



February  
22, 2021

## Economy

**If decisions are based on merit: Pakistan will be removed from FATF grey list**

**Economy | Neutral**

As a three-day virtual meeting of the Financial Action Task Force (FATF) will begin today, February 22, during which the steps taken by Pakistan against money laundering and terror financing will be reviewed, Pakistani officials say that if decisions are based on merit, then the country's name will be likely removed from the FATF's grey list. (The News) | [Click for more info.](#)

**Pakistan, IMF agree on increasing tranche size**

**Economy | Positive**

Pakistan and the IMF have agreed for exploring options either to jack up the size of remaining three reviews of tranches or extend the time frame beyond September 2022 under the existing \$6 billion Extended Fund Facility (EFF). (The News) | [Click for more info.](#)

**Pakistan-Russia JWG meets on 26th**

**Economy | Positive**

Pakistan and Russia are all set to discuss potential of opening of banks branches, direct cargo flights, lifting of ban on Pakistani rice, deal on civil aircraft and helicopters delivery and maintenance and repair of Pakistani railways/transport. Sharing information about the meeting, sources said, Pakistani businessmen face visa issue as Russian business visa regime is very strict. (BR) | [Click for more info.](#)

**Pakistan, Sri Lanka to restart JWGs**

**Economy | Positive**

Pakistan and Sri Lanka have agreed to reactivate the forum of Joint Working Groups (JWGs) for redressal of technical issues pending between the two trading partners for prompting trade liberalisation to increase bilateral trade between both the countries. (ET) | [Click for more info.](#)

**SBP takes measures to boost exports**

**Economy | Positive**

In a bid to boost exports, the State Bank of Pakistan has allowed exporters of goods and services to retain a certain portion of their exports proceeds in their Special Foreign Currency Accounts (SFCA). The funds from these accounts, however, could be utilised for specified purposes only. Over time, the types of payments that exporters need to make have increased as exports are becoming more diversified. (ET) | [Click for more info.](#)

**No plan to relax Covid-19 restrictions: ministry**

**Economy | Neutral**

The government has no plan to totally relax the Covid-19 restrictions by March 1st, officials of the Health Ministry said. In a recently held Cabinet meeting, the relevant quarters discussed matters related to relaxing more Covid-19 restrictions from the next month but as yet no decision in this connection had been taken. (BR) | [Click for more info.](#)

## Oil & Gas

**Oil imports drop 20.9pc to \$5.64bn in seven months**

**Oil | Positive**

Pakistan's oil import bill witnessed a reduction of 20.90pc during the first seven months of the current fiscal year on a year-on-year (YoY) basis. Oil imports during July-January 2020-21 were recorded at \$5,640.751 million against the imports of \$7,131.451 million during July-January 2019-20, according to latest data released by Pakistan Bureau of Statistics (PBS). (PT) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,759.8	31,851.2	91.4	0.3%
KSE100	46,142.7	46,227.7	84.9	0.2%
KSE30	19,216.3	19,230.6	14.3	0.1%
KMI30	76,692.9	76,623.0	-69.9	-0.1%

### Top Five Gainers

	Open	Close	Chg.	%
MTL	1,207.6	1,298.1	90.6	7.5%
NESTLE	6,121.6	6,200.0	78.4	1.3%
SAPT	956.9	1,019.1	62.2	6.5%
SUTM	780.0	838.5	58.5	7.5%
AKDCL	488.7	525.3	36.6	7.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BYCO	9.4	10.3	0.9	89.84
WTL	1.5	1.6	0.1	62.28
HUMNL	7.0	7.6	0.6	60.25
BOP	9.0	9.4	0.4	57.41
TRG	127.7	136.8	9.1	39.08

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	-0.02	0.00
F-Corporates	1.76	-4.09	-2.33
O/S Pakistanies	8.80	-9.27	-0.47
<b>Net</b>	<b>10.57</b>	<b>-13.38</b>	<b>-2.80</b>
<b>LIPI</b>			
Individuals	161.40	-164.75	-3.35
Companies	7.17	-4.21	2.96
Comm. Banks	4.35	-3.37	0.98
NBFC	0.01	-0.01	0.00
Mutual Funds	5.79	-5.09	0.71
Other	1.27	-1.05	0.23
Brokers Proprietary	41.50	-40.31	1.19
Insurance	2.59	-2.50	0.09
<b>Net</b>	<b>224.08</b>	<b>-221.28</b>	<b>2.80</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	59.24	-2.1%
Brent oil	USD/bbl.	62.91	-1.6%
Gold	USD/t oz.	1784.25	0.5%
Silver	USD/t oz.	27.29	0.9%
Coal	USD/ton	88.85	0.2%
Steel Scrap (LME)	USD/ton	415.00	-0.6%
Steel Rebar (LME)	USD/ton	604.00	0.0%
USD/PKR	Interbank	159.14	0.0%

**News Source:** Local / Int'l Newspapers and websites

**Research Team**

[research@abaalihabib.com](mailto:research@abaalihabib.com)

Aba Ali Habib Securities (Pvt) Limited  
(021) 32429665, Ext. 106

**REP-055**



## Plans for \$10bn Aramco refinery in Pakistani 'oil city' ready by year-end Oil | Positive

A masterplan for Pakistan's largest oil city, including a \$10 billion Aramco oil refinery project, is underway and expected to be ready before the end of the year, Pakistani officials said this week. The proposed mega oil city will be developed on 88,000 acres of land in the Gwadar district of the southwestern Balochistan province to refine and process petroleum products mainly imported from the Gulf region, for local and regional consumption. (ArabNews) | [Click for more info.](#)

## Pakistan LNG import tender; Qatar Petroleum places 'lowest' offer Gas | Neutral

Qatar Petroleum Trading placed the lowest offer for a liquefied natural gas (LNG) cargo, which Pakistan LNG was seeking for delivery in April, according to a notice on Pakistan LNG's website. QP Trading placed the lowest offer among five other companies, at a slope rate of 10.025% against Brent crude oil for a cargo to be delivered over April 9 to 10. (BR) | [Click for more info.](#)

## Power

### Power firms seek 93-paisa hike for January Power | Neutral

The electricity rates for consumers of 10 distribution companies (Discos) of ex-Wapda may go up by about 93 paisas per unit on account of monthly fuel cost adjustment for January due to higher than estimated power generation cost. (Dawn) | [Click for more info.](#)

### Arbitration agreement not finalized; Govt, KE differ over 'Shariah' definition KEL | Neutral

The Federal government and Karachi Electric (KE) on Friday failed to finalise arbitration agreement on the receivables/ payables due to differences on definition of word "Shariah" and the exact amount that was part of the draft Terms of Reference (ToRs) shared by the power utility. (BR) | [Click for more info.](#)

### Govt to reduce IPPs' gas tariff by 35% IPPs | Neutral

The federal government is all set to reduce gas tariff up to 35 per cent for the independent power producers (IPPs) operating on low quality gas in a bid to rank these plants in high merit order. This plan will result in putting burden on the consumers to cross-subsidize the gas for power plants and the rate of federal excise duty may also go up. (ET) | [Click for more info.](#)

### Wapda resumes work on Dasu power project Power | Neutral

The Wapda has resumed the construction work on 4300 megawatts Dasu Hydropower project after the local clerics, an 80-member committee and lawmakers accepted modalities set by the district administration for the peaceful execution of the mega energy project. (The News) | [Click for more info.](#)

## Cement

### Bestway Cement assured of NOC for new plants BWCL | Positive

Punjab Minister for Industries and Trade Mian Aslam Iqbal has assured the Bestway Cement Company early release of the no-objection certificate (NOC) for setting up of new cement plants in Attock, Mianwali and Khushab. (BR) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	46,227.7	84.91	0.18%
PHILP - PSEI	6,926.4	76.77	1.12%
HK - Hang Seng	30,644.7	49.46	0.16%
INDONESIA - IDX	6,231.9	31.62	0.51%
CHINA - Shanghai	3,696.2	20.81	0.57%
KSA - Tadawul	9,102.0	20.18	0.22%
US - Dow 30	31,494.3	0.98	0.00%
US - S&P 500	3,906.7	-7.26	-0.19%
Taiwan - TWII	16,341.4	-83.13	-0.51%
INDIA - SENSEX	50,889.8	-434.93	-0.85%

### Board Meetings

Scrip	Day	Agenda	Time
OLPL	Monday	HY A/c 31-Dec-20	10:00 AM
ISIL	Monday	HY A/c 31-Dec-20	11:00 AM
SMTM	Monday	HY A/c 31-Dec-20	11:00 AM
LOADS	Monday	HY A/c 31-Dec-20	12:30 PM
HMB	Monday	ANN A/c 31-Dec-20	3:00 PM
DWTM	Monday	HY A/c 31-Dec-20	3:30 PM
DMTM	Monday	HY A/c 31-Dec-20	4:30 PM
DKTM	Monday	HY A/c 31-Dec-20	5:30 PM
DFSM	Monday	HY A/c 31-Dec-20	6:30 PM
DCL	Monday	HY A/c 31-Dec-20	7:30 PM
DSFL	Monday	HY A/c 31-Dec-20	8:30 PM
DWAE	Monday	HY A/c 31-Dec-20	9:30 PM
DFML	Monday	HY A/c 31-Dec-20	10:30 PM
ARM	Tuesday	HY A/c 31-Dec-20	9:30 AM
GRYL	Tuesday	HY A/c 31-Dec-20	10:00 AM
JGICL	Tuesday	ANN A/c 31-Dec-20	10:00 AM
CRTM	Tuesday	HY A/c 31-Dec-20	10:30 AM
FIMM	Tuesday	HY A/c 31-Dec-20	10:30 AM
MTIL	Tuesday	HY A/c 31-Dec-20	10:30 AM
AWWAL	Tuesday	HY A/c 31-Dec-20	11:00 AM
BERG	Tuesday	HY A/c 31-Dec-20	11:00 AM
FHAM	Tuesday	HY A/c 31-Dec-20	11:00 AM
OML	Tuesday	HY A/c 31-Dec-20	11:00 AM
TPLI	Tuesday	ANN A/c 31-Dec-20	11:00 AM
BIFO	Tuesday	HY A/c 31-Dec-20	11:30 AM
KASBM	Tuesday	HY A/c 31-Dec-20	11:30 AM
POML	Tuesday	HY A/c 31-Dec-20	11:30 AM
SCL	Tuesday	HY A/c 31-Dec-20	11:30 AM
AICL	Tuesday	ANN A/c 31-Dec-20	11:45 AM
BYCO	Tuesday	HY A/c 31-Dec-20	12:00 PM
PAKMI	Tuesday	HY A/c 31-Dec-20	12:00 PM
PMI	Tuesday	HY A/c 31-Dec-20	12:30 PM
GOC	Tuesday	HY A/c 31-Dec-20	12:30 PM
HMM	Tuesday	HY A/c 31-Dec-20	12:30 PM
PAKT	Tuesday	ANN A/c 31-Dec-20	2:00 PM
KML	Tuesday	HY A/c 31-Dec-20	2:15 PM
BFMOD	Tuesday	HY A/c 31-Dec-20	2:45 PM
SAZEW	Tuesday	HY A/c 31-Dec-20	3:00 PM
CYAN	Tuesday	HY A/c 31-Dec-20	3:30 PM
SPEL	Tuesday	HY A/c 31-Dec-20	4:30 PM
SNAI	Tuesday	HY A/c 31-Dec-20	5:00 PM

Source: PSX



## Food & Allied

**Ghee price raised by Rs30 per kg, power surcharge abolished**

**Unity, POML | Positive**

The government on Friday abolished a 10 paisa per unit surcharge on electricity and increased the price of ghee by Rs30 per kg (15 per cent) for sale at Utility Stores. The committee increased the price of ghee from Rs170 per kg to Rs200 per. (Dawn) | [Click for more info.](#)

## Tech.& Communication

**Telecom sector; Tax relief measures to be made part of Finance Bill, 2021**

**Tech. & Comm. | Positive**

All tax relief measures approved by the Economic Coordination Committee (ECC) of the Cabinet for the telecom sector would be made part of the next Finance Bill, 2021 and would be made applicable from July 1st, 2021. Sources told that, the approved tax relief measures including reduction in taxes for the telecom sector would not be implemented during the current fiscal year. (BR) | [Click for more info.](#)

## Pharmaceutical

**Pakistan to get 5.6m more doses by end of March**

**Pharmaceutical | Positive**

With 504,500 doses of Covid-19 vaccine having been dispatched to the federating units, Pakistan is expected to receive another 5.6 million vaccines by the end of March. As so far only 72,882 frontline healthcare workers have got themselves vaccinated in the country, the government has decided to start registering general health professionals, too, from Monday (Feb 22) for the vaccination programme. (Dawn) | [Click for more info.](#)

**Glaxo supplier Citi plans Pakistan's largest pharma IPO**

**GSKCH | Neutral**

Citi Pharma Ltd plans to raise as much as Rs2.85 billion (\$18 million) in potentially the biggest initial share sale by a drugmaker in Pakistan, Bloomberg reported on Friday. The Lahore-based company, which supplies raw material to the Pakistani units of GlaxoSmithKline Plc and Abbott Laboratories, plans to sell shares within the next six weeks, according to Chief Executive Officer Rizwan Ahmad. (PT) | [Click for more info.](#)

**DRAP makes medicine import, export online**

**Pharmaceutical | Neutral**

Drug Regulatory Authority of Pakistan (DRAP) has made an online system for the procedure of import and export of medicines required for personal usage, while people could get a no objection certificate for the process with the ease of home. (ET) | [Click for more info.](#)

## Miscellaneous

**Chinese firm plans \$150m industrial park in Lahore to lift exports**

**Economy | Positive**

A Chinese company is investing \$150 million in an industrial park on Lahore's border with Kasur, which will house state-of-the-art fabric units, dyeing facilities and garment manufacturing units for exporting sportswear from Pakistan to the Americas, Europe, Asia-Pacific and other regions of the world. (Dawn) | [Click for more info.](#)

**Technical services; FFC registers subsidiary**

**FFC | Positive**

Fauji Fertilizer Company (FFC) has announced that after completing all legal formalities, a wholly owned subsidiary with the name of 'OLIVE Technical Services (Private) Limited' has been incorporated and registered with (SECP). (BR) | [Click for more info.](#)



## Steel imports surge 18pc to \$2.1bln in Jul-Jan

### Steel | **Negative**

Pakistan imported \$2.1 billion worth of iron, steel and scrap during the first seven months of the current fiscal year, depicting 18 percent year on year growth mainly due to fast recovery in demand after lifting of lockdown. The country imported \$1.8 billion of iron, steel and scraps during the corresponding period a year earlier, according to the Pakistan Bureau of Statistics. (The News) | [Click for more info.](#)

## Import and supply; White sugar exempted from 17pc GST, 3pc VAT

### Sugar | **Neutral**

The Federal Board of Revenue (FBR) Friday exempted 17 percent sales tax and three percent minimum Value Added Tax (VAT) on import and subsequent supply of 500,000 metric tons of white sugar by the Trading Corporation of Pakistan. The FBR has also exempted three percent minimum VAT on the commercial import of white sugar till June 30, 2021. (BR) | [Click for more info.](#)

## Private sector borrowing surges

### Banks | **Positive**

Borrowings from banks by private businesses is on the rise again, suggesting a gradual revival of confidence in doing businesses by local investors and pickup in economic activities, as Covid-19 cases are declining in the country. The businesses in the private sector have borrowed a net Rs315 billion in the first seven months (July 1, 2020 to February 5, 2021) of the current fiscal year. This is more than double the amount of Rs151 billion borrowed during the same period of the last fiscal year, the State Bank of Pakistan (SBP) reported earlier this week. (ET) | [Click for more info.](#)

## Punjab Rozgar Scheme worth over Rs30bn launched

### Banks | **Neutral**

Provincial Minister for Industries and Commerce Mian Aslam Iqbal has said that Punjab Rozgaar Scheme worth more than Rs 30 billion has been launched to provide employment and more than 1.6 million people will get employment under this scheme. Provincial Minister for Industries and Trade Mian Aslam Iqbal while addressing the meeting said that provision of easy loans under Punjab Rozgar Scheme will start next week. Easy loans ranging from Rs 100,000 to Rs 10 million were being provided to the applicants under the Scheme. (BR) | [Click for more info.](#)

## Political News

### Senate elections: Imran's premiership will end once Gilani wins, says Zardari

Former president Asif Ali Zardari has said that Imran Khan will no longer remain the prime minister after Yusuf Raza Gilani's success as the Senate chairman. (The News) | [Click for more info.](#)

## International News

### Asia shares edge up as bond yields, resources steal the show

Asian share markets inched higher on Monday as expectations for faster economic growth and inflation globally batter bonds and boost commodities, though rising real yields also make equity valuations look more stretched in comparison. (Reuters) | [Click for more info.](#)

### Oil gains as U.S. production slowly returns after freeze

Oil prices rose on Monday as the slow return of U.S. crude output that was cut by frigid conditions raised concerns about supply just as demand is coming back from the depths of the coronavirus pandemic. (Reuters) | [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%

## 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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## THE TEAM

### CEO

Zahid Ali Habib  
[Zahid@abaalihabib.com](mailto:Zahid@abaalihabib.com)  
(021) 32425022

### RESEARCH TEAM

**Contact:** (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst  
[zubair@abaalihabib.com](mailto:zubair@abaalihabib.com)

Behroze Atique - Research Analyst  
[behroze@abaalihabib.com](mailto:behroze@abaalihabib.com)

Ayesha Abid - Research Analyst  
[ayesha.abid@abaalihabib.com](mailto:ayesha.abid@abaalihabib.com)

### SALES TEAM

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

Salman Ahmed - Head of Retail Sales  
(021) 32412491

Syed Khalid Ahmed - Equity Trader  
[Syedkhalid@abaalihabib.com](mailto:Syedkhalid@abaalihabib.com)  
(021) 32429664

Muhammad Faisal - Equity Trader  
[faisal@abaalihabib.com](mailto:faisal@abaalihabib.com)  
(021) 32464835

### Office (PSX Building)

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



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