

May 26,
2021

Economy

Fitch assigns 'B-' rating to Wapda's proposed USD notes

Economy | Positive

Fitch Ratings has assigned Pakistan Water and Power Development Authority's (WAPDA, B-/Stable) proposed US dollar senior unsecured notes a rating of 'B-'. The ratings agency stated that the proceeds of the proposed notes will be used to finance or refinance eligible green projects. (BR) | [Click for more info.](#)

WB pledges support to achieve uplift objectives in Pakistan

Economy | Positive

The World Bank on Tuesday assured continuous support to the government of Pakistan in achieving the priority development objectives, a press release issued by Ministry of Economic Affairs said. (Dawn) | [Click for more info.](#)

C/A posts \$773m surplus in 10MFY21

Economy | Positive

The country's current account (C/A) has been showing deficit each month since December 2020, but it remained in surplus with \$773 million during the first 10 months of 2020-21 — reflecting the additional support of higher remittances and exports. (Dawn) | [Click for more info.](#)

Q4FY21 numbers will be 'even greater': govt

Economy | Neutral

The government said on Tuesday that the economic numbers of the fourth quarter of the current fiscal year would be even greater than those of the last previous quarter as large-scale manufacturing (LSM) growth for the month of April is over 20 percent besides increases in remittances and exports. (BR) | [Click for more info.](#)

Govt pitches Rs5.8tr tax target

Economy | Neutral

Pakistan on Monday informed the International Monetary Fund (IMF) that it plans to give 10% raise in salaries over and above a disparity allowance and pitched a Rs5.8-trillion tax target for the next fiscal year. (ET) | [Click for more info.](#)

Multiple financing sources; \$10.195bn foreign debt incurred: EAD

Economy | Neutral

Pakistan incurred foreign debt of \$10.195 billion from multiple financing sources during July-April of 2020-21 including \$3.246 billion from foreign commercial banks (32 percent) against the total budgeted external loans of \$12.233 billion for the entire fiscal year 2020-21. (BR) | [Click for more info.](#)

Oil & Gas

OMCs pay significantly higher than corporate tax rates

PSO, SHEL, APL | Neutral

Oil marketing companies (OMCs) are paying significantly higher than the 29 percent corporate tax rate in the country because of anomalies in turnover taxation, an independent think-tank said on Tuesday. (The News) | [Click for more info.](#)

Power

Energy sector debt to be reduced by 38pc by FY21-end: PD

Power | Positive

The Power Division Tuesday said the energy sector debt will be reduced by 38 percent to Rs 330 billion at the end of current fiscal year (2020-21) as compared to Rs 538 billion in 2019-20. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,199.4	31,248.8	49.5	0.2%
KSE100	46,097.1	46,300.7	203.6	0.4%
KSE30	18,780.5	18,898.2	117.7	0.6%
KMI30	75,586.6	75,991.4	404.8	0.5%

Top Five Gainers

	Open	Close	Chg.	%
WYETH	1,715.0	1,843.6	128.6	7.5%
BATA	1,627.1	1,699.0	71.9	4.4%
KHTC	376.8	405.0	28.3	7.5%
MTL	1,100.4	1,122.7	22.3	2.0%
PMPK	946.2	963.6	17.4	1.8%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	2.1	2.3	0.1	150.35
UNITY	41.3	43.7	2.4	66.84
TELE	16.3	17.5	1.2	37.68
HUMNL	6.4	6.8	0.4	36.08
BYCO	10.1	10.1	0.1	20.37

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	-0.01	-0.01
F-Corporates	8.24	-6.64	1.60
O/S Pakistanies	9.49	-10.24	-0.76
Net	17.73	-16.90	0.83
LIPI			
Individuals	164.09	-164.03	0.06
Companies	14.58	-15.28	-0.70
Comm. Banks	3.26	-3.85	-0.59
NBFC	0.08	-0.08	0.00
Mutual Funds	18.08	-19.45	-1.37
Other	3.42	-1.32	2.10
Brokers Proprietary	34.70	-32.93	1.77
Insurance	5.76	-7.86	-2.10
Net	243.97	-244.80	-0.83

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	66.07	0.0%
Brent oil	USD/bbl.	68.65	0.3%
Gold	USD/t oz.	1899.25	1.0%
Silver	USD/t oz.	28.00	0.8%
Coal	USD/ton	104.55	0.5%
Steel Scrap (LME)	USD/ton	502.00	-0.5%
Steel Rebar (LME)	USD/ton	745.00	-0.5%
USD/PKR	Interbank	154.41	0.5%

News Source: Local / Int'l Newspapers and websites

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Autos

Honda Atlas Posts Unbelievable Increase in Profits in FY2021

HCAR | Positive

Honda Atlas Cars Pakistan Ltd. (HCAR) has announced its financial results for the year that ended on 31 March 2021. The company reported a profit of Rs. 1.79 billion during the year, up by 163 percent as compared to a profit of Rs. 681 million in the previous year. (Propakistani) | [Click for more info.](#)

Transportation

Virgin Islands court unfreezes PIA assets in Reko Diq case

PIAA | Positive

The High Court of Justice in the British Virgin Islands (BVI) on Tuesday decided the Pakistan International Airlines would retain its two assets — Roosevelt Hotel in New York and Scribe Hotel in Central Paris — retracting its earlier order to attach these properties with the enforcement of Reko Diq penalty on the request of the Tethyan Copper Company (TCC). (ET) | [Click for more info.](#)

Tech. & Communication

Supernet Announces Multi-Million Long-Term Program for Supply of Telecom Equipment

TELE | Positive

Telecard Limited's subsidiary, Supernet Ltd., has issued a joint press release with Avara Technologies Pty Ltd. announcing the award of a long-term program from a major Pakistan-based customer for the supply of telecom equipment, warranty, and support services, and training. (Propakistani) | [Click for more info.](#)

IT exports surge 46pc to \$1.7bln in July-April

TRG, NETSOL, AVN | Positive

Pakistan's IT exports surged 46 percent to \$1.7 billion in the first 10 months of the current fiscal year of 2020/21 as rapid digital transformation driven by social-distancing orders increased demand of online services, official data showed on Tuesday. (The News) | [Click for more info.](#)

Miscellaneous

Oxygen cylinders; Customs duty, GST exempted for 180 days

PAKOXY | Positive

The Federal Board of Revenue (FBR) has exempted customs duty and sales tax for 180 days on the import of oxygen gas, oxygen gas cylinders, oxygen manufacturing plants, oxygen concentrators / generators and oxygen cryogenic tanks from May 14, 2021. (BR) | [Click for more info.](#)

PM announces Rs100bn fund to end unemployment

Economy | Positive

Prime Minister Imran Khan on Tuesday announced a Rs100 billion fund for startup loans and 170, 000 skilled education scholarships to overcome the challenge of unemployment. (PT) | [Click for more info.](#)

International News

Asia Stocks Steady, Futures Rise; Bonds Hold Gain: Markets Wrap

Asian stocks opened largely steady Wednesday after softer economic data weighed on U.S. equities. Treasuries maintained a rally as Federal Reserve officials again predicted transitory price pressures. (Bloomberg) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	28,910.9	498.60	1.75%
Taiwan - TWII	16,595.7	257.38	1.58%
PAK (KSE-100)	46,300.7	203.55	0.44%
KSA - Tadawul	10,448.0	129.49	1.25%
CHINA - Shanghai	3,581.3	84.06	2.40%
INDONESIA - IDX	5,815.8	52.21	0.91%
PHILIP - PSEi	6,196.7	31.82	0.52%
US - S&P 500	4,188.1	-8.92	-0.21%
INDIA - SENSEX	50,637.5	-14.37	-0.03%
US - Dow 30	34,312.5	-81.52	-0.24%

Board Meetings

Script	Day	Agenda	Time
IML	Wednesday	3Q A/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



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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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