

## Economy

### Pakistan to come out of FATF grey list by June: Hammad

#### Economy | Neutral

Minister for Industries and Production Hammad Azhar, Friday, expressed the optimism that Pakistan would come out of the Financial Action Task Force (FATF)'s "grey list" in June, saying the country is committed to full compliance of the action plan and "considerable progress" has already been made on the remaining three items out of the 27 points. (BR) | [Click for more info.](#)

### Broadsheet issue: Court issues new freezing order on Pakistan assets in UK

#### Economy | Negative

The UK High Court of Justice has issued a new freezing order in favour of Broadsheet LLC and against the National Accountability Bureau (NAB) ordering that no payments shall be released to the Government of Pakistan by the United Bank Limited (UBL) to any other party from the accounts held by the Pakistan government unless the judgment debt and interest of around £1 million is settled. (The News) | [Click for more info.](#)

### Economy showing signs of recovery

#### Economy | Positive

The finance ministry has predicted low inflation and acceleration in economic activities in the second half of current fiscal year but it is unsure about the inflation reading for this month and has given a wide range of 5.5% to 7.5%. The Federal Board of Revenue (FBR) also achieved its downward revised eight-month tax collection target of Rs2.9 trillion with a 6% growth in revenues. (ET) | [Click for more info.](#)

### PIBs attract \$137m foreign investment in four months

#### Economy | Positive

Pakistan Investment Bonds (PIBs) attracted \$37.6 million (Rs6 billion) in February – the highest investment in a single month – during the current fiscal year. Most of the investments came from the US and the UK where the interest rates are at the historically lowest level. (Dawn) | [Click for more info.](#)

### Rupee hits 3-month high level of 158.1 on foreign inflows

#### Economy | Positive

Pakistani rupee hit more than three-month high of 158.1 against the US dollar in the interbank trade on Friday as recent bouts of foreign inflows strengthened the local currency. The level has not been seen since November 13 last year. The rupee value, however, went slightly up 0.2 percent compared to the Thursday's close of 158.46 per dollar. (The News) | [Click for more info.](#)

### Foreign investment in 7MFY21 down by 78pc: ministry

#### Economy | Negative

Amid 78pc decline in total foreign investment, the Ministry of Finance on Friday raised expectations about economic recovery during the current fiscal year based on improved signs in first seven months. In its Monthly Economic Update & Outlook, the ministry reported that total foreign investment in July-January period amounted to \$755 million against \$3.438bn of comparable period last year. (Dawn) | [Click for more info.](#)

### Foreign exchange reserves to come under pressure in next few months

#### Economy | Negative

Pakistan's foreign exchange reserves would come under pressure in next few months due to the massive repayment against previous loans and resurgence of current account deficit. The country has to repay over \$7 billion to the different countries and institutions before June this year, which would put pressure on the country's foreign exchange reserves. (The Nation) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,647.9	31,436.2	-211.7	-0.7%
KSE100	45,965.6	45,865.0	-100.6	-0.2%
KSE30	19,199.2	19,173.1	-26.1	-0.1%
KMI30	76,391.7	76,278.4	-113.4	-0.1%

### Top Five Gainers

	Open	Close	Chg.	%
MEHT	517.0	555.0	38.0	7.4%
SCL	362.5	389.7	27.2	7.5%
PMPK	1,330.0	1,355.0	25.0	1.9%
SAPT	1,000.0	1,022.7	22.7	2.3%
LUCK	865.6	884.7	19.1	2.2%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITY	33.0	31.4	-1.6	45.36
TELE	7.9	7.9	0.0	36.67
TRG	146.2	142.1	-4.2	33.15
BYCO	10.4	10.3	-0.1	26.51
HUMNL	7.7	7.3	-0.4	15.66

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.09	-0.02	0.07
F-Corporates	8.73	-9.65	-0.92
O/S Pakistanies	12.23	-10.80	1.43
<b>Net</b>	<b>21.06</b>	<b>-20.48</b>	<b>0.58</b>
<b>LIPI</b>			
Individuals	184.30	-183.26	1.04
Companies	12.76	-13.02	-0.26
Comm. Banks	2.88	-2.59	0.29
NBFC	0.01	-0.02	-0.01
Mutual Funds	33.64	-33.49	0.15
Other	1.81	-1.97	-0.16
Brokers Proprietary	45.34	-46.33	-0.99
Insurance	2.88	-3.52	-0.64
<b>Net</b>	<b>283.63</b>	<b>-284.21</b>	<b>-0.58</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	61.50	-3.2%
Brent oil	USD/bbl.	66.13	-1.1%
Gold	USD/t oz.	1734.04	-2.1%
Silver	USD/t oz.	26.67	-2.8%
Coal	USD/ton	83.05	1.4%
Steel Scrap (LME)	USD/ton	416.55	-0.3%
Steel Rebar (LME)	USD/ton	605.43	-0.3%
USD/PKR	Interbank	158.29	-0.2%

News Source: Local / Int'l Newspapers and websites

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## PSDP 2020-21; Rs479.24bn released against Rs650bn budgetary allocation

### Economy | Positive

The federal government has released Rs479.24 billion (73.73 percent) including Rs69.62 billion foreign aid for various ongoing and new development projects under the Public-Sector Development Programme (PSDP) 2020-21 against the total budgeted allocation of Rs650 billion. (BR) | [Click for more info.](#)

## Ministry proposes body to articulate 'Smart Tax Plan'

### Economy | Neutral

The Ministry of Information Technology and Telecommunication has proposed a "Tax Reforms Committee for Digital Financial Inclusivity" with clear objectives and timelines for articulating a "Smart Tax Plan", a phase-wise and time-barred strategy intended to digitally-enhance economy all across the country. The ministry has drafted "National Broadband Policy-2021" with dynamic tax system as one of its target. (BR) | [Click for more info.](#)

## Oil & Gas

### POL products' prices remain unchanged

#### Oil | Neutral

Federal government on Sunday has kept the petroleum products' prices unchanged for first half of March (March 1-15) to avoid public and political criticism. (BR) | [Click for more info.](#)

## Pakistan, Qatar sign 10-year LNG supply contract

### Gas | Positive

Pakistan and Qatar have signed another long-term Liquefied Natural Gas (LNG) supply contract for additional 200 million cubic feet a day (MMCFD) at around 31 per cent lower rate than the 2015 contract for 500MMCFD. (Dawn) | [Click for more info.](#)

## Oil, gas production continues to fall

### Oil | Negative

Pakistan's oil and gas production has continued to drop due to depletion of existing reserves while exploration firms have frequently failed to find large hydrocarbon deposits to bridge the deficit for over a decade. (ET) | [Click for more info.](#)

## Power

### Govt in talks to lower Chinese power profits

#### IPPs | Neutral

Pakistan and China have formally started talks on reduction in profits on Chinese power plants established by Chinese companies after the conclusion of deals with Independent Poet Producers (IPPs) and reduction in Return on Equity (RoE) of public sector power plants, well-informed sources told. (BR) | [Click for more info.](#)

## 17 wind IPPs deviate from signed MoUs

#### IPPs | Neutral

In a blow to the efforts of the PTI government to slice down the tariffs of 47 IPPs, as many as 17 wind IPPs have almost not only deviated from the MoUs signed on August 12-14 in 2020 but also from the Master Agreements and refused to sign the amended PPAs as the foreign lenders of said IPPs want power plants installed under the CPEC umbrella to first sign the revised contracts, then they will ink. (The News) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PHILP - PSEi	6,794.9	38.91	0.58%
US - S&P 500	3,811.2	-18.19	-0.48%
INDONESIA - IDX	6,241.8	-47.85	-0.76%
KSA - Tadawul	9,145.0	-49.93	-0.54%
CHINA - Shanghai	3,509.1	-75.97	-2.12%
PAK (KSE-100)	45,865.0	-100.60	-0.22%
US - Dow 30	30,932.4	-469.64	-1.50%
Taiwan - TWII	15,953.8	-498.38	-3.03%
HK - Hang Seng	28,980.2	-1093.96	-3.64%
INDIA - SENSEX	49,100.0	-1939.32	-3.80%

### Board Meetings

Scrip	Day	Agenda	Time
ASHT	Monday	HY A/c 31-Dec-20	9:00 AM
NCML	Monday	HY A/c 31-Dec-20	10:00 AM
DBCI	Monday	HY A/c 31-Dec-20	10:30 AM
FRCL	Monday	HY A/c 31-Dec-20	10:30 AM
WYETH	Monday	ANN A/c 30-Nov-20	10:45 AM
AGSML	Monday	1Q A/c 31-Dec-20	11:00 AM
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RMPL	Wednesday	ANN A/c 31-Dec-20	6:00 PM
SYS	Wednesday	ANN A/c 31-Dec-20	6:00 PM
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GAMON	Monday	HY A/c 31-Dec-20	11:00 AM

Source: PSX



**Tariff adjustment; CPPA-G files pleas of IPPs, wind projects facing NAB probe**

**Power | Negative**

The Central Power Purchasing Agency Guaranteed (CPPA-G) has filed tariff adjustment applications of 22 Independent Power Producers (IPPs), baggasse Co. Gen IPPs and wind power projects which recently signed agreements with the government but are facing a NAB investigation. (BR) | [Click for more info.](#)

## Sugar

**Sugar production expected to surpass 5.5 million tons**

**Sugar | Positive**

Sugar output is expected to beat the initial estimate by 300,000 tons this year, according to the official data, as the government stepped up efforts to keep track of the sweetener supply chain. The Punjab Food Department said the country's sugar production this year would be 5.5 million tons against the previous estimate of 5.2 million tons. (The News) | [Click for more info.](#)

## Miscellaneous

**Consortium of Daewoo, Skywell & Hitachi to Launch Electric Buses in Pakistan**

**Autos | Neutral**

In a significant development, which took place yesterday, Daewoo Express Pakistan, Skywell China, and Hitachi ABB Power Grids Sweden reportedly signed a Memorandum of Understanding (MoU) to launch Electric Buses in Pakistan. (Propakistani) | [Click for more info.](#)

**New textile policy on the cards**

**Textile | Positive**

Pakistan is working on a new textile policy which will certainly help the country maintain the current tempo of growth, said federal Minister for Planning, Development and Special Initiatives Asad Umar. (ET) | [Click for more info.](#)

**Exports to USA surge 9.82pc in 7 months**

**Economy | Positive**

Pakistan's exports of goods and services to United State of America (USA) witnessed a surge of 9.82 per cent during the seven months of financial year (2020-21) compared to the corresponding period last year. (The Nation) | [Click for more info.](#)

**FBR exceeds eight-month revenue collection target by Rs18 bn**

**Economy | Positive**

The Federal Board of Revenue (FBR) has exceeded its collection by Rs18 billion in the first eight months (July-Feb) period as the tax machinery fetched revenues of Rs2,916 billion against the desired target of Rs2,898 billion. (The News) | [Click for more info.](#)

## International News

**Asian stocks bounce as bond market calms**

Asian shares firmed on Monday as some semblance of calm returned to bond markets after last week's wild ride, while progress in the huge U.S. stimulus package underpinned optimism about the global economy. (Reuters) | [Click for more info.](#)

**Oil prices climb after progress on huge U.S. stimulus bill**

Oil prices rose more than \$1 on Monday on optimism in the global economy thanks to progress in a huge U.S. stimulus package and on hopes for improving oil demand as vaccines are rolled out. (Reuters) | [Click for more info.](#)

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Source: PSX



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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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