



March 18,
2021

Economy

Pakistan Is said to Hire Banks for International Bond Sale

Economy | Neutral

Pakistan has hired banks for a possible foreign-currency bond offering, according to people familiar with the matter. The government has mandated Deutsche Bank AG, JPMorgan Chase & Co., Credit Suisse Group AG, Standard Chartered Plc and Emirates NBD Bank PJSC, the people said, asking not to be identified because the details are private. (Bloomberg) | [Click for more info.](#)

Dollar loses another 98 paise against rupee

Economy | Positive

The US dollar on Wednesday lost almost Re1 against the rupee as exporters fearing further weakening started selling their greenback holdings in the interbank market. The dollar fell 98 paise to close at Rs155.74. The steep fall created panic among the exporters, who keep their proceeds for up to 90 days. (Dawn) | [Click for more info.](#)

FDI declines 30 percent to \$1.30 billion in July-Feb

Economy | Negative

Pakistan's foreign direct investment dropped 30 percent to \$1.300 billion in the eight months of the current fiscal year, the central bank's data showed on Wednesday. FDI stood at \$1.854 billion in the same period of the last fiscal year. (The News) | [Click for more info.](#)

Withdrawal of corporate IT exemptions; Presidential ordinance on the cards

Economy | Neutral

The government is planning to promulgate Tax Laws (Second Amendment) Ordinance, 2021 for withdrawal of corporate income tax exemptions from the Income Tax Ordinance 2001. Highly-placed government officials confirmed that the Presidential Ordinance would be promulgated shortly as National Assembly session is not expected any time soon due to rising cases of coronavirus lockdown, they added. (BR) | [Click for more info.](#)

Power

Govt urged to facilitate KE deal with Shanghai Electric

KEL | Positive

Saudi Arabia's Al-Jomaiah Group on Wednesday sought early resolution of payables and receivables of K-Electric (KE) and urged the government and public sector entities to facilitate the power utility's takeover by China's Shanghai Electric Ltd. Abdulaziz Hamad Aljomaih hoped that the government of Pakistan would expedite the removal of any impediments to the conclusion of Shanghai Electric Power's (SEP) proposal to take a 66.4 per cent controlling stake in K-Electric Limited. (Dawn) | [Click for more info.](#)

2002 power policy IPPs resent govt approach to payment

Power | Neutral

The federal government is likely to pay 40 per cent agreed amount to the Independent Power Producers (IPPs) established under pre-1994 policy and 1994 policy within a few days, which according to the IPPs of the Power Policy 2002, will be discriminatory and may attract litigation. (BR) | [Click for more info.](#)

Wheat import, sovereign guarantee for power evacuation

Power | Neutral

A meeting of the Economic Coordination Committee (ECC) of the Cabinet on Wednesday decided to import 300,000 metric tons of wheat as well as approved a Rs 15.250 billion sovereign guarantee from local banks for evacuation of Power from 2x660 MW Thar Coal Based Project (SSRL/SECL). (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,663.3	31,058.2	394.8	1.3%
KSE100	44,857.1	45,450.3	593.3	1.3%
KSE30	18,628.0	18,878.7	250.7	1.3%
KMI30	74,062.1	74,910.3	848.1	1.1%

Top Five Gainers

	Open	Close	Chg.	%
SUTM	873.0	936.7	63.7	7.3%
INDU	1,029.0	1,081.1	52.1	5.1%
NESTLE	5,900.0	5,950.0	50.0	0.8%
KHTC	403.4	433.6	30.3	7.5%
ISIL	335.0	360.0	25.0	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	138.7	147.9	9.3	34.43
BYCO	9.1	10.1	1.0	32.42
PRL	23.8	25.1	1.2	26.73
HUMNL	6.6	7.1	0.4	25.88
UNITY	30.0	30.9	1.0	24.57

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.03	-0.02	0.01
F-Corporates	2.13	-2.84	-0.70
O/S Pakistanies	8.37	-8.52	-0.15
Net	10.54	-11.37	-0.84
LIPI			
Individuals	167.93	-169.73	-1.80
Companies	7.74	-9.89	-2.14
Comm. Banks	2.63	-4.96	-2.33
NBFC	0.02	-0.02	-0.01
Mutual Funds	8.95	-6.13	2.82
Other	0.67	-0.64	0.02
Brokers Proprietary	40.89	-39.51	1.38
Insurance	4.84	-1.95	2.89
Net	233.67	-232.83	0.84

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	64.60	-0.3%
Brent oil	USD/bbl.	68.00	-0.6%
Gold	USD/t oz.	1745.33	0.8%
Silver	USD/t oz.	26.32	1.5%
Coal	USD/ton	92.85	1.5%
Steel Scrap (LME)	USD/ton	435.00	-1.2%
Steel Rebar (LME)	USD/ton	627.50	-0.7%
USD/PKR	Interbank	156.25	-0.4%

News Source: Local / Int'l Newspapers and websites

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Quarterly tariff adjustment; Power consumers to face another brunt of Rs91bn

Power | **Negative**

The consumers of power Distribution Companies (Discos) are to face another brunt of Rs 91 billion (Paisa 91 per unit) as Quarterly Tariff Adjustment (QTA) for two quarters, i.e. from July to September and October to December 2000. (BR) | [Click for more info.](#)

Autos

Kia Reveals Design of Its New EV6 Car

LUCK | **Positive**

Kia made a full revelation of the design of its new EV6 on Monday, ahead of its official launch which is later this month. The official debut event will reveal the features, technical details, and price of the vehicle. (Propakistani) | [Click for more info.](#)

Pharmaceutical

First-ever private consignment: First shipment of Russian Sputnik-V vaccine arrives

Pharmaceutical | **Positive**

The first shipment of privately-imported Russian vaccine, Gam-Covid-Vac or Sputnik-V, comprising 50,000 doses arrived at the Jinnah International Airport, Karachi, on Wednesday night, said the health department officials, adding that the vaccine would be provided to big hospitals and medical institutions for administration. (The News) | [Click for more info.](#)

China donates 500,000 doses of Covid-19 vaccine

Pharmaceutical | **Positive**

Government on Wednesday received a Chinese donation of 500,000 doses of Sinopharm vaccine, bringing the country's total supply to 1 million shots, Health Minister Faisal Sultan said. (BR) | [Click for more info.](#)

Miscellaneous

ECC approves revised low-cost house financing facility

Banks | **Positive**

The Economic Coordination Committee (ECC) of the cabinet on Wednesday approved revised low-cost home financing facility to expand its outreach and sovereign guarantee for Rs15 billion worth of loans for coal power transmission. The meeting was briefed about revised eligibility criteria for selection of applicants, modalities for payment of cost subsidy and mechanism for release of funds with reference to the special incentive package for housing and construction sector announced in July last. After due deliberation, the committee approved the stipulated eligibility criteria and payment mechanism for cost subsidy against 100,000 housing units to be constructed during phase-I by the end of the year. (The News) | [Click for more info.](#)

Special Economic Zones launched in Thatta, Chakwal

Economy | **Positive**

The Dynamic Engineering and Automation (DEA), a privately owned engineering servicing company, has launched two Special Economic Zones (SEZs) at Pir Phato, Thatta and Padshahan, Chakwal districts. The development concludes negotiations with Chinese investors and companies to establish manufacturing facilities, global service centres, R&D labs and sales centres with an estimated investment of \$5 to \$7 billion. (PT) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	45,450.3	593.25	1.32%
US - Dow 30	33,015.4	189.42	0.58%
US - S&P 500	3,974.1	11.41	0.29%
PHILP - PSEi	6,566.8	7.75	0.12%
HK - Hang Seng	29,034.1	6.43	0.02%
CHINA - Shanghai	3,445.6	-1.18	-0.03%
INDONESIA - IDX	6,277.2	-32.47	-0.51%
KSA - Tadawul	9,602.3	-58.01	-0.60%
Taiwan - TWII	16,215.8	-97.34	-0.60%
INDIA - SENSEX	49,801.6	-562.34	-1.12%

Board Meetings

Scrip	Day	Agenda	Time
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



Turkish investors express keen interest in Pakistan's tourism sector

Economy | Neutral

As the government has decided to involve the private sector in the country's hospitality industry, the Tourism Hotel Managers Association of Turkey (TUROYD) seeks an opportunity to invest in Pakistan's tourism sector. (PT) | [Click for more info.](#)

Kuwait to lift visa ban, says govt on eve of FM's visit

Economy | Positive

Kuwait will lift a ban on work visas for Pakistan, announced Interior Minister Sheikh Rashid Ahmed on Wednesday as the Kuwaiti Foreign Minister begins his two-day official trip to Islamabad from Thursday. (ET) | [Click for more info.](#)

Political News

PDM chief urges PPP to respect majority view on resignations

While urging the Pakistan Peoples Party (PPP) to respect the majority view on the issue of resignation from assemblies, Pakistan Democratic Movement (PDM) President Maulana Fazlur Rehman on Wednesday said that resignations were never meant to be the "last option but instead it was one of the options" to oust the PTI government. (ET) | [Click for more info.](#)

International News

Fed sees higher growth, above target inflation this year, rates remain steady

The Federal Reserve on Wednesday projected a rapid jump in US economic growth and inflation this year as the COVID-19 crisis winds down, and repeated its pledge to keep its target interest rate near zero for years to come. (BR) | [Click for more info.](#)

Asian stocks set to mostly rise after Fed projects U.S. GDP surge

Asian stocks were set for modest gains on Thursday after the Federal Reserve pledged to keep monetary policy and rates unchanged and projected a rapid jump in U.S. economic growth this year as the COVID-19 crisis eases. (Reuters) | [Click for more info.](#)

Oil falls a fifth day lower after U.S. stockpile build

Oil prices dropped for a fifth day on Thursday after official data showed a sustained rise in U.S. crude and fuel inventories, while the ever-present pandemic clouded the demand outlook. (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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