



May 27,  
2021

## Economy

### Startups allowed to raise financing from abroad

#### Economy | Positive

The State Bank of Pakistan (SBP) on Wednesday removed a major hurdle that has been hampering growth of the startup companies by allowing them to avail foreign loans as convertible debt. The central bank said that in order to facilitate the startup companies in raising financing from abroad, it has allowed them to avail loans as "convertible debt". (Dawn) | [Click for more info.](#)

### Sales tax remains top revenue contributor in July-Dec

#### Economy | Positive

The sales tax remained top revenue contributor with 41.5 percent share in the total tax collection of the Federal Board of Revenue (FBR) during the first half (July-December) 2020-21, followed by direct taxes with 37.6 percent, customs duty 15.3 percent, and the Federal Excise Duty (FED) 5.6 percent share. (BR) | [Click for more info.](#)

### EU reassured 27 GSP+ conventions will be implemented

#### Economy | Positive

Foreign Minister Shah Mahmood Qureshi Wednesday reassured Pakistan's commitment to the European Union (EU) for effective implementation of the GSP-Plus related 27 international conventions and underscored that the facility had been mutually beneficial and played an important role in growth of trade between the two sides. | [Click for more info.](#)

## Power

### Ecneec approves Rs362bn hydropower, infrastructure projects

#### Power | Positive

The Executive Committee of the National Economic Council (Ecneec) on Wednesday approved approximately Rs362 billion worth of hydropower, infrastructure development and health projects. (The News) | [Click for more info.](#)

### Neptra censures Discos, recommends privatization

#### Discos | Neutral

Showing grave concern at the continuous poor performance and data fudging by power Distribution Companies (Discos), National Electric Power Regulatory Authority (Neptra) has recommended their privatisation. (BR) | [Click for more info.](#)

### North-South Gas Pipeline: Pakistan, Russia set to formally sign amended IGA tomorrow

#### Economy | Positive

In a major development, Pakistan and Russia are set to formally sign tomorrow (May 28) in Moscow the amended Inter-Governmental Agreement (IGA) for the flagship project of North-South Gas Pipeline (NSGPP). Soon after the formal signing, the pipeline project will be renamed as Pakistan Stream Gas Pipeline (PGSP). | [Click for more info.](#)

## Banks

### Rise in bank deposits outpaces advances growth in 10MFY21

#### Banks | Positive

Banks' deposits have been increasing much faster than the advances during the first 10 months of the current fiscal year (10MFY21), with the half-yearly data of the State Bank showing an increase of Rs1,439.5 billion in the former. (Dawn) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,248.8	31,582.7	333.8	1.1%
KSE100	46,300.7	46,812.3	511.6	1.1%
KSE30	18,898.2	19,126.9	228.7	1.2%
KMI30	75,991.4	76,750.1	758.6	1.0%

### Top Five Gainers

	Open	Close	Chg.	%
UPFL	15,672.0	16,599.0	927.0	5.9%
WYETH	1,843.6	1,981.8	138.3	7.5%
PMPK	963.6	995.0	31.4	3.3%
SCL	348.1	374.0	25.9	7.4%
SAPL	827.6	850.0	22.4	2.7%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	2.3	3.2	0.9	707.73
HUMNL	6.8	7.8	1.0	112.49
UNITY	43.7	45.2	1.5	45.13
BYCO	10.1	10.3	0.1	36.87
PIAA	4.4	5.4	1.0	36.53

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.05	-0.77	-0.72
F-Corporates	7.62	-9.31	-1.69
O/S Pakistanies	14.13	-14.85	-0.72
<b>Net</b>	<b>21.79</b>	<b>-24.92</b>	<b>-3.13</b>
<b>LIPI</b>			
Individuals	176.34	-183.71	-7.37
Companies	16.85	-13.54	3.31
Comm. Banks	7.31	-3.81	3.49
NBFC	0.06	-0.06	-0.01
Mutual Funds	15.09	-13.82	1.27
Other	3.46	-2.40	1.06
Brokers Proprietary	40.44	-38.43	2.01
Insurance	5.24	-5.89	-0.64
<b>Net</b>	<b>264.79</b>	<b>-261.66</b>	<b>3.13</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	66.21	0.2%
Brent oil	USD/bbl.	68.51	-0.2%
Gold	USD/t oz.	1896.67	-0.1%
Silver	USD/t oz.	27.68	-1.1%
Coal	USD/ton	105.15	0.6%
Steel Scrap (LME)	USD/ton	500.00	-0.4%
Steel Rebar (LME)	USD/ton	746.00	0.1%
USD/PKR	Interbank	154.88	0.3%

News Source: Local / Int'l Newspapers and websites

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REP-055



## Fertilizer

**Urea sales jump 35pc in 4MCY21**

**Fertilizer | Positive**

The country's urea offtake grew by 35 per cent to 1.707 million tonnes during the first four months of calendar 2021 from 1.266m tonnes in the same period last year. However, the DAP sales remained pegged at 360,000 tonnes versus 361,000 tonnes in 4MCY21. (Dawn) | [Click for more info.](#)

## Miscellaneous

**Advance income tax on telecom sector to be reduced**

**Tech. & Communication | Positive**

The Finance Ministry has assured of reducing advance income tax on telecom sector from 12.5 percent to 10 percent in the upcoming budget for 2021-22, said Federal Minister for IT and Telecommunication Syed Aminul Haque. (BR) | [Click for more info.](#)

**Chinese investors set up export-oriented textile unit: Asim Bajwa**

**Economy, Textile | Neutral**

The Challenge Fashion Group, a Chinese company on Wednesday vowed to expand its business under the China-Pakistan Economic Corridor (CPEC) in Pakistan which would create over 20,000 jobs for locals, CPEC Authority Chairman Lt General (R) Asim Saleem Bajwa said. (The News) | [Click for more info.](#)

**Govt opens vaccination drive to all adults**

**Economy | Positive**

Pakistan is to start registering citizens over 19 years of age and above for coronavirus vaccination from today (Thursday). | [Click for more info.](#)

**Negative primary balance to minor surplus: Govt asks IMF to revise downward pace of fiscal adjustments**

**Economy | Neutral**

The government has asked the Fund to revise the downward pace of fiscal adjustments for converting the primary balance from negative in the outgoing fiscal year into a minor surplus for the coming budget. | [Click for more info.](#)

**27.8MHz spectrum sale to raise over \$1bn**

**Economy | Positive**

The government is looking to bag more than \$1 billion by offering minimum spectrum for telcos in the upcoming auction for Next Generation Mobile Services (NGMS) Spectrum. | [Click for more info.](#)

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## International News

**Asia Stocks Eye Steady Start; Dollar, Yields Rise: Markets Wrap**

Asian stocks were set for a steady open Thursday after gains in U.S. shares tied to the economic reopening from the pandemic. The dollar climbed with Treasury yields. (Bloomberg) | [Click for more info.](#)

**Oil settles higher on stronger demand outlook as U.S inventories fall**

Oil prices settled higher on Wednesday as a drop in U.S. crude stockpiles reinforced expectations of improving demand ahead of the peak summer driving season, offsetting worries that a possible return of Iranian supply would cause a glut. (Reuters) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	46,812.3	511.65	1.11%
INDIA - SENSEX	51,017.5	379.99	0.75%
HK - Hang Seng	29,166.0	255.15	0.88%
PHILP - PSEi	6,341.2	144.53	2.33%
INDONESIA - IDX	5,815.8	52.21	0.91%
Taiwan - TWII	16,643.7	48.02	0.29%
KSA - Tadawul	10,471.6	23.55	0.23%
CHINA - Shanghai	3,593.4	12.02	0.34%
US - Dow 30	34,323.1	10.59	0.03%
US - S&P 500	4,196.0	7.86	0.19%

### Board Meetings

Scrip	Day	Agenda	Time
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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