



February  
19, 2021

## Economy

### IMF deal envisages Rs700b taxes in next fiscal

#### Economy | Neutral

Pakistan will take additional revenue measures equal to 1.4% of the size of its economy or over Rs700 billion to achieve a tax collection target of around Rs6 trillion in the next fiscal year under the International Monetary Fund deal. The revenue measures will include increasing income tax burden of the salaried and business individuals and the corporate sector, finance ministry sources told The Express Tribune. The salaried class, particularly falling in higher income brackets, will face greater brunt in the next fiscal year. (ET) | [Click for more info.](#)

### SBP asked to set up cell to boost inflows into RDA

#### Economy | Neutral

Prime Minister Imran Khan has asked the State Bank of Pakistan (SBP) to set up a cell in the central bank to facilitate overseas Pakistanis in response to their suggestions to increase the inflows in the Roshan Digital Account (RDA). (BR) | [Click for more info.](#)

### Investment in premium prize bonds rises 29pc to Rs22.8bln

#### Economy | Neutral

Total investment in registered or premium prize bonds surged 29 percent to Rs22.8 billion during the last year as investors were seen offloading investments from unregistered instruments amid their ban, official statistics revealed on Thursday. The sale of premium prize bonds of both denominations of Rs40,000 and Rs25,000 stood at Rs17.71 billion by the end of 2019. (The News) | [Click for more info.](#)

### Foreign exchange: SBP reserves fall \$59m to \$12.8b

#### Economy | Neutral

The foreign exchange reserves held by the central bank fell 0.45% on a weekly basis, according to data released by the State Bank of Pakistan (SBP) on Thursday. On February 12, the foreign currency reserves held by the SBP were recorded at \$12,889.7 million, down \$59 million compared with \$12,949.1 million in the previous week. (ET) | [Click for more info.](#)

### NA panel recommends Rs31.32bn for 166 projects

#### Economy | Neutral

The National Assembly Standing Committee on Interior recommended the budgetary proposals relating to the Public Sector Development Project (PSDP) amounting Rs31.32 billion for 166 projects for the financial year 2021-22. (BR) | [Click for more info.](#)

### Pakistan's debt, liabilities surge to Rs44.9trln in 2020

#### Economy | Neutral

Pakistan's total debt and liabilities increased 9.9 percent to Rs44.9 trillion during the last year, the central bank's data showed on Thursday, as the government's fiscal position is stressed amid lower tax revenue collection. (The News) | [Click for more info.](#)

## Power

### Pakistan Plans First Green Bond to Fund Hydropower Projects

#### Power, Economy | Positive

Pakistan's government is planning to issue a \$500 million green bond in the next few months to help boost its development of hydroelectric power. The bond, denominated in euros, will be the government's first to fund environmental goals, Malik Amin Aslam, an adviser to Prime Minister Imran Khan on climate change, said in an interview. (Bloomberg) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	32,048.7	31,759.8	-288.9	-0.9%
KSE100	46,768.1	46,142.7	-625.4	-1.3%
KSE30	19,560.6	19,216.3	-344.3	-1.8%
KMI30	77,944.2	76,692.9	-1251.3	-1.6%

### Top Five Gainers

	Open	Close	Chg.	%
SAPT	890.1	956.9	66.8	7.5%
BATA	1,780.0	1,838.0	58.0	3.3%
SUTM	738.0	780.0	42.0	5.7%
BTL	310.0	329.9	19.9	6.4%
AKDCL	471.7	488.7	16.9	3.6%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
DSL	6.6	5.9	-0.7	58.67
TELE	7.8	8.3	0.5	34.35
KEL	4.2	4.1	-0.1	29.30
WTL	1.5	1.5	0.0	26.98
ANL	30.7	31.9	1.2	26.14

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.04	-0.01	0.04
F-Corporates	1.14	-2.12	-0.98
O/S Pakistanies	11.59	-7.07	4.52
<b>Net</b>	<b>12.77</b>	<b>-9.20</b>	<b>3.57</b>
<b>LIPI</b>			
Individuals	138.90	-137.60	1.30
Companies	5.33	-3.77	1.56
Comm. Banks	3.71	-5.11	-1.41
NBFC	0.05	-0.03	0.02
Mutual Funds	3.98	-9.01	-5.03
Other	1.13	-1.62	-0.49
Brokers Proprietary	35.97	-36.62	-0.64
Insurance	2.93	-1.81	1.11
<b>Net</b>	<b>191.99</b>	<b>-195.57</b>	<b>-3.57</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	60.52	-1.0%
Brent oil	USD/bbl.	63.93	-0.6%
Gold	USD/t oz.	1775.67	0.0%
Silver	USD/t oz.	27.03	-1.3%
Coal	USD/ton	88.65	-0.1%
Steel Scrap (LME)	USD/ton	417.50	-0.1%
Steel Rebar (LME)	USD/ton	604.00	-0.3%
USD/PKR	Interbank	159.14	-0.2%

News Source: Local / Int'l Newspapers and websites

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## Govt-IPPs deals get NAB sanction

Power | **Positive**

National Accountability Bureau (NAB) has "cleared" deals between Independent Power Producers (IPPs) and Government of Pakistan (GoP) after a detailed meeting with the Government's Negotiation Committee. On Thursday, IPPs were surprised at the "sudden move" by NAB in their recently struck deals with the government, fearing that the entire process will be jeopardized with the investigation. (BR) | [Click for more info.](#)

## Autos

### Low localisation pushes up auto parts import bill

Auto Parts | **Negative**

Massive imports of parts and accessories by new entrants under duty and tax incentives has caused a whopping jump of 79 per cent in arrival of completely and semi-knocked down (CKD/SKD) kits to \$468 million in the first seven months of the current fiscal year (7MFY21). The increasing import bill on account of soaring parts and accessories imports suggests low localisation even by the existing assemblers. (Dawn) | [Click for more info.](#)

### IMC launches portal

INDU | **Positive**

The Indus Motor Company (IMC) has introduced the Toyota Smart Purchase portal that allows customers the experience of making an online purchase from the company's diverse product line up, sans a dealership visit. (News) | [Click for more info.](#)

## Miscellaneous

### Packages Ltd submits PAI to acquire up to 7.5 mln ordinary shares of Tri-Pack Films Ltd

PKGS, TRIPP | **Positive**

Packages Limited has submitted a Public Announcement of Intention (PAI) to acquire up to 7,500,000 ordinary shares of Tri-Pack Films Limited. These shares represent 19.33% of the total issued paid-up capital of the Target Company (Tri-Pack Films Limited). (Mettis) | [Click for more info.](#)

### Construction projects to fuel Rs1.76tr activities, PM told

Cement, Steel, Banks | **Positive**

Prime Minister Imran Khan was apprised on Thursday that economic activities worth over Rs1.76 trillion will be generated in the country owing to an investment of Rs353 billion in the housing sector alone in Punjab. (Dawn) | [Click for more info.](#)

### 2.8m doses of AstraZeneca vaccine to arrive on March 2

Pharmaceutical | **Positive**

As 2.8 million doses of Oxford AstraZeneca Covid-19 vaccine will be received on March 2, the government has decided to start vaccination of people over 65 years of age in the first week of next month. (Dawn) | [Click for more info.](#)

### PM advocates home loans for expatriates

Banks, Economy | **Positive**

Prime Minister Imran Khan has suggested to banks that they should extend housing loans to the overseas Pakistanis who are opening Roshan Digital Accounts (RDAs). (Dawn) | [Click for more info.](#)

### Cotton stockpiling in factories falls 34pc

Textile | **Negative**

Cotton arrivals in the factories of Pakistan have dropped by 2.93 million bales or 34 percent by February 15, a report released by Pakistan Cotton Ginners Association (PCGA) showed on Thursday. (The News) | [Click for more info.](#)

## World Indices

	Last	Chg.	Chg. %
Taiwan - TWII	16,424.5	62.22	0.38%
CHINA - Shanghai	3,675.4	20.27	0.55%
US - S&P 500	3,914.0	-17.36	-0.44%
INDONESIA - IDX	6,200.3	-27.42	-0.44%
KSA - Tadawul	9,024.2	-60.08	-0.66%
PHILP - PSEi	6,849.6	-116.79	-1.68%
US - Dow 30	31,493.3	-119.68	-0.38%
INDIA - SENSEX	51,324.7	-379.14	-0.73%
HK - Hang Seng	30,595.3	-489.67	-1.58%
PAK (KSE-100)	46,142.7	-625.40	-1.34%

## Board Meetings

Scrip	Day	Agenda	Time
PPVC	Friday	HY A/c 31-Dec-20	9:30 AM
CPAL	Friday	HY A/c 31-Dec-20	10:00 AM
JSIL	Friday	ANN A/c 31-Dec-20	10:00 AM
AGL	Friday	HY A/c 30-Jun-20	10:30 AM
FCCL	Friday	HY A/c 31-Dec-20	10:30 AM
DGKC	Friday	HY A/c 31-Dec-20	11:00 AM
DEL	Friday	HY A/c 31-Dec-20	11:00 AM
GIL	Friday	HY A/c 31-Dec-20	11:00 AM
HRPL	Friday	HY A/c 31-Dec-20	11:00 AM
ICL	Friday	HY A/c 31-Dec-20	11:00 AM
MUGHAL	Friday	HY A/c 31-Dec-20	11:00 AM
MTL	Friday	HY A/c 31-Dec-20	12:00 PM
BOP	Friday	ANN A/c 31-Dec-20	12:30 PM
DYNO	Friday	HY A/c 31-Dec-20	3:00 PM
NATF	Friday	HY A/c 31-Dec-20	3:00 PM
PIM	Friday	HY A/c 31-Dec-20	3:00 PM
MODAM	Friday	HY A/c 31-Dec-20	4:00 PM
HTL	Friday	HY A/c 31-Dec-20	4:30 PM
PSYL	Friday	HY A/c 31-Dec-20	4:30 PM
SARC	Friday	HY A/c 31-Dec-20	5:00 PM
ATBA	Saturday	HY A/c 31-Dec-20	11:00 AM
JVDC	Saturday	HY A/c 31-Dec-20	12:00 PM
HSPI	Saturday	3QA/c 31-Dec-20	3:00 PM

Source: PSX



## Heavy Electrical Complex expected to be privatised by June

**Economy | Neutral**

The government is expected to complete the privatisation of Heavy Electrical Complex (HEC) by the mid of the current year as it has already shortlisted investors for issuance of request for statement of qualification, officials said on Thursday. (The News) | [Click for more info.](#)

## PIA to start releasing VSS payments next week

**PIAA | Neutral**

Pakistan International Airline (PIA) is going to start releasing the Voluntary Separation Scheme (VSS) payments by next week. PIA after approval of government of Pakistan introduced the VSS for its employees which was availed by nearly 2,000 employees. (The News) | [Click for more info.](#)

## Political News

### Fireworks expected over 26th amendment bill today

Fireworks are expected in the National Assembly on Friday (today) over the 26th constitutional amendment bill aimed at changing the method of voting in the Senate elections as the House is all set to take up the bill when it resumes legislative business. (ET) | [Click for more info.](#)

## International News

### Oil drops as investors gauge big chill impact on U.S. refineries

Oil prices slid as much as 2% in early trade on Friday, adding to overnight declines, on worries that refineries shut by a big freeze in the U.S. South will take some time to revive operations and dent crude demand. (Reuters) | [Click for more info.](#)

### Asian stocks set to fall as Wall Street slips on recovery doubts

Asian stocks were set to pull back on Friday, following a dip on Wall Street as disappointing U.S. jobs data fanned concerns the economic recovery from the coronavirus was losing momentum. (Reuters) | [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%

## 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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