



May 20,  
2021

## Economy

### NCOC eases restrictions

Economy | **Positive**

The National Command and Operation Centre (NCOC), on Wednesday, announced lifting of a number of restrictions imposed amid coronavirus pandemic in the country by allowing staggered opening of educational institutes in districts with less than five percent positivity and resumption of outdoor dining from May 24. (BR) | [Click for more info.](#)

### Govt raises Rs575bn through T-bills auction

Economy | **Positive**

The government on Wednesday raised Rs575.3 billion through the auction of treasury bills (T-bills). The rate was slightly changed from the previous auction held on May 5. (Dawn) | [Click for more info.](#)

### GDP growth seen at 3pc in FY2021

Economy | **Neutral**

Pakistan's gross domestic product (GDP) growth is expected to touch a 3 percent mark in the outgoing fiscal year of 2020/21, official sources said on Wednesday. There is a possibility of no major revision into finalized GDP growth figures for the last fiscal year that stood at negative 0.4 percent of GDP on provisional account. (The News) | [Click for more info.](#)

### Pakistan, China to have 350 km shorter road connectivity as alternate to CPEC

Economy | **Positive**

Pakistan and China will soon have a new and alternative short road connectivity as an alternative to China Pakistan Economic Corridor (CPEC) which would be constructed by Pakistan at the cost of Rs50 billion. (Mettis) | [Click for more info.](#)

## Oil & Gas

### Government slashes Petroleum levy on HSD by 64% during CY21

Oil | **Negative**

In order to provide substantial relief to the common man, government is on its toes to maintain the petroleum prices. It is evident from the fact that petroleum levy on diesel has been slashed by 64% since the beginning of CY21. (Mettis) | [Click for more info.](#)

### CCoE takes up capacity, LNG terminals today

Gas | **Neutral**

The government has called a series of back-to-back meetings to facilitate allocation of pipeline capacity and tie-in points to new upcoming liquefied natural gas (LNG) terminals. (Dawn) | [Click for more info.](#)

### EETL's expansion plan hits snag

Engro, Gas | **Neutral**

Engro Elengy Terminal Private Limited (EETL) could not expand its re-gasified liquified natural gas (RLNG) capacity due to red-tapism, while the approvals are awaiting clearance from National Accountability Bureau (NAB). (The News) | [Click for more info.](#)

### Abraaj group sells 523m Byco shares

BYCO | **Neutral**

A big chunk of 523 million shares in Byco Petroleum Pakistan Ltd was sold on Wednesday by IGCF Oil and Gas Ltd previously called Abraaj Mauritius. The divestment of Byco stock by Abraaj group was 9.8pc out of its 22pc holding in Byco, which the market watchers said was purchased in blocks by local brokers, companies and individuals. The biggest chunk of 309m shares or 7pc was stated to be bought by a major investor. (Dawn) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,875.0	30,794.3	-80.8	-0.3%
KSE100	45,981.8	45,682.1	-299.7	-0.7%
KSE30	18,826.0	18,669.0	-157.1	-0.8%
KMI30	75,000.6	74,617.5	-383.1	-0.5%

### Top Five Gainers

	Open	Close	Chg.	%
WYETH	1,284.2	1,380.5	96.3	7.5%
MARI	1,574.9	1,600.3	25.4	1.6%
PECO	312.0	331.3	19.4	6.2%
AABS	352.7	368.0	15.3	4.3%
AKDCL	446.0	458.0	12.0	2.7%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	3.9	4.1	0.2	65.42
UNITY	41.3	40.6	-0.6	56.95
HASCOL	9.3	10.3	1.0	44.15
WTL	1.7	1.7	0.0	41.83
TELE	17.5	16.8	-0.7	29.29

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.02	-0.05	-0.03
F-Corporates	3.61	-42.08	-38.47
O/S Pakistanies	9.65	-13.12	-3.48
<b>Net</b>	<b>13.27</b>	<b>-55.25</b>	<b>-41.97</b>
<b>LIPI</b>			
Individuals	141.04	-125.78	15.25
Companies	26.70	-5.40	21.30
Comm. Banks	1.55	-1.84	-0.28
NBFC	0.06	-0.03	0.04
Mutual Funds	7.50	-3.94	3.56
Other	1.06	-0.45	0.61
Brokers Proprietary	33.15	-30.67	2.48
Insurance	1.50	-2.48	-0.99
<b>Net</b>	<b>212.57</b>	<b>-170.59</b>	<b>41.97</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	63.36	-3.3%
Brent oil	USD/bbl.	66.66	-3.0%
Gold	USD/t oz.	1869.62	0.0%
Silver	USD/t oz.	27.74	-1.6%
Coal	USD/ton	101.90	-0.7%
Steel Scrap (LME)	USD/ton	498.00	-0.9%
Steel Rebar (LME)	USD/ton	756.00	-2.0%
USD/PKR	Interbank	153.32	0.2%

News Source: Local / Int'l Newspapers and websites

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## Power

**Country has huge power generating potential: PM**

**Power | Neutral**

Prime Minister Imran Khan Wednesday said that Pakistan is rich in water resources and have potential to generate 50,000MW hydel power. Talking to media persons after visiting the site of under construction Mohmand Dam here, the Prime Minister said Pakistan has capacity to generate 50,000MW electricity. Mohmand Dam having the capacity of 800MW would be completed by 2025. (BR) | [Click for more info.](#)

## Autos

**Tractor production increases 65.24pc in ten months**

**MTL, AGTL | Positive**

The production of farm tractors in the country witnessed an increase of 65.24 percent to 41,327 units during first ten month of financial year 2020-21, against the production of 25,009 units in same period of last year. (BR) | [Click for more info.](#)

**New policy to focus on promoting electric vehicles**

**Autos | Neutral**

Federal Minister for Industries and Production Makhdoom Khusro Bakhtyar on Wednesday said the new policy would focus on growth and development of the automotive industry together with affordability, quality, availability and indigenisation. (Dawn) | [Click for more info.](#)

## Miscellaneous

**Engro Corp plans to invest \$1.5bln on polypropylene production**

**Engro | Positive**

Engro Corporation, Pakistan's premier conglomerate, has selected Honeywell UOP and W. R. Grace & Co. as technology partners to use their licensed process technology for the USD 1.5 billion, 750,000 Propane Dehydrogenation ("PDH") and Polypropylene ("PP") production facility, that would make Pakistan a self-sufficient producer of Polypropylene. (Mettis) | [Click for more info.](#)

**Budget proposals; FIC for cut in GST and WHT on fertilizers' import**

**Fertilizer | Neutral**

Fertilizer Importers Council (FIC) has proposed reduction of GST and Withholding Tax on the import of fertilizers from current 2 percent to one percent to support the domestic agriculture sector. (BR) | [Click for more info.](#)

**Pakistan, Thailand for early conclusion of FTA**

**Economy | Neutral**

Pakistan and Thailand have agreed to work together for early conclusion of a mutually-beneficial bilateral free trade agreement (FTA), as the two sides reviewed the entire gamut of bilateral relations in areas such as defence, security, economic, trade, and investment. (BR) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	28,593.8	399.72	1.42%
PHILP - PSEI	6,245.7	0.97	0.02%
US - S&P 500	4,115.7	-12.15	-0.29%
Taiwan - TWII	16,132.7	-13.32	-0.08%
CHINA - Shanghai	3,511.0	-18.04	-0.51%
KSA - Tadawul	10,372.5	-50.97	-0.49%
INDONESIA - IDX	5,760.6	-73.81	-1.27%
US - Dow 30	33,896.0	-164.62	-0.48%
INDIA - SENSEX	49,902.6	-290.69	-0.58%
PAK (KSE-100)	45,682.1	-299.71	-0.65%

### 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



## Political News

**Tareen supporters back Imran, oppose Buzdar: Punjab govt doing hostile acts: JKT**

Interior Minister Shaikh Rashid Ahmed on Wednesday claimed that the estranged Pakistan Tehreek-e-Insaf (PTI) leader Jahangir Khan Tareen along with his group will vote for Imran Khan in passage of budget. (The News) | [Click for more info.](#)

## International News

**Asia Stocks, U.S Futures Steady; Yields Up on Fed: Markets Wrap**

Asian stocks were steady early Thursday as investors weighed Federal Reserve minutes that flagged the possibility of a debate on scaling back asset purchases. Treasury yields and the dollar held an advance. (Bloomberg) | [Click for more info.](#)

**Oil prices dive \$2 on fears of Asian pandemic, possible U.S. rate hikes**

Oil prices dropped over \$2 a barrel on Wednesday to their lowest in three weeks, on worries that surging COVID-19 cases in Asia would dent demand for crude and that U.S. inflation fears could prompt the Federal Reserve to slow economic growth with interest rate hikes. (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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