



May 25,  
2021

## Economy

### Pakistan, US agree to advance 'practical' cooperation

#### Economy | Positive

Pakistan and the United States have agreed to advance "practical" cooperation on issues of mutual interest, bilateral ties, regional and global issues. "The National Security Advisers (NSAs) of Pakistan and the United States of America met in Geneva Sunday. Both sides had a positive conversation on a range of bilateral, regional and global issues of mutual interest and agreed to advance practical cooperation on these issues," read a brief joint statement issued on Monday. (BR) | [Click for more info.](#)

### Wapda's Indus Bond listed on London Stock Exchange

#### Economy | Positive

The Water & Power Development Authority (Wapda) on Monday listed the Indus Bond — a green Eurobond (GEB) — on the London Stock Exchange (LSE) to raise \$500 million to finance mega hydropower projects. Wapda Member Finance Naveed Asghar said the bonds are of seven-year or 10-year tenor. "A consortium of four international and local banks (Deutsche Bank, Standard Chartered, JP Morgan and Habib Bank) hired for arranging the investors' calls for the launch of the bond by the end of this week," he added. (Dawn) | [Click for more info.](#)

### Chinese envoy meets PM

#### Economy | Positive

Ambas-sador of China in Pakistan Nong Rong called on Prime Minister Imran Khan, Monday, said a press release issued on Monday. The subjects covered during the meeting included the Pakistan-China bilateral relations, including the CPEC; 70th anniversary of the establishment of diplomatic ties; vaccine cooperation; and high-level bilateral exchanges. (BR) | [Click for more info.](#)

### Moody's sees robust GDP growth potential

#### Economy | Neutral

Rating agency Moody's in its latest report said the credit profile of Pakistan (issuer rating B3) reflects the country's "baa2" economic strength, which is underpinned by the robust long-term GDP growth potential and large scale of the economy, balanced against low per capita incomes and global competitiveness. (Dawn) | [Click for more info.](#)

### Pakistan to Opt in New Program for Debt Relief

#### Economy | Positive

Pakistan is working with lender countries on a debt-for-nature swap program. Such an arrangement will help Pakistan with its debt relief in return for binding commitments to achieve conservation targets, Bloomberg reported on Monday. (5 June). (Propakistani) | [Click for more info.](#)

### Tarin assures businessmen of growth-oriented budget

#### Economy | Neutral

Federal Minister for Finance and Revenue, Shaukat Fayyaz Ahmed Tarin on Monday said that the government will come up with innovative out-of-the-box alternatives to achieve the revenue targets, by providing incentives and facilities, besides broadening the tax base rather than new taxes in the upcoming budget. (The Nation) | [Click for more info.](#)

### CDWP gives go-ahead to six uplift projects

#### Economy | Neutral

The Central Development Working Party (CDWP) has given go-ahead to six development projects at the cost of Rs348.5 billion. The CDWP has approved three development projects valued at Rs6.5 billion, and recommended three projects at the cost of Rs342 billion to the Executive Committee of the National Economic Council (ECNEC). (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,068.6	31,199.4	130.8	0.4%
KSE100	45,915.0	46,097.1	182.1	0.4%
KSE30	18,719.2	18,780.5	61.4	0.3%
KMI30	75,105.7	75,586.6	481.0	0.6%

### Top Five Gainers

	Open	Close	Chg.	%
COLG	2,859.0	2,994.0	135.0	4.7%
WYETH	1,595.3	1,715.0	119.6	7.5%
PMPK	900.0	946.2	46.3	5.1%
MTL	1,064.9	1,100.4	35.5	3.3%
HCAR	326.1	345.2	19.1	5.9%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.9	2.1	0.3	275.89
SILK	1.4	1.5	0.1	36.61
SMBL	2.6	3.0	0.4	36.49
HASCOL	10.7	10.7	0.0	22.50
FFL	15.8	16.8	1.0	22.32

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.06	-0.01	0.05
F-Corporates	4.78	-6.97	-2.19
O/S Pakistanies	10.81	-12.99	-2.18
<b>Net</b>	<b>15.66</b>	<b>-19.97</b>	<b>-4.31</b>
<b>LIPI</b>			
Individuals	150.24	-149.90	0.34
Companies	15.69	-18.05	-2.35
Comm. Banks	2.92	-2.37	0.55
NBFC	0.07	-0.06	0.01
Mutual Funds	18.65	-17.72	0.93
Other	1.55	-0.68	0.87
Brokers Proprietary	37.60	-34.69	2.91
Insurance	4.46	-3.40	1.06
<b>Net</b>	<b>231.19</b>	<b>-226.87</b>	<b>4.31</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	66.05	3.9%
Brent oil	USD/bbl.	68.46	3.0%
Gold	USD/t oz.	1881.02	0.0%
Silver	USD/t oz.	27.77	0.8%
Coal	USD/ton	104.05	0.7%
Steel Scrap (LME)	USD/ton	504.50	-0.3%
Steel Rebar (LME)	USD/ton	748.50	0.9%
USD/PKR	Interbank	153.67	0.1%

News Source: Local / Int'l Newspapers and websites

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## Oil & Gas

### Pakistan LNG seeks 9 cargoes for July-August

#### Gas | Neutral

Pakistan LNG is seeking nine liquefied natural gas (LNG) cargoes for delivery over July to August, a tender document posted on the company website showed. The tender closes on June 2 and is valid until June 4. (Dawn) | [Click for more info.](#)

### PPL refutes news about winning of an offshore block for drilling of oil in Abu Dhabi

#### PPL | Neutral

"The consortium has participated in the Abu Dhabi Bid Round 2019, but there has been no award in respect of the block applied for as yet," PPL in a notification to Exchange said. (Mettis) | [Click for more info.](#)

## Power

### Koto hydropower project to be completed by Dec

#### Power | Positive

About 90 per cent work on the under-construction Koto hydropower project (Koto-HPP) has been done and it will be completed by December this year, said assistant project director while briefing a team of the district administration. According to a local media report, the powerhouse would generate 40.8MW of electricity that would be added to the national grid. (PT) | [Click for more info.](#)

## Autos

### Honda Opens Bookings for "New" 6th Generation City in Pakistan

#### HCAR | Positive

Over almost three decades of its presence in Pakistan, Honda Atlas has become a mainstay in the local automotive market, while creating strong brand value and a loyal customer base. However, the company has been resorting to questionable tactics that have led to a lot of public criticism. (Propakistani) | [Click for more info.](#)

### Hyundai Tucson Recalled in Pakistan Due to Fire Hazard

#### NML | Negative

There's been a rise in the number of vehicle fire incidents across Pakistan, and the names that come up in such news more often than others, are Kia Sportage and Hyundai Tucson. Hyundai Nishat has identified the problem, issuing a recall of the Tucson SUV to fix the problem. (Propakistani) | [Click for more info.](#)

## Engineering

### Steel prices to remain above \$800/tonne mark during next six months: Fitch

#### Steel | Positive

Steel prices are expected to hit \$800 per tonne from \$660 over the next three months on the mismatch between supply and demand which is expected to drive the prices northward, Fitch Solutions said in its commodities outlook on the metal. (Mettis) | [Click for more info.](#)

### Siddiqsons Tin Plate Ltd increases its share capital from Rs3bn to Rs6bn

#### STPL | Positive

Siddiqsons Tin Plate Limited (STPL) has increased its authorized share capital from Rs3bn to Rs6bn by the creation of 300mn ordinary shares of Rs. 10/= each. (Mettis) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
US - Dow 30	34,394.0	186.14	0.54%
PAK (KSE-100)	46,097.1	182.13	0.40%
INDIA - SENSEX	50,651.9	111.42	0.22%
US - S&P 500	4,197.1	41.19	0.99%
Taiwan - TWII	16,338.3	36.23	0.22%
CHINA - Shanghai	3,497.3	10.72	0.31%
INDONESIA - IDX	5,763.6	-9.49	-0.16%
KSA - Tadawul	10,318.5	-21.34	-0.21%
PHILIP - PSEi	6,164.9	-34.36	-0.55%
HK - Hang Seng	28,412.3	-46.18	-0.16%

### Board Meetings

Scrip	Day	Agenda	Time
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
IML	Wednesday	3QA/c 31-Mar-21	11:00 AM
SHSML	Wednesday	HY A/c 31-Mar-21	11:30 AM
KPUS	Wednesday	HY A/c 31-Mar-21	2:30 PM
HWQS	Wednesday	ANN A/c 30-Sep-21	4:00 PM
BAFS	Wednesday	HY A/c 31-Mar-21	5:00 PM
TICL	Wednesday	HY A/c 31-Mar-21	6:00 PM
CHAS	Thursday	HY A/c 31-Mar-21	11:00 AM
ALNRS	Thursday	HY A/c 31-Mar-21	11:30 AM
PMRS	Thursday	HY A/c 31-Mar-21	11:30 AM
SASML	Thursday	HY A/c 31-Mar-21	11:30 AM
SANSML	Thursday	HY A/c 31-Mar-21	12:30 PM
SIEM	Thursday	HY A/c 31-Mar-21	1:30 PM
JDWS	Friday	HY A/c 31-Mar-21	11:00 AM
FRSM	Friday	HY A/c 31-Mar-21	11:30 AM
SHJS	Friday	HY A/c 31-Mar-21	11:30 AM
HABSM	Friday	HY A/c 31-Mar-21	12:00 PM
HSM	Friday	HY A/c 31-Mar-21	2:30 PM
DWSM	Friday	HY A/c 31-Mar-21	4:30 PM
AGSML	Saturday	HY A/c 31-Mar-21	11:00 AM
MRNS	Saturday	HY A/c 31-Mar-21	11:00 AM
SML	Monday	HY A/c 31-Mar-21	11:00 AM

Source: PSX



## Banks

**BankIslami says BMIL no longer its subsidiary co**

**BIPL | Positive**

BankIslami Pakistan Limited has announced that BankIslami Modaraba Investments Limited (BMIL) is no longer a subsidiary company of BankIslami Pakistan Limited. (BR) | [Click for more info.](#)

**Islamic Banking is Now More Popular than Traditional Banking**

**Islamic Banks | Positive**

The financing by the Islamic Banking segment of Pakistan's banking industry has surpassed the value of financing made through conventional banking during the period of the last ten months of the current financial year 2020-21. According to the statistics by the State Bank of Pakistan (SBP) that were updated recently, the financing made to corporate and individual consumers by the Islamic Banking Industry including Islamic banks and Islamic banking branches of traditional banks stood at Rs. 239 billion for the period of July 2020 to April 2021. (Propakistani) | [Click for more info.](#)

## Miscellaneous

**Pakistan develops homemade anti-Covid vaccine 'PakVac'**

**Pharmaceutical | Positive**

In a major achievement in its fight against the novel coronavirus, Pakistan on Monday announced that it has developed a homemade vaccine — PakVac — with the help of China's Cansino Bio after rigorous quality control checks. The step is aimed at significantly reducing Pakistan's dependence on other countries for Covid-19 vaccine. (ET) | [Click for more info.](#)

**Exports of Chemical and Pharmaceutical Products jump by 43.67% YoY in April'21**

**Economy | Positive**

The exports of Chemical and Pharmaceutical Products went down by 27.4% MoM to clock in at \$107 million during April'21. However, the export of the similar group depicted a surge of 43.67% YoY. The Chemical and Pharma products exported from Pakistan mainly include Plastic Materials, Pharmaceutical products, and other Chemicals. (Mettis) | [Click for more info.](#)

**Karachi to come under night 'curfew' from today**

**Economy | Negative**

The Sindh Task Force on coronavirus in its extensive meeting presided by Chief Minister Syed Murad Ali Shah here on Monday reviewed the Covid situation and owing to its severity placed a ban on unnecessary movement of people, on foot or in vehicles, after 8pm except for valid reasons. (BR) | [Click for more info.](#)

## International News

**Asian Stocks Set to Rise on Easing Inflation Fears: Markets Wrap**

Asian stocks look set to rise Tuesday after technology shares spurred a Wall Street rally as Federal Reserve officials sought to soothe concerns about inflation. Bitcoin surged following last week's crypto rout. (Bloomberg) | [Click for more info.](#)

**Oil jumps over 3% as fears of Iranian exports ease**

Oil prices rose more than 3% on Monday as a demand bump fueled by COVID-19 vaccination drives gave traders optimism that the market can absorb any Iranian oil that would come on the market if Western talks with Tehran lead to the lifting of sanctions. (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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