12.9	12.4	-0.5	41.04
HUMNL	8.7	8.5	-0.1	32.67

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.09	-0.11	-0.02
F-Corporates	1.21	-0.71	0.50
O/S Pakistanies	7.44	-7.00	0.44
<b>Net</b>	<b>8.73</b>	<b>-7.82</b>	<b>0.91</b>
<b>LIPI</b>			
Individuals	117.19	-118.83	-1.64
Companies	10.49	-9.94	0.55
Comm. Banks	3.04	-2.98	0.06
NBFC	0.04	-0.06	-0.02
Mutual Funds	5.32	-3.93	1.39
Other	0.46	-0.52	-0.06
Brokers Proprietary	25.83	-26.77	-0.94
Insurance	2.71	-2.97	-0.26
<b>Net</b>	<b>165.09</b>	<b>-166.00</b>	<b>-0.91</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	71.04	-1.5%
Brent oil	USD/bbl.	73.08	-1.8%
Gold	USD/t oz.	1773.50	-2.1%
Silver	USD/t oz.	25.90	-4.0%
Coal	USD/ton	114.15	0.0%
Steel Scrap (LME)	USD/ton	502.50	0.0%
Steel Rebar (LME)	USD/ton	725.00	0.0%
USD/PKR	Interbank	156.94	-0.1%

News Source: Local / Int'l Newspapers and websites

Research Team

[research@abaalihabib.com](mailto:research@abaalihabib.com)

Aba Ali Habib Securities (Pvt) Limited  
(021) 32429665, Ext. 106

REP-055



## Autos

**ST reduction, FED removal on cars below 1050cc vehicles recommended: PIDE**

**Autos | Neutral**

Acknowledging the budget announcement of a reduction in sales tax and federal excise duty on cars below 850cc, the Pakistan Institute of Development Economics (PIDE) has recommended the government to extend the same benefits for cars below 1050cc in order to help the general public. (Mettis) | [Click for more info.](#)

**Domestic tractor assembling rises 65pc in 10 months: Dawood**

**MTL, AGTL | Positive**

Adviser to the PM on Commerce and Investment, Abdul Razak Dawood has said that domestic tractor assembling witnessed 65.36 percent growth during the first 10 months (July-April) of the current fiscal year 2020-21. (Pakobserver) | [Click for more info.](#)

## Cement

**Flying Cement achieves Key Milestone as installation of new captive power plant completed**

**FLYING | Positive**

Flying Cement Company Limited (FLYNG) has announced that the company has successfully completed the installation of the new captive power plant of 12 MW at its site in Distt. Khushab and its trial operations are expected to be started next month. (Mettis) | [Click for more info.](#)

## Miscellaneous

**Banks approve Rs30bn under low-cost housing finance**

**BANKS | Positive**

Banks have approved Rs30 billion against applications of around Rs90 billion under the government markup subsidy facility for low-cost housing finance, the central bank said on Thursday, while allowing banking sector to use estimation models to assess informal income of applicants. (The News) | [Click for more info.](#)

**Export of pharmaceutical products; Duty drawback increased**

**Pharmaceutical | Positive**

The Federal Board of Revenue (FBR) has increased duty drawback on the export of pharmaceutical products including medicines for human and animals (tablets or capsules); injections/ injectable, intravenous solutions and liquids/powder/syrups/drops/granules in bottles/sachets from June 7, 2021. (BR) | [Click for more info.](#)

**Steel units in Fata/Pata; Proposed withdrawal of 17pc FED to cost kitty Rs50bn/annum: PALSP**

**Steel | Neutral**

All major steel industry associations Thursday said that the proposed measure of withdrawal of 17 percent Federal Excise Duty (FED) on industrial units located in the tribal areas would be a total disaster for the documented industry, resulting in closure of units with negative revenue impact of Rs50 billion per annum. (BR) | [Click for more info.](#)

## International News

**Oil falls from multi-year highs on firmer dollar, hike in UK COVID cases**

Crude oil prices fell nearly 2% from their highest level in years on Thursday as the dollar strengthened after the U.S. Federal Reserve signaled it might raise interest rates as soon as 2023. (Reuters) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	28,558.6	121.75	0.43%
Taiwan - TWII	17,390.6	82.75	0.48%
CHINA - Shanghai	3,525.6	7.27	0.21%
US - S&P 500	4,221.9	-1.84	-0.04%
KSA - Tadawul	10,853.1	-2.83	-0.03%
INDONESIA - IDX	6,068.5	-10.12	-0.17%
PHILP - PSEi	6,887.9	-85.43	-1.23%
INDIA - SENSEX	52,323.3	-178.65	-0.34%
US - Dow 30	33,823.5	-210.22	-0.62%
PAK (KSE-100)	48,157.6	-323.27	-0.67%

### Board Meetings

Scrip	Day	Agenda	Time
HINO	Thursday	ANN A/c 31-Mar-21	10:30 AM

Source: PSX



## Disclaimer

This report has been prepared by Aba Ali Habib Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Aba Ali Habib Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Aba Ali Habib Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents.

In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Aba Ali Habib Securities' Research Department and do not necessarily reflect those of the company or its directors. Aba Ali Habib as a firm may have business relationships, including investment- banking relationships, with the companies referred to in this report. Aba Ali Habib Securities or any of its officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the subject company, may have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company, may serve or may have served in the past as a director or officer of the subject company, may have received compensation from the subject company for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from the subject company for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the subject company.

All rights reserved by Aba Ali Habib Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Aba Ali Habib Securities. Action could be taken for unauthorized reproduction, distribution or publication.

## 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.

## Analyst Certification <sup>AC</sup>

The research Analyst(s) hereby certify that the views about the company/companies and the security/securities discussed in this report accurately reflect his or her or their personal views and that s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

## THE TEAM

### CEO

Zahid Ali Habib  
[Zahid@abaalihabib.com](mailto:Zahid@abaalihabib.com)  
(021) 32425022

### RESEARCH TEAM

**Contact:** (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst  
[zubair@abaalihabib.com](mailto:zubair@abaalihabib.com)

Behroze Atique – Research Analyst  
[behroze@abaalihabib.com](mailto:behroze@abaalihabib.com)

Ayesha Abid – Research Analyst  
[ayesha.abid@abaalihabib.com](mailto:ayesha.abid@abaalihabib.com)

### SALES TEAM

Zaheer Ahmed - Head of Institutional Sales  
[Zaheer.ahmed@abaalihabib.com](mailto:Zaheer.ahmed@abaalihabib.com)  
(021) 32418693-94

Salman Ahmed - Head of Retail Sales  
(021) 32412491

Syed Khalid Ahmed - Equity Trader  
[Syedkhalid@abaalihabib.com](mailto:Syedkhalid@abaalihabib.com)  
(021) 32429664

Muhammad Faisal - Equity Trader  
[faisal@abaalihabib.com](mailto:faisal@abaalihabib.com)  
(021) 32464835

### Office (PSX Building)

Room # 419, 419 A & 421, 4<sup>th</sup> Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi  
Contact: 021-32429665  
Cell: [+92 3312766771](tel:+923312766771)



[https://twitter.com/Aba\\_Ali\\_Habib](https://twitter.com/Aba_Ali_Habib)



<https://www.facebook.com/aah162>



<https://www.linkedin.com/company/aba-ali-habib-securities/>