



April 20,  
2021

## Economy

Minister says situation getting worse

Economy | **Negative**

Minister for Planning, Development and Special Initiatives Asad Umar on Monday said due to non-compliance of the Standard Operating Procedures (SOPs) set to control spread of Covid-19, the situation in the country was getting worse. (BR) | [Click for more info.](#)

Jul-Mar FDI plunges 35pc YoY

Economy | **Negative**

Foreign Direct Investment (FDI) in Pakistan continues to post a negative growth and fell by 35 percent during the first nine months of this fiscal year (FY21). The State Bank of Pakistan (SBP) Monday reported that foreign investors invested some \$1.395 billion in Pakistan on account of FDI during the July-March of FY21 compared to \$2.15 billion in same period of the last fiscal year (FY20), depicting a decline of \$755 million. During the period under review, the country fetched FDI inflows amounted to \$2.268 billion as against outflow of \$873 million. Negative growth in the FDI is attributed to a notable decline in the investment from China. (BR) | [Click for more info.](#)

Rs500bn released for uplift projects under PSDP

Economy | **Neutral**

The federal government has released Rs500.942 billion out of a total allocation of Rs650 billion for various ongoing and new social sector uplift projects under the Public Sector Development Programme (PSDP) 2020-21. (PT) | [Click for more info.](#)

## Oil & Gas

Cap on dividend distribution removed: MPCL

MARI | **Positive**

Mari Petroleum Company Limited (MPCL) has announced that an amendment agreement to Mari Wellhead Gas Pricing Agreement 2015 has been signed/executed between the government of Pakistan and MPCL on April 17, 2021, giving effect to the ECC decision regarding removal of cap on dividend distribution by MPCL. (BR) | [Click for more info.](#)

## Power

Cabinet to meet today

IPPs | **Neutral**

Independent Power Producers' (IPPs) issue is likely to land in the Federal Cabinet on Tuesday (today). On April 7, 2021, Power Division placed the issue of pending due payments to IPPs before the Economic Coordination Committee (ECC) of the Cabinet. The Committee after a brief discussion deferred consideration of the proposal of summary titled "NAB investigation and information requirement regarding MoUs/ Agreements and final negotiations between IPPs and GoP". The minutes of the ECC meeting held on April 7, 2021 are also on the agenda. The issue of IPPs' payments is also in the minutes as item 9 of the ECC. (BR) | [Click for more info.](#)

Removing transformers on non-payment; PAC body for inquiry against Discos staff

Discos, Power | **Neutral**

A sub-committee of the Public Accounts Committee (PAC), on Monday, directed conducting an inquiry against the staff of the DISCOs involved in removing transformers on non-payment of dues, and also make it mandatory for the lower staff to declare their assets annually. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,722.3	30,530.9	-191.4	-0.6%
KSE100	45,305.6	44,913.6	-392.1	-0.9%
KSE30	18,537.8	18,362.9	-174.9	-0.9%
KMI30	74,279.7	74,066.6	-213.1	-0.3%

### Top Five Gainers

	Open	Close	Chg.	%
MARI	1,569.6	1,615.6	46.0	2.9%
SAPT	933.3	965.0	31.7	3.4%
MFFL	285.0	306.4	21.4	7.5%
ABOT	695.4	711.0	15.6	2.2%
ISIL	385.0	399.0	14.0	3.6%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.6	1.7	0.1	101.38
BYCO	10.0	10.2	0.2	24.25
TRG	165.2	153.5	-11.7	23.40
GGL	33.7	31.5	-2.3	23.23
TELE	12.6	11.9	-0.7	16.53

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.09	0.00	0.09
F-Corporates	1.09	-1.89	-0.80
O/S Pakistanies	6.52	-5.57	0.96
<b>Net</b>	<b>7.70</b>	<b>-7.46</b>	<b>0.24</b>
<b>LIPI</b>			
Individuals	94.53	-99.07	-4.54
Companies	5.94	-4.97	0.98
Comm. Banks	1.41	-1.24	0.17
NBFC	0.01	0.00	0.01
Mutual Funds	4.80	-2.84	1.96
Other	0.25	-0.30	-0.05
Brokers Proprietary	21.42	-19.97	1.45
Insurance	1.00	-1.22	-0.22
<b>Net</b>	<b>129.36</b>	<b>-129.61</b>	<b>-0.24</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	63.38	0.4%
Brent oil	USD/bbl.	67.05	0.4%
Gold	USD/t oz.	1771.43	-0.3%
Silver	USD/t oz.	25.82	-0.6%
Coal	USD/ton	93.90	-0.5%
Steel Scrap (LME)	USD/ton	428.50	-1.4%
Steel Rebar (LME)	USD/ton	637.50	-0.5%
USD/PKR	Interbank	153.03	0.1%

News Source: Local / Int'l Newspapers and websites

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## Banks

**Auto-financing hits record Rs285bn**

**Banks, Autos | Positive**

Robust demand from consumers took auto-financing to a record high of Rs285 billion during March, an increase of 30 per cent year-on-year or Rs66 billion, Director Topline Securities Mohammad Sohail said on Monday. Quoting the figures issued by the State Bank of Pakistan, he added that auto-financing witnessed the highest monthly increase of Rs12 billion or 4.5pc month-on-month in March. (Dawn) | [Click for more info.](#)

**Cement sector top contributor to non-performing loans in 2021**

**Banks | Neutral**

Cement, agribusiness, power and sugar sectors remained the top contributors to non-performing loans (NPLs) of banking sector during the last year, according to independent research reports. Most of the increase in bad loans came from the cement sector (49 percent) followed by agribusiness (27 percent) and the production and transmission of energy (25 percent). (The News) | [Click for more info.](#)

## Miscellaneous

**Engro Fertilizers Posts an Unexpected 907% Increase in Profits**

**EFERT | Positive**

Engro Fertilizers Limited has announced its financial results for the first quarter that ended on March 31, 2021. According to the notification to the PSX, the company booked a profit of Rs.5.74 billion, increasing by a massive 907 percent or 9.07x compared with Rs.570.76 million profit earned in Q1 2020. The earnings were above the market expectations due to better DAP trading margins and lower finance costs. (Propakistani) | [Click for more info.](#)

**MUGHAL increases its Authorized Capital from Rs3bn to Rs5bn**

**MUGHAL | Positive**

The Board members of Mughal Iron & Steel Industries Limited, at their Extraordinary General Meeting (EOGM), held on April 19, 2021, have approved the increase in the authorized capital of the Company from Rs3 billion divided into 300 million ordinary shares of Rs.10/-each to Rs5 billion divided into 500 million ordinary shares of Rs.10/-each. (Mettis) | [Click for more info.](#)

**FBR refuses to write off PIA's tax liabilities**

**PIAA | Neutral**

The Federal Board of Revenue (FBR) has refused to write off tax liabilities of Pakistan International Airlines (PIA) and reconciliation is a prerequisite to the proposed restructuring of the airline that posted around Rs35 billion losses last year, according to people familiar with the matter. The PIA is required to pay an outstanding amount of multiple years to the FBR, sources said on Monday. (The News) | [Click for more info.](#)

**Tarin asks for real-time inflation data of 19 more cities**

**ECONOMY | Neutral**

The newly appointed Finance Minister Shaukat Tarin on Monday directed the Pakistan Bureau of Statistics (PBS) to add 19 new cities to the Decision Support System for Inflation (DSSI) to record and monitor prices of essential commodities in 39 major cities across the country. The DSSI was introduced in January to record gap between actual prices of essential food items and rates fixed by the district administrations. Currently, it was recording the gap in 17 cities across the country. (Dawn) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	29,106.2	136.44	0.47%
Taiwan - TWII	17,263.3	104.47	0.61%
CHINA - Shanghai	3,477.6	50.93	1.49%
KSA - Tadawul	10,097.7	48.95	0.49%
US - S&P 500	4,163.3	-22.21	-0.53%
INDONESIA - IDX	6,052.5	-33.72	-0.55%
PHILP - PSEI	6,459.8	-35.05	-0.54%
US - Dow 30	34,077.6	-123.04	-0.36%
PAK (KSE-100)	44,913.6	-392.06	-0.87%
INDIA - SENSEX	47,949.4	-882.61	-1.81%

### Board Meetings

Script	Day	Agenda	Time
ASTL	Tuesday	3Q A/c 31-Mar-21	10:00 AM
BNWM	Tuesday	3Q A/c 31-Mar-21	10:00 AM
FCEPL	Tuesday	1Q A/c 31-Mar-21	10:30 AM
ISL	Tuesday	3Q A/c 31-Mar-21	10:30 AM
ASL	Tuesday	3Q A/c 31-Mar-21	11:00 AM
MCB	Tuesday	1Q A/c 31-Mar-21	11:00 AM
SCL	Tuesday	3Q A/c 31-Mar-21	11:00 AM
TRIPF	Tuesday	1Q A/c 31-Mar-21	11:00 AM
HBL	Tuesday	1Q A/c 31-Mar-21	12:00 PM
MEBL	Tuesday	1Q A/c 31-Mar-21	12:30 PM
OLPL	Tuesday	3Q A/c 31-Mar-21	1:30 PM
GATI	Tuesday	3Q A/c 31-Mar-21	2:30 PM
MLCF	Tuesday	3Q A/c 31-Mar-21	3:30 PM
POWER	Tuesday	3Q A/c 31-Mar-21	4:00 PM
AVN	Tuesday	ANN A/c 31-Mar-21	7:30 PM
BIPLS	Wednesday	1Q A/c 31-Mar-21	11:00 AM
ENGRO	Wednesday	1Q A/c 31-Mar-21	11:00 AM
NPL	Wednesday	3Q A/c 31-Mar-21	11:00 AM
TRSM	Wednesday	3Q A/c 31-Mar-21	11:30 AM
UBDL	Wednesday	3Q A/c 31-Mar-21	11:30 AM
SHEL	Wednesday	1Q A/c 31-Mar-21	12:00 PM
DOL	Wednesday	3Q A/c 31-Mar-21	2:30 PM
UBL	Wednesday	1Q A/c 31-Mar-21	3:00 PM
KTML	Wednesday	3Q A/c 31-Mar-21	3:30 PM
GLPL	Wednesday	3Q A/c 31-Mar-21	4:00 PM
SPEL	Wednesday	3Q A/c 31-Mar-21	5:00 PM

Source: PSX



## Political News

### Deadlock persists as govt rejects TLP demand of Rashid's resignation

The deadlock between the government and the recently proscribed Tehreek-e-Labbaik Pakistan (TLP) over the ongoing protests across the country continued, as the banned party demanded the resignation of Interior Minister Sheikh Rashid Ahmed, expulsion of French ambassador to Pakistan, and immediate release of party chief Syed Saad Hussain Rizvi as well as the workers. (ET) | [Click for more info.](#)

## International News

### Asia Stocks to Track U.S. Sell-Off; Dollar Falls: Markets Wrap

Asia stocks are set to open lower on Tuesday after weakness in the technology sector pulled U.S. indexes from all-time highs, with investors following the drumbeat of corporate earnings. The dollar fell. (Bloomberg) | [Click for more info.](#)

### Oil Edges Higher With Weaker Dollar amid Mixed Demand Outlook

Oil edged higher with help from a weakening dollar while a worsening demand picture in parts of the world continued to hold back prices from another breakout. (Bloomberg) | [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%

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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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