



March 25,
2021

Economy

IMF board agrees to release \$500m for Pakistan

Economy | Positive

The International Monetary Fund (IMF) has agreed to release the next tranche of \$500 million for Pakistan after approving four pending reviews of the country's economic progress, official sources in the US capital said. (Dawn) | [Click for more info.](#)

Govt seeks property deals details to meet FATF criteria

Economy | Neutral

In order to meet the requirements of the Financial Action Task Force (FATF), the government has unilaterally registered all tax returns-filing real estate dealers as Designated Non-Financial Business and Professions (DNFBPs) and directed them to provide full details of their clients and property transactions after completing customer due diligence. (Dawn) | [Click for more info.](#)

Resumption of Indo-Pak trade now in sight

Economy | Positive

The ban on trade with India may be lifted soon as the recent get well messages from Indian Prime Minister Narendra Modi to Prime Minister Imran Khan are said to have melted ice. (BR) | [Click for more info.](#)

PSX opposes withdrawal of tax credit on listing

Capital Market | Neutral

Pakistan Stock Exchange (PSX) on Wednesday rejected a government's proposal to withdraw tax credit on listing that is expected to affect initial public offerings. After a long hiatus, initial public offerings have recently restarted and there is a robust pipeline of companies waiting to raise capital from the stock market to expand their operations, it said. Capital markets in Pakistan are probably the most documented sector of the economy. (The News) | [Click for more info.](#)

Govt to Make a Global Announcement on the Launching of EuroBonds

Economy | Positive

The government has decided to make a global announcement on the launching of the Eurobonds in the international capital market and also address the concerns of the international investors, highly placed officials in the Ministry of Finance told. (Propakistani) | [Click for more info.](#)

Govt raises Rs1.52tr through T-bills auction

Economy | Positive

The government on Wednesday raised over Rs1.519 trillion through auction of market treasury bills, but most of the amount was borrowed for the three-month tenure. The government received the highest bids of Rs1,538 billion for three-month T-bills and accepted Rs1,130.68bn. The cut-off yield on this paper was reduced by 5 basis points to 7.53 per cent compared to 7.58pc in the previous auction held on March 10, the State Bank of Pakistan reported. The cut-off yield on benchmark six-month T-bills remained unchanged at 7.8pc while the government raised Rs388.9bn. The bids for this tenure were Rs468.08bn. (Dawn) | [Click for more info.](#)

Most of BITs to be scrapped

Economy | Negative

Pakistan has reportedly decided to scrap most of its existing Bilateral Investment Treaties (BITs) as these pacts are shrinking the government's policy space with respect to adopting measures of public interest while attracting international litigation. Under section 9(m) of Board/4f Investment Ordinance, 2001, the BoI is mandated to negotiate and finalize agreements for protection and promotion of investments/Bilateral Investment Treaties (BITs) with other countries. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,081.3	31,092.3	11.0	0.0%
KSE100	45,407.3	45,544.2	136.9	0.3%
KSE30	18,749.6	18,800.6	51.0	0.3%
KMI30	75,111.7	74,915.0	-196.7	-0.3%

Top Five Gainers

	Open	Close	Chg.	%
COLG	2,750.8	2,837.0	86.2	3.1%
BATA	2,004.0	2,050.0	46.0	2.3%
GATI	501.7	539.0	37.3	7.4%
SUTM	898.6	927.8	29.2	3.2%
MTL	1,074.4	1,100.6	26.2	2.4%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	145.0	155.9	10.9	54.58
PTC	8.5	9.5	1.0	37.22
BYCO	11.1	10.9	-0.3	29.22
HASCOL	11.5	11.2	-0.3	25.39
ANL	32.3	33.3	1.0	21.62

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.13	-0.16	-0.03
F-Corporates	13.77	-13.65	0.12
O/S Pakistanies	14.99	-11.01	3.98
Net	28.90	-24.82	4.07
LIPI			
Individuals	207.76	-211.30	-3.54
Companies	17.01	-19.05	-2.04
Comm. Banks	3.31	-2.86	0.44
NBFC	0.01	-0.01	0.00
Mutual Funds	17.20	-15.84	1.36
Other	2.10	-2.40	-0.30
Brokers Proprietary	58.29	-56.08	2.21
Insurance	2.74	-4.94	-2.20
Net	308.41	-312.48	-4.07

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	61.18	-0.6%
Brent oil	USD/bbl.	64.41	-0.3%
Gold	USD/t oz.	1734.69	-0.2%
Silver	USD/t oz.	25.09	-2.5%
Coal	USD/ton	94.50	-0.1%
Steel Scrap (LME)	USD/ton	436.00	0.2%
Steel Rebar (LME)	USD/ton	626.50	0.7%
USD/PKR	Interbank	155.74	-0.3%

News Source: Local / Int'l Newspapers and websites

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Oil & Gas

SNGPL, SSGC reduce 9,938 MMCF gas losses in FY 2019-20

SNGP, SSGC | Positive

The two state-owned companies, Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Company (SSGC), have collectively prevented a volumetric loss of around 9,938 Million Cubic Feet (MMCF) gas against the UFG reduction target of 14,806 MMCF set for the Financial year 2019-20. The SNGPL decreased the loss of 4,771 MMCF gas against its Unaccounted for Gas (UFG) reduction plan of 6,840 MMCF gas. "However, the percentage of UFG has increased slightly (0.34%), as compared to the same period of previous year, due to reduction in gas received," according to an official report available with APP. (BR) | [Click for more info.](#)

Power

KE-arbitration agreement; Ministerial body decides to place case before ECC KEL | Neutral

An Inter-Ministerial Committee (IMC) headed by Minister for Privatization has reportedly decided to place the case of KE-Arbitration agreement before the Economic Coordination Committee (ECC) of the Cabinet, as stakeholders have not evolved a consensus on several issues with financial implications. This was the crux of an IMC meeting held in the Ministry of Privatization on Wednesday. (BR) | [Click for more info.](#)

Privatization to help turn around DISCOs

Power | Neutral

The privatization of power distribution companies (DISCOs) was aimed at streamlining the transmission the system and improve efficiency, the privatization minister said on Wednesday. The statement said the proposed recommended plan would be placed before the up-coming meeting of CCoP for consideration and further necessary actions. The Board was also briefed about the latest progress made in the transactions of different entities. (The News) | [Click for more info.](#)

Banks

Pakistan reports 30pc growth in Islamic banking assets during FY2019-2020

MEBL, Banks | Positive

Pakistan has recorded a 30 per cent growth in Islamic banking assets during the 2020 fiscal year. According to a report released by the State Bank of Pakistan on Wednesday, the overall deposits of the Islamic banking industry have also shown a growth of 27.8pc in 2020. (Dawn) | [Click for more info.](#)

Fertilizer

Urea sales dip 12pc in February

Fertilizer | Negative

The country's urea offtake plunged 12 per cent year-on-year to 406,000 tonnes in February. However, the total urea sales jumped 46pc to 1.06 million tonnes year-on-year in 2MCY21. (Dawn) | [Click for more info.](#)

Pharmaceutical

Pharmaceutical products export increases 23.13pc in 8 months

Pharmaceutical | Positive

The exports of Pharmaceutical products from the country witnessed an increase of 23.13 percent during the eight months of ongoing financial year (2020-21) as compared to the exports of corresponding period of last year. The country exported pharmaceutical worth US \$184.135 million during July-February (2020-21) as against the export of US \$149.544 million during July-February (2019-20), showing growth of 23.13 percent, according to the Pakistan Bureau of Statistics (PBS). (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	45,544.2	136.86	0.30%
PHILP - PSEI	6,497.0	50.66	0.79%
US - Dow 30	32,420.1	-3.09	-0.01%
US - S&P 500	3,889.1	-21.38	-0.55%
KSA - Tadawul	9,464.1	-25.55	-0.27%
CHINA - Shanghai	3,367.1	-44.45	-1.30%
INDONESIA - IDX	6,156.1	-96.57	-1.54%
Taiwan - TWII	16,032.1	-145.47	-0.90%
HK - Hang Seng	27,918.1	-579.24	-2.03%
INDIA - SENSEX	49,180.3	-871.13	-1.74%

Board Meetings

Scrip	Day	Agenda	Time
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



Miscellaneous

Pakistan's exports to USA increase 11.86pc to \$3082mn in 8 months

Economy | Positive

Pakistan's exports of goods and services to United State of America (USA) witnessed a surge of 11.86 percent during the eight months of financial year (2020-21) compared to the corresponding period last year. The overall exports to USA were recorded as US \$ 3082.199 million during July-February (2020-21) against exports of US \$ 2755.188 million during July- February (2019-20), showing growth of 11.86 percent, State Bank of Pakistan (SBP) data revealed. (BR) | [Click for more info.](#)

Duty drawback allowed

EPCL | Positive

The Federal Board of Revenue (FBR) has allowed customs duty drawback on the export of revised specification of PVC gloves (knit wrist style). Through the notification, the FBR will allow duty drawback on the export of "PVC gloves (knit wrist style) not less than 136gm" at the rate of Re.0.41 per pair. (BR) | [Click for more info.](#)

Sugar millers, 'satta mafia'; FIA decides to investigate bank accounts

Sugar | Negative

The Federal Investigation Agency (FIA) Lahore has decided, in principle, to investigate the bank accounts of sugar mill owners and the 'satta mafia' in the sugar industry after it found 'irrefutable evidences' that these elements have pocketed nearly Rs 110 billion during the recent sugar crisis in the country. (BR) | [Click for more info.](#)

Pakistan loses spot as top trade partner of Afghanistan

Economy | Negative

Pakistan is no longer the leading country in terms of trade with Afghanistan as bilateral trade has declined drastically over the last several years because of restrictions and hurdles on border crossing points on both sides. According to details, the volume of Afghan trade through Pakistan has declined by more than 50 per cent from \$2.5 billion to \$1bn. (PT) | [Click for more info.](#)

Political News

PML-N vows to resist bill on SBP 'autonomy'

The Pakistan Muslim League Nawaz (PML-N) on Wednesday vowed to resist the government move to grant autonomy to the State Bank of Pakistan (SBP) aimed at targeting inflation rather than economic growth, calling it an agenda of the International Monetary Fund (IMF). (Dawn) | [Click for more info.](#)

International News

Asian equities poised to seesaw as U.S. economic news pushes indexes lower

Asian markets will likely open mixed on Thursday after global equities dipped and U.S. investors considered which stock market sectors would most benefit from strengthening growth. (Reuters) | [Click for more info.](#)

Oil prices slide as coronavirus lockdown concerns outweigh Suez Canal disruptions

Oil prices skidded around 2% as fuel demand concerns re-emerged alongside fresh coronavirus pandemic lockdowns, trimming overnight gains spurred by the grounding of a giant container ship blocking crude shipments through the Suez Canal. (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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