



March 24,
2021

Economy

Washington to further strengthen partnership with Pakistan: Biden

Economy | Positive

US President Joe Biden on Tuesday underscored that Washington will further strengthen partnership with Pakistan. In a letter written to his Pakistani counterpart President Arif Alvi, Biden said that the Pakistan-US relations were based on the common goal of regional peace and prosperity. (ET) | [Click for more info.](#)

CAD shrinks 76pc to \$50m in February

Economy | Positive

The country's current account deficit (CAD) shrank 76 per cent month-on-month to \$50 million in February from \$210m in January. On a year-on-year basis, the CAD contracted 74.6pc from \$197m in February 2020. The State Bank's latest data showed the CAD was still in surplus with \$881 million during the first eight months of 2020-21. (Dawn) | [Click for more info.](#)

Oil & Gas

Investigation by inquiry commission; Cabinet asks PD to take action against OMCs

OMCs | Positive

The federal cabinet has directed Petroleum Division to take action against Oil Marketing Companies (OMCs) in the light of a report of Inquiry Commission constituted to investigate the shortage of petroleum products last year. (BR) | [Click for more info.](#)

PLL seeks LNG cargoes in fixed dollar rate

Gas | Positive

With relaxed procurement rules, Pakistan has sought eight import cargoes of Liquefied Natural Gas (LNG) at fixed dollar price and tight tendering schedule for delivery between April 30 and June 28. (Dawn) | [Click for more info.](#)

Govt mulls ways to recover LNG cost

Gas | Negative

The government is working on multiple plans to recover the gas cost from consumers in a bid to bail out public gas utilities amid a rising circular debt due to diversion of liquefied natural gas (LNG) to the domestic consumers. (ET) | [Click for more info.](#)

New policy to extend incentives for setting up refineries

Refineries | Positive

The government has finalized a new policy for petroleum refining under which an incentive package will be extended for setting up of deep conversion refineries. The package will provide a 20-year tax holiday and up to nine-year cascading customs duty reduction in pricing provided the investors sign construction agreements before Dec 31, 2021. (Dawn) | [Click for more info.](#)

Power

Power generation up 4pc in Feb

Power | Neutral

Overall power generation grew 4.0 percent to 7,281 GWh during February 2021, compared to 7,002 GWh generated in the same month of 2020, official data suggested on Monday. Major contribution in the overall mix during February came from hydroelectric (28 percent), coal (26 percent), RLNG (17 percent), gas (12 percent), nuclear (11 percent), bagasse (1.4 percent), wind (1.4 percent), and furnace oil's share was 1.0 percent. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,750.2	31,081.3	331.1	1.1%
KSE100	44,901.3	45,407.3	506.0	1.1%
KSE30	18,476.7	18,749.6	273.0	1.5%
KMI30	73,816.6	75,111.7	1295.1	1.8%

Top Five Gainers

	Open	Close	Chg.	%
UPFL	14,200.0	14,500.0	300.0	2.1%
NESTLE	5,855.0	5,948.5	93.4	1.6%
SFL	847.3	899.0	51.7	6.1%
MARI	1,563.0	1,599.5	36.6	2.3%
PKGS	464.5	499.4	34.8	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BYCO	11.0	11.1	0.1	68.67
PRL	25.3	26.6	1.3	40.90
HASCOL	10.5	11.5	1.0	38.58
TRG	141.0	145.0	4.0	33.89
ASL	24.5	25.3	0.8	16.82

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	0.00	0.01
F-Corporates	7.24	-7.30	-0.07
O/S Pakistanies	8.07	-10.11	-2.04
Net	15.31	-17.41	-2.10
LIPI			
Individuals	179.83	-178.84	0.99
Companies	9.51	-9.91	-0.40
Comm. Banks	1.60	-2.09	-0.48
NBFC	0.04	-0.04	0.01
Mutual Funds	17.67	-13.93	3.73
Other	2.03	-1.83	0.21
Brokers Proprietary	45.06	-46.21	-1.14
Insurance	1.73	-2.55	-0.82
Net	257.48	-255.38	2.10

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	57.76	-6.2%
Brent oil	USD/bbl.	60.79	-5.9%
Gold	USD/t oz.	1727.07	-0.7%
Silver	USD/t oz.	25.06	-2.7%
Coal	USD/ton	94.50	-0.1%
Steel Scrap (LME)	USD/ton	430.00	-1.1%
Steel Rebar (LME)	USD/ton	626.50	0.7%
USD/PKR	Interbank	156.28	0.1%

News Source: Local / Int'l Newspapers and websites

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Autos

Hyundai Nishat Motor launches 'Hyundai Elantra'

NML | Positive

Hyundai Nishat Motor (Private) Limited (HNMPL) has launched its long-awaited sedan, Hyundai Elantra, which is the third locally assembled vehicle by HNMPL. With its second digital launch amidst the Covid-19 pandemic, HNMPL saw it fit to take the responsible step and ensure the safety of avid Hyundai enthusiasts. (The Nation) | [Click for more info.](#)

Pak Suzuki Motor Company's loss contracts 46%

PSMC | Neutral

Pak Suzuki Motor Company's loss fell 45.6% to Rs1.6 billion in the year ended December 31, 2020 owing to a surge in other income coupled with a tax reversal. According to a notice sent to the Pakistan Stock Exchange on Monday, the company had reported a loss of Rs2.9 billion in 2019. (ET) | [Click for more info.](#)

Banks

State Bank extends financing limit for REITs

Banks | Positive

The central bank on Monday extended the financing limit for real estate asset management companies by banks and development finance institutions to boost housing and construction sector. The State Bank of Pakistan (SBP) said the changes in regulations would enable banks/DFIs to make higher investments in real estate investment trusts (REITs) to the tune of 15 percent of their equity as against existing limit of 10 percent of equity. (The News) | [Click for more info.](#)

Tech. & Communication

IT exports rise 41pc to \$1.3bln in July-Feb FY2021

Tech & Communication | Positive

Pakistan's information technology exports increased 41 percent to \$1.3 billion in the eight months of this fiscal year, the central bank data showed on Monday, as the coronavirus-related restrictions accelerated the demand for IT services to meet both social and economic needs of people. IT exports rose 69 percent year-on-year to \$179 million in February. (The News) | [Click for more info.](#)

Avanceon FZE-Dubai incorporates a new subsidiary in Saudi Arabia

AVN | Positive

Avanceon FZE-Dubai, UAE, a wholly-owned subsidiary of Avanceon Limited has incorporated a new wholly-owned subsidiary in Riyadh, Kingdom of Saudi Arabia, with the name and style of "Avanceon Saudi for Energy Co". The establishment of the company will open new business opportunities and enhance the quality and efficiency levels of all our current and upcoming projects in the Region of Saudi Arabia. (Mettis) | [Click for more info.](#)

VEON acquires Dhabi group stake in Jazz for \$273m

Communication | Neutral

The Dutch telecom giant VEON Ltd has bought all stakes in its telecom venture from the UAE-based Dhabi group in Jazz Pakistan. VEON in its official statement released on Monday announced that it has completed the acquisition of minority shareholding in Pakistan Mobile Communications Ltd (PMCL). (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	45,407.3	506.02	1.13%
INDIA - SENSEX	50,051.4	280.15	0.56%
PHILP - PSEI	6,446.4	51.18	0.80%
Taiwan - TWII	16,177.6	-11.63	-0.07%
US - S&P 500	3,910.5	-30.07	-0.76%
CHINA - Shanghai	3,411.5	-31.93	-0.93%
INDONESIA - IDX	6,252.7	-48.42	-0.77%
KSA - Tadawul	9,489.6	-57.79	-0.61%
US - Dow 30	32,423.2	-308.05	-0.94%
HK - Hang Seng	28,497.4	-387.96	-1.34%

Board Meetings

Scrip	Day	Agenda	Time
AGIC	Wednesday	ANN A/c 31-Dec-20	10:30 AM
HINOON	Thursday	ANN A/c 31-Dec-20	10:00 AM
ALAC	Thursday	ANN A/c 31-Dec-20	12:00 PM
SPWL	Thursday	ANN A/c 31-Dec-20	12:30 PM
UNIC	Thursday	HY A/c 31-Dec-20	3:00 PM
FATIMA	Friday	ANN A/c 31-Dec-20	11:00 AM
PICT	Wednesday	ANN A/c 31-Dec-20	12:30 PM

Source: PSX



Pharmaceutical

Pakistan to receive first purchase of over 1 million doses of Chinese vaccines

Pharmaceutical | Positive

Pakistan will receive its first purchase of over 1 million doses of Chinese Sinopharm and CanSino Covid-19 vaccines by the end of March, Planning Minister Asad Umar told Reuters on Tuesday. This will be the first consignment of Covid-19 vaccines the federal government has purchased from any manufacturer for 220 million people. (ET) | [Click for more info.](#)

Private sector refuses to sell vaccine on govt-approved rates

Pharmaceutical | Neutral

The private sector has refused to sell the coronavirus vaccine on the government-approved rates, saying the rates are even below the landing cost, and they are unable to sell the vaccine on the government-approved rates. (BR) | [Click for more info.](#)

TIP writes to PM: 'Cancel private import of Covid-19 vaccines'

Pharmaceutical | Neutral

Transparency International-Pakistan (TIP) has called upon Prime Minister Imran Khan to review the government's policy of allowing private import of COVID-19 vaccines and cancel the policy altogether as it believes the decision "will provide a window of corruption" for sale of government's vaccine to private hospitals. (The News) | [Click for more info.](#)

Miscellaneous

Pakistani construction tycoons seek government support to bid for Saudi mega projects

Economy | Neutral

Pakistani investors in Saudi Arabia say they are seeking the Pakistan government's support to bid for mega construction projects under the Saudi Vision 2030 plan, saying it could increase the flow of remittances from the kingdom by 30 percent. (ArabNews) | [Click for more info.](#)

Construction industry fuelling growth: govt

Cement | Positive

The government has maintained that the economy is moving in the right direction after speedy recovery from the impact of the coronavirus pandemic, due to the government's timely decisions and the importance it has given to the construction sector. (BR) | [Click for more info.](#)

Pakistan's regional exports slump 22pc

Economy | Negative

Pakistan's exports to regional countries declined 22 per cent in the first eight months of the current fiscal year due to the impact of Covid-19. Exports to Afghanistan, China, Bangladesh, Sri Lanka, India, Iran, Nepal, Bhutan and the Maldives fell to \$1.171 billion in 8MFY21, from \$1.504bn the previous year, according to the latest data compiled by the State Bank of Pakistan. (Dawn) | [Click for more info.](#)

Evaluation of property, etc; SECP to allow valuers listed on PBA's panel

Economy | Neutral

The Securities and Exchange Commission of Pakistan (SECP) has decided to allow valuers listed on the panel of Pakistan Banks Association to work as registered valuers to evaluate any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a company or its liabilities. (BR) | [Click for more info.](#)



Political News

'India desires cordial ties with Pakistan', Modi tells Imran on National Day

Indian Prime Minister Narendra Modi on Tuesday congratulated Prime Minister Imran Khan on Pakistan Day and said New Delhi "desires cordial relationship with the people of Pakistan". "For this, an environment of trust, devoid of terrorism and hostility, is imperative," Modi said in a letter written to his Pakistani counterpart. The letter was handed over to the Foreign Office by the Indian High Commission. (ET) | [Click for more info.](#)

Pentagon chief praises Pakistan's role in Afghan peace process

US Defence Secretary Lloyd J. Austin on Monday praised Pakistan's cooperation for peace in Afghanistan. Austin, in telephone conversation with Army Chief Gen Qamar Bajwa, according to a readout of the conversation issued by Pentagon, "expressed gratitude for Islamabad's continued support for the Afghan peace process". (Dawn) | [Click for more info.](#)

International News

Asian equity futures under pressure after U.S. stocks, oil slide

Asian stocks were poised to follow Wall Street lower on Wednesday as the cost of the U.S. stimulus and infrastructure plans and new pandemic curbs limited investors' risk appetite. (Reuters) | [Click for more info.](#)

Oil rises on bargain-hunting but oversupply fears cap gains

Oil prices edged higher on Wednesday as investors looked for bargains following the previous day's plunge, but gains were capped as pandemic lockdowns in Europe and a build in U.S. crude stocks curbed risk appetite and raised oversupply fears. (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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