

April 26,
2021

Economy

World Bank approves \$400m for K-P

Economy | Positive

The World Bank has approved a new loan of \$400 million for Khyber-Pakhtunkhwa (K-P) province for addressing staff and budget issues in education and health sectors - the tasks that can be performed without contracting more debt. (ET) | [Click for more info.](#)

Roshan Digital Accounts cross \$1b milestone

Economy | Positive

Overseas Pakistanis' confidence in the domestic economy is on the rise, as the volume of their foreign currency deposits with local banks and their investments in a number of schemes through the Roshan Digital Accounts (RDA) surpassed a major milestone of \$1 billion. (ET) | [Click for more info.](#)

Current account shows \$959m surplus for first nine months

Economy | Positive

The data issued by the State Bank of Pakistan (SBP) on Friday showed a current account deficit for March of \$47m, which was slightly higher than that of February, of \$31m. In January the deficit stood at \$229m while the deficit in December 2020 was \$625m. However, during July-March FY21 the current account posted a surplus with \$959m, reported the SBP. (Dawn) | [Click for more info.](#)

Fiscal deficit falls to 2.9pc in 7MFY21

Economy | Neutral

The country's fiscal deficit fell to 2.9 per cent of GDP in the first seven months of FY21 compared to 3.2pc in the corresponding period last year mainly due to substantial increase in net federal revenue receipts and effective management of expenditures. (Dawn) | [Click for more info.](#)

Reverse mergers trend returns to Pakistan

Capital Market | Neutral

The recent acquisition of the three bankrupt publicly-listed textile companies by private investors with the confirmed intention of merging their unlisted businesses into them underlines the consolidation of the trend of 'reverse mergers' in the country's stock market. (Dawn) | [Click for more info.](#)

Govt hints at imposing countrywide lockdown

Economy | Negative

The government has hinted at imposing a complete lockdown in the country if the current Covid-19 situation does not improve in a week. (BR) | [Click for more info.](#)

Oil & Gas

Govt awards six exploration blocks

Oil | Positive

The government on Friday awarded six exploration blocks to oil and gas exploration and production companies to attract a minimum \$24.68 million in firm work commitment. (ET) | [Click for more info.](#)

US closes inquiry into Pakistani firm

BYCO | Positive

The US State Department has closed its sanctions-related inquiry into two shipments for Byco Petroleum Pakistan Limited (BPPL). This is an exceptional feat achieved by the government of Pakistan as it has managed to clear itself of allegation of receiving supplies from Iran. (ET) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,468.6	30,293.9	-174.8	-0.6%
KSE100	44,929.6	44,706.8	-222.8	-0.5%
KSE30	18,375.2	18,276.5	-98.7	-0.5%
KMI30	72,979.7	72,514.0	-465.8	-0.6%

Top Five Gainers

	Open	Close	Chg.	%
GATI	444.7	478.1	33.4	7.5%
MEHT	460.0	490.1	30.1	6.5%
AKDCL	480.8	504.6	23.9	5.0%
SHEZ	307.5	329.0	21.5	7.0%
TSML	142.5	153.2	10.7	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
GGL	33.4	35.0	1.6	38.78
WTL	1.5	1.6	0.0	24.11
TRG	171.6	176.2	4.5	23.64
UNITY	31.4	30.9	-0.5	9.74
BYCO	10.0	9.9	-0.1	7.09

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.04	-0.01	0.03
F-Corporates	3.69	-1.99	1.70
O/S Pakistanies	5.74	-4.91	0.83
Net	9.47	-6.91	2.56
LIPI			
Individuals	84.37	-85.25	-0.88
Companies	3.19	-2.33	0.85
Comm. Banks	1.65	-1.24	0.41
NBFC	0.00	-0.01	0.00
Mutual Funds	2.06	-6.33	-4.27
Other	0.47	-0.28	0.19
Brokers Proprietary	19.61	-18.90	0.71
Insurance	0.73	-0.30	0.42
Net	112.08	-114.64	-2.56

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	62.14	1.2%
Brent oil	USD/bbl.	66.11	1.1%
Gold	USD/t oz.	1777.20	-0.4%
Silver	USD/t oz.	26.01	-0.5%
Coal	USD/ton	92.95	-0.2%
Steel Scrap (LME)	USD/ton	434.00	1.5%
Steel Rebar (LME)	USD/ton	637.50	-0.1%
USD/PKR	Interbank	154.03	0.3%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106

REP-055



Power

40pc payment to IPPs; PD seeks Rs90bn supplementary grant

Power | Neutral

Power Division has sought Rs90 billion supplementary grant to pay 40 per cent agreed amount to Independent Power Producers (IPPs) established under Generation Policy 1994 and Generation Policy pre-1994. (BR) | [Click for more info.](#)

CPEC Kohala Hydel Project; Chinese firm to invest \$2.4bn

Power | Positive

The government of Azad Jammu and Kashmir (AJK) and Chinese Three Gorges Company on Friday signed agreements related to 1,124 megawatt Kohala Hydel Power Project- Implementation and Water Usage under China Pakistan Economic Corridor (CPEC). The project would attract a foreign investment of \$2.4 billion under the umbrella of CPEC. (BR) | [Click for more info.](#)

Chinese firm to build 82MW hydropower plant in Chitral

Power | Positive

China's Sinohydro will build a run-of-the-river hydropower plant in Chitral, KP to produce 82MWs, or 380 GWh of clean energy per annum at the cost of \$200 million. The Turtonas-Uzghor hydropower project will be executed by Uzghor Hydropower Pvt. Ltd., a consortium of China's hydropower giant Sinohydro and Pakistan's Sachal Group. (The Nation) | [Click for more info.](#)

Largest LNG-fired project; Financial close documents signed by PPIB, PTPL

Power | Positive

Private Power & Infrastructure Board (PPIB) and Punjab Thermal Power (Pvt) Limited (PTPL) Friday signed financial closing documents of Pakistan's largest LNG-fired 1,263 MW PTPL power project to be established at a cost of \$708 million. (BR) | [Click for more info.](#)

Circular debt to remain over Rs1.1tr by 2023

Power | Neutral

Despite repeated tariff increases, buying out several old independent power plants (IPPs), fuel conversions, tax rationalizations and timely subsidy payments over the next two years, the power sector circular debt would stay above Rs1.1 trillion by end of fiscal year 2023 against about Rs2.55tr estimated at present. (Dawn) | [Click for more info.](#)

Autos

Car production increases 20pc during 9MFY21

Autos | Positive

The production of cars in the country has witnessed an increase of 20.09 per cent during the nine months of current financial year (9MFY21) compared to the corresponding period of last year. During the (July-March) period, as many as 106,439 cars were manufactured against the production of 88,628 units. (PT) | [Click for more info.](#)

Cement

New 16 cement factories to be established in Punjab: CM

Cement | Positive

Chief Minister Punjab Sardar Usman Buzdar said that 16 new cement factories would be established in the province including three in DG Khan. Addressing a meeting with local people and party workers here on Sunday, Sardar Usman Buzdar said that the incumbent government paying special focus on development of the South Punjab. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	29,078.8	323.41	1.12%
US - Dow 30	34,043.5	227.59	0.67%
Taiwan - TWII	17,300.3	203.30	1.19%
US - S&P 500	4,180.2	45.19	1.09%
KSA - Tadawul	10,134.1	38.72	0.38%
INDONESIA - IDX	6,016.9	22.68	0.38%
CHINA - Shanghai	3,474.2	9.06	0.26%
PHILP - PSEI	6,378.1	-37.46	-0.58%
INDIA - SENSEX	47,878.5	-202.22	-0.42%
PAK (KSE-100)	44,706.8	-222.85	-0.50%

Board Meetings

Scrip	Day	Agenda	Time
ECOP	SATURDAY	3Q A/c 31-Mar-21	10:00 AM
BUXL	SATURDAY	3Q A/c 31-Mar-21	11:00 AM
DGKC	SATURDAY	3Q A/c 31-Mar-21	11:00 AM
TPLI	SATURDAY	1Q A/c 31-Mar-21	11:00 AM
GHGL	SATURDAY	3Q A/c 31-Mar-21	11:30 AM
FCIBL	SATURDAY	3Q A/c 31-Mar-21	12:00 PM
GVGL	SATURDAY	3Q A/c 31-Mar-21	12:30 PM
GAIL	SATURDAY	3Q A/c 31-Mar-21	2:00 PM
FSWL	MONDAY	3Q A/c 31-Mar-21	9:00 AM
FIL	MONDAY	3Q A/c 31-Mar-21	9:30 AM
ATBA	MONDAY	3Q A/c 31-Mar-21	10:00 AM
DYNO	MONDAY	3Q A/c 31-Mar-21	10:00 AM
ITTEFAQ	MONDAY	3Q A/c 31-Mar-21	10:00 AM
JKSM	MONDAY	3Q A/c 31-Mar-21	10:00 AM
SERF	MONDAY	3Q A/c 31-Mar-21	10:00 AM
FFBL	MONDAY	1Q A/c 31-Mar-21	10:30 AM
NRL	MONDAY	3Q A/c 31-Mar-21	10:30 AM
BOK	MONDAY	1Q A/c 31-Mar-21	11:00 AM
BCL	MONDAY	3Q A/c 31-Mar-21	11:00 AM
FANM	MONDAY	3Q A/c 31-Mar-21	11:00 AM
FIBLM	MONDAY	3Q A/c 31-Mar-21	11:00 AM
ICL	MONDAY	3Q A/c 31-Mar-21	11:00 AM
JOPP	MONDAY	3Q A/c 31-Mar-21	11:00 AM
OML	MONDAY	3Q A/c 31-Mar-21	11:00 AM
ORM	MONDAY	3Q A/c 31-Mar-21	11:00 AM
RUPL	MONDAY	3Q A/c 31-Mar-21	11:00 AM
BIFO	MONDAY	3Q A/c 31-Mar-21	11:30 AM
CJPL	MONDAY	3Q A/c 31-Mar-21	11:30 AM
SLYT	MONDAY	3Q A/c 31-Mar-21	11:30 AM
APL	MONDAY	3Q A/c 31-Mar-21	11:45 AM
SBL	MONDAY	1Q A/c 31-Mar-21	12:00 PM
FEROZ	MONDAY	3Q A/c 31-Mar-21	12:15 PM

Source: PSX



Fertilizer

Urea sales jump 37pc in 1QCY21

Fertilizer | Positive

Urea off-take during 1QCY21 swelled by 37 per cent to 1.398 million tonnes from 1.024m tonnes in the same period last year. Urea sales jumped by 13pc to 343,000 tonnes in March from 302,000 tonnes in March 2020. Robust growth of 81pc was seen in DAP off-take to 144,000 tonnes during March from 79,000 tonnes in March 2020 while 1QCY21 DAP sales showed a jump of 49pc to 314,000 tonnes versus 211,000 tonnes in the same period last year. (Dawn) | [Click for more info.](#)

Miscellaneous

IT exports soar 58% during March 2021

Tech. & Communication | Positive

Similar to the textile sector, Covid-19 proved to be a blessing in disguise for Pakistan's technology exports as well given that IT exports soared 58% during March 2021 against the corresponding period of last year. Information technology (IT) exports touched \$213 million last month. (ET) | [Click for more info.](#)

Pharmaceutical Exports Grew by 24.76% Over The Last Nine Months

Pharmaceutical | Positive

Pakistan's exports of pharmaceutical products increased by 24.76 percent during the nine months of the financial year 2020-21 as compared to the exports in the corresponding period last year. The pharmaceutical exports during July-March (2020-21) were recorded at \$207.304 million against the export of \$166.157 million during July-March (2019-20), showing a growth of 24.76 percent. (Propakistani) | [Click for more info.](#)

Textile mills less interested in cotton buying amid lockdown fear

Textile | Neutral

Lack of interest among buyers remained persistent in the local cotton market during the outgoing week, but some lots of quality lint were sold, which caused the spot rate to rise by Rs500 per maund. (The News) | [Click for more info.](#)

Commerce ministry releases Rs2.5 billion under DTLT

Textile | Neutral

Ministry of commerce has released Rs2.5 billion under drawback on local taxes and levies (DLTL) in line with the longstanding demand of industries that are facing liquidity crunch due to unsettled funds, commerce adviser said on Friday. (The News) | [Click for more info.](#)

SBP slaps Rs98mIn fines on four banks

Banks | Neutral

The State Bank of Pakistan (SBP) has slapped fines of Rs97.6 million on four top banks in the first quarter of the year for failing to comply with the regulatory instructions. (The News) | [Click for more info.](#)

FBR cannot probe investment of non-resident Pakistanis

Economy | Neutral

The Appellate Tribunal Inland Revenue (ATIR) has declared that the Section 111 (unexplained income/assets) of the Income Tax Ordinance 2001 is applicable to residents of Pakistan only and cannot be extended to the persons, who are resident abroad and do not have taxable in Pakistan. (BR) | [Click for more info.](#)



Political News

PDM meeting on 29th

Despite cracks within Pakistan Democratic Movement (PDM) a group of 11 political parties to oust Prime Minister Imran Khan its chief Maulana Fazlur Rehman has convened a meeting of the alliance on April 29. (BR) | [Click for more info.](#)

International News

Asian shares near 6-week highs, eyes on Fed, U.S. GDP

Asian stocks rose for a third straight session on Monday as risk appetite was aided by recent data showing the world economic recovery from the coronavirus pandemic was well on track while the U.S. dollar loitered near two-month lows. (Reuters) | [Click for more info.](#)

Oil inches lower on concerns over COVID-19 surge in India, Japan

Oil prices eased slightly on Monday on concerns that a resurgence of coronavirus infections in India and Japan, the world's third and fourth largest oil importers, would cut fuel demand in Asia. (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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THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst
zubair@abaalihabib.com

Behroze Atique – Research Analyst
behroze@abaalihabib.com

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

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

Salman Ahmed - Head of Retail Sales
(021) 32412491

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Office (PSX Building)

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



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