

April 21,  
2021

## Economy

### UAE rolls over \$2 billion loan to Pakistan

#### Economy | Positive

The United Arab Emirates (UAE) has rolled over \$2 billion loan it had provided to Pakistan as part of the financial bailout package after the PTI formed the government in August 2018. The loan was matured in March and the incumbent government was worried that like Saudi Arabia, the UAE might ask Pakistan to return the money. (ET) | [Click for more info.](#)

### Economy to stay in low growth spiral: think tank

#### Economy | Neutral

Despite the apparent short-term control over current account deficit (CAD), the government's policies suggest Pakistan's economy is to stay in the low growth, low export and close to default position, a report issued on Tuesday by a think tank said. (Dawn) | [Click for more info.](#)

### FBR considering reduction in number of WHT lines

#### Economy | Neutral

The Federal Board of Revenue's major guiding principles of tax policy included reduce dependence on withholding taxes, removal of undesirable tax credits, accelerated depreciation, withdrawal of exemptions/reduced rates/exemption from specific provisions etc, Personal Income Tax (PIT) reforms and rationalization of tax rates and reduction of tax slabs. (BR) | [Click for more info.](#)

### External inflows grow

#### Economy | Neutral

Pakistan has received total external inflows worth \$7.413 billion as loans and grants during the first nine months (July-March) of the current fiscal year 2020-21 against \$6.73 billion in the same period of last financial year. (The News) | [Click for more info.](#)

## Oil & Gas

### Byco Industries intends to divest up to 22% shares of BYCO

#### BYCO | Positive

Byco Petroleum Pakistan Limited (BYCO) has notified the Exchange that IGCF Oil and Gas Limited, one of the shareholders of Byco Industries Incorporated (BII), is desirous of reducing its indirect equity investment in BYCO held through BII. Accordingly, as per arrangements agreed with IGCF, BII intends to divest up to 22% shares of BYCO. BII intends to appoint advisors for potential sale by way of private placement to local and international investors subject to market conditions. (Mettis) | [Click for more info.](#)

### Oil imports jump by 65.8% YoY in March'21

#### Oil | Neutral

Resuming of economic activity after the period of strict lockdown bounced back the demand for petroleum products which translated a surge in import bill by 65.8% YoY basis to \$1.1billion in March'21. While on MoM basis, the import of the same product jumped by 37.7%. (Mettis) | [Click for more info.](#)

## Power

### KE, Sindh govt ink MoU

#### KEL | Positive

With a vision to facilitate customers and streamline the process of acquiring new connections under the World Bank's ease of doing business index, K-Electric and the Department of Energy, Government of Sindh, signed a memorandum of understanding (MoU) to automate the issuance of wiring test certificates for new connections, a statement said on Tuesday. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,530.9	30,863.4	332.5	1.1%
KSE100	44,913.6	45,399.8	486.2	1.1%
KSE30	18,362.9	18,532.9	170.0	0.9%
KMI30	74,066.6	74,479.1	412.5	0.6%

### Top Five Gainers

	Open	Close	Chg.	%
RMPL	9,250.0	9,818.0	568.0	6.1%
ILTM	1,929.4	2,074.0	144.6	7.5%
COLG	2,660.0	2,799.0	139.0	5.2%
NESTLE	5,710.0	5,800.0	90.0	1.6%
PAKT	1,500.0	1,540.0	40.0	2.7%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.7	1.7	0.0	57.04
UNITY	30.5	32.5	2.0	30.64
GGL	31.5	31.3	-0.2	24.65
TRG	153.5	165.0	11.5	18.93
TELE	11.9	12.9	1.0	13.53

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.05	-0.04	0.01
F-Corporates	1.56	-0.95	0.60
O/S Pakistanies	6.43	-6.26	0.17
<b>Net</b>	<b>8.04</b>	<b>-7.25</b>	<b>0.78</b>
<b>LIPI</b>			
Individuals	101.19	-97.98	3.21
Companies	2.11	-4.25	-2.14
Comm. Banks	1.10	-3.24	-2.13
NBFC	0.02	-0.02	0.00
Mutual Funds	3.86	-5.45	-1.59
Other	0.30	-0.22	0.08
Brokers Proprietary	23.30	-21.94	1.36
Insurance	1.27	-0.84	0.43
<b>Net</b>	<b>133.15</b>	<b>-133.93</b>	<b>-0.78</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	62.67	-1.1%
Brent oil	USD/bbl.	66.57	-0.7%
Gold	USD/t oz.	1778.75	0.4%
Silver	USD/t oz.	25.84	0.1%
Coal	USD/ton	93.55	-0.4%
Steel Scrap (LME)	USD/ton	429.00	0.1%
Steel Rebar (LME)	USD/ton	637.50	0.0%
USD/PKR	Interbank	153.08	0.0%

News Source: Local / Int'l Newspapers and websites

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## Power sector fetches highest FDI of \$138.9mn in March

Power | **Positive**

Pakistan's Power Sector has received the highest net FDI worth \$138.9million in March'21, followed by the Financial Businesses and Oil & Gas Exploration sector with net FDI of \$13.7mn and \$11.8mn, respectively. (Mettis) | [Click for more info.](#)

## Circular debt plan outline shared with WB

Power | **Neutral**

Pakistan on Tuesday shared with the World Bank a revised outline of the Circular Debt Management Plan that seeks rationalization of taxes, negotiated takeover of old independent power plants (IPPs) and closure of all old public sector plants to increase electricity tariffs, but slightly lower than that committed with the lenders under the IMF programme. (Dawn) | [Click for more info.](#)

## World Bank reiterates support to overcome Pakistan's energy challenges

Power | **Neutral**

The World Bank on Tuesday reiterated support to Pakistan for overcoming challenges in the energy sector and reaffirmed its commitment to assistance for the implementation of structural reforms. (The News) | [Click for more info.](#)

## Banks

### SBP unveils mechanism for payment of markup subsidy

Banks | **Neutral**

The State Bank of Pakistan (SBP) has announced a mechanism for payment of markup subsidy for housing finance for the banks/DFIs working as Executing Agencies (EAs). Under the mechanism, the SBP has mentioned that in case of a loan becoming non-performing, no markup subsidy will be paid to banks. (BR) | [Click for more info.](#)

### Housing finance fails to pick up momentum

Banks | **Neutral**

In spite of a push from the government and the State Bank of Pakistan (SBP) to encourage affordable housing in the country, the mortgage industry is slow to pick momentum as reflected by new data published by the central bank on Monday. The SBP data shows that the net housing finance stock of the commercial banks has jumped by a mere Rs13.7 billion to Rs93.5bn in the nine-month period between July and March. (Dawn) | [Click for more info.](#)

## Miscellaneous

### Foreign divestment expected to earn TRG Pakistan \$142.3 million

TRG | **Positive**

Business process outsourcing company TRG Pakistan is expected to get \$142.3 million from selling down stake in a US-based digital insurance agency E-Telequote, an analyst said on Tuesday. (The News) | [Click for more info.](#)

### Exports of Chemical and Pharma products rise by 97.6% MoM in March amid growing demand

Chemical, Pharmaceutical | **Positive**

Amid higher demand for healthcare products, the overall exports of Chemical and Pharmaceutical Products during the month of March'21 witnessed a sharp rise of 97.6% MoM to \$147.6million compared to \$74.6mn worth of exports in the previous month. On yearly basis, the exports of the same group grew by 51.4% from \$97.49mn in March 2020 when the outbreak of the Covid rattled the global economy. (Mettis) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	45,399.8	486.21	1.08%
Taiwan - TWII	17,323.9	60.59	0.35%
PHILP - PSEi	6,500.4	40.66	0.63%
HK - Hang Seng	29,135.7	29.58	0.10%
KSA - Tadawul	10,117.0	19.33	0.19%
CHINA - Shanghai	3,472.9	-4.61	-0.13%
INDONESIA - IDX	6,038.3	-14.22	-0.23%
US - S&P 500	4,134.9	-28.32	-0.68%
INDIA - SENSEX	47,705.8	-243.62	-0.51%
US - Dow 30	33,821.3	-256.33	-0.75%

### Board Meetings

Scrip	Day	Agenda	Time
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
AKBL	Thursday	1Q A/c 31-Mar-21	10:00 AM
BAFL	Thursday	1Q A/c 31-Mar-21	10:00 AM
BCML	Thursday	3Q A/c 31-Mar-21	10:30 AM
AKDCL	Thursday	3Q A/c 31-Mar-21	11:00 AM
ABL	Thursday	1Q A/c 31-Mar-21	11:00 AM
ISIL	Thursday	3Q A/c 31-Mar-21	11:00 AM
PPP	Thursday	3Q A/c 31-Mar-21	11:00 AM
SINDM	Thursday	3Q A/c 31-Mar-21	11:00 AM
EMCO	Thursday	3Q A/c 31-Mar-21	11:30 AM
JDMT	Thursday	3Q A/c 31-Mar-21	11:30 AM
MTIL	Thursday	3Q A/c 31-Mar-21	11:30 AM
ALAC	Thursday	1Q A/c 31-Mar-21	12:00 PM
FABL	Thursday	1Q A/c 31-Mar-21	12:00 PM
IBLHL	Thursday	3Q A/c 31-Mar-21	12:00 PM
JSGCL	Thursday	1Q A/c 31-Mar-21	12:00 PM

Source: PSX



## Tariq Glass fires its new Float Glass Furnace Plant Unit-2

**TGL | Positive**

Tariq Glass Industries (TGI) has informed PSX via a notification that the company has successfully managed the completion of its new state-of-the-art Float Glass Plant Unit-2 with a capacity of 500 metric tons per day. (Mettis) | [Click for more info.](#)

## Leather goods exports increase 6.66pc in 9 months

**SERV, BATA | Positive**

The exports of leather goods witnessed an increase of 6.66 percent during the nine months of financial year (2020-21) as compared to the exports of corresponding period of last year. Pakistan exported leather worth US \$427.726 million during July-March (2020-21) against the exports of \$401.025 million during July-March (2019-20), showing growth of 6.66 percent, according to the Pakistan Bureau of Statistics (PBS). (BR) | [Click for more info.](#)

## PIA's restructuring in Doubt as FBR Refuses to Write off Tax Liabilities

**PIAA | Neutral**

The Federal Board of Revenue (FBR) has refused to write off tax liabilities of Pakistan International Airlines (PIA), a national daily reported. PIA posted losses of around Rs. 35 billion last year. The newspaper quoted experts familiar with the matter that the FBR also said reconciliation is a prerequisite to the proposed restructuring of the airline. (Propakistani) | [Click for more info.](#)

## Political News

### TLP calls off nationwide protests as NA debates French envoy expulsion

The Tehreek-e-Labbaik Pakistan (TLP) on Tuesday called off its violent protests after the federal government tabled a resolution in parliament to debate the French ambassador's expulsion. However, the government decided against lifting the ban on the TLP it had imposed for the group staging violence across the country for almost a week. Nor would it withdraw the cases registered against the banned outfit's activists for murdering policemen. (ET) | [Click for more info.](#)

## International News

### Asian shares up on China gains but tech worries weigh

Asian shares rose on Tuesday, led by a stronger Chinese opening and shaking off the initial drag from tech-driven Wall Street losses, while the dollar stayed at multiweek lows against other major currencies. (Reuters) | [Click for more info.](#)

### Oil drops from one-mth highs on demand fears as virus surges in India

Crude futures settled lower on Tuesday, pulling back from one-month highs, on fears that India, the world's third-biggest oil importer, may impose restrictions as coronavirus infections and deaths surge to record highs. (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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