



March 26,
2021

Economy

Pakistan hires banks for three-tranche dollar bond sale – document

Economy | Positive

Pakistan has hired a group of banks to arrange investor calls ahead of a triple-tranche U.S. dollar-denominated bond sale, a document showed on Thursday. Credit Suisse, Deutsche Bank, Emirates NBD Capital, JPMorgan, Standard Chartered and BOC International will hold calls with fixed income investors starting on Thursday, the document from one of the banks showed. (Reuters) | [Click for more info.](#)

Bill says SBP accountability being enhanced

Economy | Neutral

The Finance Ministry has uploaded the proposed State Bank of Pakistan (SBP) Amendment Act, 2021, and stated that in light of international best practices and domestic experiences, legal framework of the central bank is being amended to increase functional and administrative autonomy of the central bank. (BR) | [Click for more info.](#)

Alvi signs ordinance to withdraw corporate tax exemptions

Economy | Neutral

President Dr Arif Alvi has signed an ordinance to implement the withdrawal of corporate tax exemptions and rationalise taxes to comply with the conditionality of the International Monetary Fund. The promulgation of the ordinance is one of the prior actions for the approval of the \$500 million IMF tranche. (Dawn) | [Click for more info.](#)

RESERVES RISE

Economy | Positive

Foreign exchange reserves of the State Bank (SBP) increased by \$275 million to \$13.295 billion during the week ended on March 19. The SBP reported that the country's foreign exchange reached at \$20.434bn while the holdings of the private sector for the same week were \$7.139bn. | (Dawn) | [Click for more info.](#)

Oil & Gas

HTL expands to Afghanistan

HTL | Positive

Hi-Tech Lubricants (HTL) and Osman Ghani Ltd, an Afghanistan-based company, have entered into a non-exclusive distribution agreement for export of locally blended ZIC brand products to Afghanistan. (The News) | [Click for more info.](#)

Autos

Pact signed to assemble European brand vehicle

LUCK | Positive

The Lucky Motor Corporation (LMC), manufacturer and distributor of Kia vehicles, entered into a Licence and Technical Assistance Agreement this week with the Stellantis Group to assemble and distribute one of their European brands in Pakistan. (Dawn) | [Click for more info.](#)

Pharmaceuticals

Withdrawal of exemption in Covid-19 vaccine import: SHC suspends DRAP's notification

Economy | Positive

The Sindh High Court on Thursday suspended the drug regulatory authority's notification with regard to the withdrawal of exemption in Covid-19 vaccines import to a private pharma company, importing one million life saving doses of Sputnik-V. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,092.3	31,184.6	92.3	0.3%
KSE100	45,544.2	45,726.2	182.0	0.4%
KSE30	18,800.6	18,850.0	49.3	0.3%
KMI30	74,915.0	74,866.4	-48.5	-0.1%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	5,950.0	5,997.5	47.5	0.8%
PAKT	1,553.7	1,600.0	46.3	3.0%
SRVI	981.1	1,012.2	31.1	3.2%
INDU	1,073.1	1,100.8	27.7	2.6%
MEHT	453.3	479.5	26.3	5.8%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PTC	9.5	10.1	0.6	61.35
TRG	155.9	165.7	9.8	39.01
BYCO	10.9	11.0	0.1	38.40
UNITY	29.8	30.0	0.2	28.59
HASCOL	11.2	10.9	-0.3	22.78

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.11	-0.11	0.00
F-Corporates	1.12	-3.46	-2.34
O/S Pakistanies	14.74	-12.52	2.22
Net	15.98	-16.10	-0.12
LIPI			
Individuals	205.00	-205.81	-0.81
Companies	9.32	-8.37	0.95
Comm. Banks	2.56	-3.92	-1.36
NBFC	0.12	-0.10	0.02
Mutual Funds	11.88	-11.73	0.15
Other	1.62	-1.44	0.18
Brokers Proprietary	48.00	-48.40	-0.40
Insurance	2.77	-1.38	1.38
Net	281.26	-281.15	0.12

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	58.56	-4.3%
Brent oil	USD/bbl.	61.95	-3.8%
Gold	USD/t oz.	1726.93	-0.4%
Silver	USD/t oz.	25.06	-0.1%
Coal	USD/ton	94.50	0.0%
Steel Scrap (LME)	USD/ton	438.50	0.6%
Steel Rebar (LME)	USD/ton	626.00	-0.1%
USD/PKR	Interbank	155.23	-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



Banks

Low-cost housing markup subsidy increased to Rs36bln

Banks | Positive

The government has revised up allocation on account of markup subsidy payment for low-cost house financing to Rs36 billion in addition to make other changes in the scheme, the central bank said on Thursday. (The News) | [Click for more info.](#)

Sugar

Eight more sugar groups booked for speculative price hike

Sugar | Negative

The Federal Investigation Agency (FIA) on Thursday booked eight more major sugar groups and 40 'satta-agents' (speculative pricing manipulators) for "speculative price hike". The FIA has detected Rs110 billion earning by the sugar mafia over the past one year through "speculative pricing" and initiated action against those involved in it. (Dawn) | [Click for more info.](#)

Miscellaneous

Imports from China soar by 89% YoY in February

Economy | Neutral

Among Pakistan's top trading partners, China remained the top source of imports for Pakistan during July-Feb FY21, followed by United Arab Emirates (UAE), Singapore, the USA, and Saudi Arabia. According to the latest figures released by the State Bank of Pakistan (SBP), the total imports from China during the period under review were increased by 24% YoY to \$7.85 billion, as compared to \$6.34 billion recorded in the corresponding period of last year. (Mettis) | [Click for more info.](#)

Rs2.25bn reserve price for SIH land, building approved by govt

Economy | Neutral

The government has approved reserve price of Rs 2.250 billion for the land and building of Services International Hotel (SIH), Lahore, sources close to Minister for Privatisation told. Transaction structure was approved by CCoP in August, 2020. Thereafter, six interested parties were pre-qualified in December 2020. (BR) | [Click for more info.](#)

Pakistan facing severe groundwater crisis, says WB

Economy | Negative

The World Bank (WB) has warned that Pakistan is facing a severe groundwater crisis due to the lack of a reliable system for measuring groundwater extractions and their impact on the resource base. (The News) | [Click for more info.](#)

International News

Asian stocks set to rise on firmer U.S. equities, vaccine hopes

Asian markets are set to open higher on Friday after U.S. equities rose as investors weighed the outlook for economic growth and inflation and welcomed progress on vaccination rollouts. (Reuters) | [Click for more info.](#)

Oil prices rebound on fears Suez Canal blockage may last weeks

Oil prices bounced back on Friday from a plunge a day earlier on concerns that a large container ship that ran aground in the Suez Canal may block the vital shipping lane for weeks, squeezing supply. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	32,619.5	199.42	0.62%
PAK (KSE-100)	45,726.2	181.97	0.40%
PHILP - PSEI	6,581.0	83.99	1.29%
Taiwan - TWII	16,060.1	28.02	0.17%
US - S&P 500	3,909.5	20.38	0.52%
CHINA - Shanghai	3,363.6	-3.47	-0.10%
HK - Hang Seng	27,899.6	-18.53	-0.07%
INDONESIA - IDX	6,122.9	-33.26	-0.54%
KSA - Tadawul	9,417.7	-46.37	-0.49%
INDIA - SENSEX	48,440.1	-740.19	-1.51%

Board Meetings

Scrip	Day	Agenda	Time
FATIMA	Friday	ANN A/c 31-Dec-20	11:00 AM
ALAC	Friday	ANN A/c 31-Dec-20	11:30 AM
CSIL	Friday	ANN A/c 31-Dec-20	4:30 PM
PIL	Friday	ANN A/c 31-Dec-20	4:30 PM
SPWL	Monday	ANN A/c 31-Dec-20	12:30 PM
WYETH	Monday	1Q A/c 31-Dec-20	12:30 PM
ASIC	Monday	ANN A/c 31-Dec-20	3:00 PM
PRIC	Monday	ANN A/c 31-Dec-20	3:00 PM
AGL	Tuesday	ANN A/c 31-Dec-20	2:30 PM
PKGI	Wednesday	ANN A/c 31-Dec-20	10:00 AM
SRVI	Wednesday	ANN A/c 31-Dec-20	11:00 AM
PICT	Wednesday	ANN A/c 31-Dec-20	12:30 PM
HICL	Wednesday	ANN A/c 31-Dec-20	2:00 PM
SKRS	Wednesday	ANN A/c 31-Dec-20	3:00 PM

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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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 Bahalim- 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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