



May 19,
2021

Economy

KSA to revive deferred oil facility: Fawad

Economy | Positive

Saudi Arabia has agreed in principle for resumption of oil facility on deferred payments to the tune of around \$3 billion per annum basis for an extended period. The exact modalities will be finalised soon. (The News) | [Click for more info.](#)

Government facilitates international potential investors: Soomro

Economy | Positive

Federal Minister for Privatization Mohammedmian Soomro, Tuesday, said that the government was facilitating international potential investors in their investment ventures in Pakistan. In the meeting matters relating to privatisation and investment opportunities from potential investors from USA were discussed. (Pakobserver) | [Click for more info.](#)

Remittances hit all-time high of \$24.25bn

Economy | Positive

Inflows of workers' remittances continued to post healthy growth and surpassing all-previous records, reached all-time high level of \$24.25 billion in the first 10 months of this fiscal year. (BR) | [Click for more info.](#)

'Climate change to cost Pakistan \$3.8bn yearly'

Economy | Negative

Warning of an increase of up to 2.5 degrees Celsius in temperature over the next two decades, the Asian Development Bank (ADB) and World Bank (WB) have estimated that Pakistan is facing up to \$3.8 billion in annual economic loss due to climate change. (Dawn) | [Click for more info.](#)

ECC to take up 9 proposals of ministries, divisions today

Economy | Neutral

A meeting of Economic Coordination Committee (ECC) of the Cabinet being held Wednesday (May 19) will take up as many as nine proposals of various ministries and divisions, including the request for approval of gas allocation to third parties from well-NF HOR-1. (BR) | [Click for more info.](#)

New rate of profit on National Saving Schemes

Economy | Neutral

The government has announced new rate of profit on National Saving Schemes with effect from May 10, 2021. According to notifications of Finance Ministry, profit rate on Shuhada Welfare Account and pensioners benefit accounts has been announced at 11.04% per annum. (BR) | [Click for more info.](#)

Tarin seeks time to present budget

Economy | Neutral

According to sources, the speaker's chamber had contacted Tarin and consulted with him with regard to summoning the budget session. Tarin, however, told the office that he has just taken charge of the ministry and will need some more time to prepare the annual budget. (ET) | [Click for more info.](#)

Oil & Gas

Privatization committee reconsiders govt divestment from OGDCL, PPL

OGDC, PPL | Positive

The Cabinet Committee on Privatization (CCOP) is facing a challenge on Wednesday to decide on a long-pending divestment from PPL and OGDCL, as investor appetite has been redirected to attractive valuation amid downbeat exploration and production sector. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,742.0	30,875.0	133.0	0.4%
KSE100	45,796.3	45,981.8	185.5	0.4%
KSE30	18,731.8	18,826.0	94.2	0.5%
KMI30	74,316.9	75,000.6	683.7	0.9%

Top Five Gainers

	Open	Close	Chg.	%
UPFL	14,772.0	15,879.9	1,107.9	7.5%
ILTM	2,200.0	2,300.0	100.0	4.5%
WYETH	1,194.6	1,284.2	89.6	7.5%
RMPL	9,570.0	9,640.0	70.0	0.7%
MARI	1,525.6	1,574.9	49.3	3.2%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.7	1.7	0.0	49.51
TELE	16.7	17.5	0.8	49.09
GGL	39.8	42.6	2.8	47.23
UNITY	38.4	41.3	2.9	30.95
TRG	178.2	182.2	4.0	28.52

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.02	-0.05	-0.03
F-Corporates	3.30	-6.36	-3.05
O/S Pakistanies	9.06	-9.58	-0.53
Net	12.38	-15.99	-3.61
LIPI			
Individuals	157.26	-150.86	6.40
Companies	6.59	-4.88	1.72
Comm. Banks	1.54	-3.90	-2.36
NBFC	0.14	-0.07	0.07
Mutual Funds	4.64	-5.86	-1.22
Other	0.58	-0.57	0.01
Brokers Proprietary	37.75	-38.67	-0.91
Insurance	2.11	-2.20	-0.10
Net	210.62	-207.01	3.61

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	65.49	-1.2%
Brent oil	USD/bbl.	68.71	-1.1%
Gold	USD/t oz.	1869.44	0.1%
Silver	USD/t oz.	28.19	0.0%
Coal	USD/ton	102.65	0.6%
Steel Scrap (LME)	USD/ton	502.50	1.5%
Steel Rebar (LME)	USD/ton	771.50	0.3%
USD/PKR	Interbank	153.04	0.1%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106



Power

ECC all set to consider KE-public sector entities AA

KEL | Neutral

The Economic Coordination Committee (ECC) of the Cabinet is all set to consider draft Arbitration Agreement (AA) between Karachi Electric (KE) and other public sector entities, as things are moving expeditiously after the visit of Prime Minister to Saudi Arabia. (BR) | [Click for more info.](#)

Unjust power disconnection, other bills passed by NA

Power | Positive

The National Assembly Tuesday passed four private members' bills moved by lawmakers from four different mainstream political parties — two each from treasury and opposition. (BR) | [Click for more info.](#)

CCoP to examine PC's proposal on Discos

Discos | Neutral

The Cabinet Committee on Privatization (CCoP), which is scheduled to meet on Wednesday (today), will consider a proposal of Privatization Commission (PC) to give five Discos on a ten-year Concession Agreement (CAs) and five Discos on the basis of Management Contracts. (BR) | [Click for more info.](#)

Autos

Sazgar Engineering commences selling of CBU vehicles under brand name

HAVAL

SAZEW | Positive

Sazgar Engineering Works Limited has decided to commence import, market, sell, and after-sales service of Completely Built-Up (CBU) vehicles under the brand name HAVAL. In this regard, the company has started booking of these vehicles from today through its authorized dealership network. (Mettis) | [Click for more info.](#)

Chinese RNL Technologies plans to produce EV chargers in Pakistan

Autos | Neutral

Chinese Company RNL Technologies plans to start manufacturing Electric Vehicle (EV) chargers in Pakistan, said Owais Mir, CEO of Dynamic Engineering and Automation. Mir told China Economic Net that Dynamic Engineering and Automation had signed MoU today with one of the largest EV charger manufacturers and suppliers in China RNL Technologies and had sole representation of them in Pakistan. (BR) | [Click for more info.](#)

Pharmaceutical

Discretionary companies outperform in 1Q2021

Pharmaceutical | Positive

Pakistan's consumer companies witnessed an upsurge in profitability by 98% YoY during 1Q2021 while 80% YoY in 4Q2020. During 1Q2021, Consumer Discretionary, Staples and Pharmaceuticals segments performed exceptionally well with the mounting profits by 2.7x YoY, 95% YoY, and 46% YoY, respectively. (Mettis) | [Click for more info.](#)

Wyeth Pakistan Ltd to be delisted from PSX under Voluntary Delisting Regulations

WYETH | Neutral

The Board of Directors of Wyeth LLC, USA (currently holding 40.55% of the shareholding in Wyeth Pakistan Limited) have resolved that the company is considering purchase of the outstanding securities and shares of Wyeth Pakistan Limited presently listed at the Pakistan Stock Exchange, in accordance with clause 5.14.1 of the PSX Regulations. (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
Taiwan - TWII	16,146.0	792.09	5.16%
INDIA - SENSEX	50,193.3	612.60	1.24%
HK - Hang Seng	28,593.8	399.72	1.42%
PAK (KSE-100)	45,981.8	185.51	0.41%
KSA - Tadawul	10,423.5	27.07	0.26%
CHINA - Shanghai	3,529.0	11.39	0.32%
INDONESIA - IDX	5,834.4	0.54	0.01%
US - S&P 500	4,127.8	-35.46	-0.85%
PHILP - PSEi	6,244.7	-38.84	-0.62%
US - Dow 30	34,060.7	-267.13	-0.78%

Board Meetings

Scrip	Day	Agenda	Time
MIRKS	Thursday	HY A/c 31-Mar-21	11:00 AM
SKRS	Thursday	HY A/c 31-Mar-21	3:00 PM
BPL	Monday	1Q A/c 30-Sep-20	12:00 PM
HCAR	Tuesday	ANN A/c 31-Mar-21	9:00 AM
AABS	Tuesday	HY A/c 31-Mar-21	11:00 AM
NONS	Tuesday	HY A/c 31-Mar-21	11:00 AM
JSML	Tuesday	HY A/c 31-Mar-21	11:30 AM
SIEM	Thursday	HY A/c 31-Mar-21	1:30 PM

Source: PSX



Miscellaneous

Banking sector infection ratio rises to 9.3pc

Banks | Negative

The infection ratio of the banking sector has increased from eight per cent in December 2018 to 9.3pc at the end of March 2021, with the textile sector appearing as the biggest defaulter till the end of the first quarter of the current fiscal year (1QFY21). (Dawn) | [Click for more info.](#)

High steel bar prices to hit construction, says builders body

Steel | Neutral

The Association of Builders and Developers of Pakistan (ABAD) on Tuesday said that the Rs5,000 per tonne increase in steel bar prices will hit the construction industry and Naya Pakistan Housing Scheme (NPHS). In a statement, ABAD chairman Fayyaz Ilyas urged the government to abolish regulatory duty (RD) and additional regulatory duty (ARD) on import of steel bars to curb prices. (Dawn) | [Click for more info.](#)

Census-2017 puts country's population at 207.68m

Economy | Neutral

The Pakistan Bureau of Statistics (PBS) Tuesday released final results of sixth Population and Housing Census-2017, showing that Pakistan's population is 207.68 million (with -0.043 percent difference with provisional results) and population growth rate of 2.40 percent from 1998 to 2017 with 106.3 million males and 101.3 million females. (BR) | [Click for more info.](#)

Economists suggest bringing discount rate, interest rate to 5pc

Economy | Neutral

Economists at a webinar have suggested to the government to bring down discount rate to five percent by the end of June 2021 to deal with the debt crisis. (BR) | [Click for more info.](#)

FBR Given Tax Collection Target of Rs. 357 Billion for May 2021

Economy | Neutral

The Minister for Finance, Shaukat Tarin, has assigned a revenue collection target of Rs. 357 billion for May 2021 to the Federal Board of Revenue (FBR). (Propakistani) | [Click for more info.](#)

International News

Asia Stocks Track U.S. Lower on Inflation Concerns: Markets Wrap

Asian stocks tracked U.S. declines Wednesday as concern about faster inflation shadows the economic recovery from the pandemic. A dollar gauge was near the lowest level this year. (Bloomberg) | [Click for more info.](#)

Oil settles lower on reports of potential Iran nuclear deal

Oil settled lower on Tuesday, tumbling from a two-month high after media reports said the United States and Iran have made progress on reviving a deal restricting the OPEC country's nuclear weapons development, which would boost crude supply. (Reuters) | [Click for more info.](#)



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 ^{AC}

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
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst
zubair@abaalihabib.com

Behroze Atique – Research Analyst
behroze@abaalihabib.com

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

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

Salman Ahmed - Head of Retail Sales
(021) 32412491

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Office (PSX Building)

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



https://twitter.com/Aba_Ali_Habib



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



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