

March 29,
2021

Economy

\$1.336bn loan accords inked with WB for 7 projects

Economy | Positive

Pakistan and the World Bank Friday signed loan agreements of seven projects worth around \$1.336 billion. The accords focus on social protection, disaster and climate risk management, improving infrastructure for resilience, agriculture and food security, human capital development and governance sectors. (BR) | [Click for more info.](#)

Prospects of economic growth showing visible signs of improvement

Economy | Positive

The Ministry of Finance on Friday conceded that the prospects of economic growth for the current fiscal year are showing visible signs of improvement, however, the third wave of coronavirus pandemic is posing some downward risks. It further stated that eight months' (July-Feb) performance indicates that the fiscal front will remain on track and the current fiscal year would end up meeting the set target. (The News) | [Click for more info.](#)

Rupee continues to rise as dollar loses 42 paise

Positive | Positive

The US dollar lost 42 paises against the rupee on Friday in the inter-bank market as currency experts believe that the downward trend would continue and the greenback would soon reach the pre-Covid level. The dollar was traded at around Rs154.50 during the day but closed at Rs154.59 compared to Rs155.01 a day before. (Dawn) | [Click for more info.](#)

Sell-off process of PSEs by PC; Hafeez incensed by 'delaying tactics'

Economy | Neutral

Finance Minister, Dr Abdul Hafeez Shaikh has reportedly grilled Privatisation Commission (PC) for using 'delaying tactics' in privatisation process of public sector entities (PSEs). After deliberations among the stakeholders, a working group consisting of representatives from Privatisation Commission, Power Division, Pepco, CPPA-G and Nepra was constituted to identify the most optimal and prudent privatisation road map, including transaction structure and sequencing. A team of local and international experts was also taken on board with support from World Bank. (BR) | [Click for more info.](#)

Covid infected PM rules out complete lockdown in country, again

Economy | Neutral

Prime Minister Imran Khan has urged the masses to follow coronavirus standard operating procedures (SOPs), warning that the number of cases in the country are rising at an alarming rate. (ET) | [Click for more info.](#)

Increasing fears of NAB: 43.8 pc of total allocated funds for PSDP utilized

Economy | Neutral

In the wake of increasing fears of National Accountability Bureau (NAB), the federal government could only utilise Rs 283 billion or 43.8 percent of the total Rs 650 billion allocated funds for the Public Sector Development Programme (PSDP) during the current fiscal year. (The News) | [Click for more info.](#)

Cement

Attock Cement gets Rs9.7bn credit line

ACPL | Neutral

Attock Cement Pakistan Ltd (ACPL) has recently concluded the financial close of syndicated term finance facility of Rs9.7 billion under the State Bank Of Pakistan's Temporary Economic Refinance Facility and Long-Term Financing Facility through a consortium of banks led by MCB Bank Ltd, who acted as agent bank on behalf of the other financiers, which includes Allied Bank Ltd and the Bank of Punjab. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

| | Open | Close | Chg. | % |
|---------|----------|----------|--------|-------|
| KSE All | 31,184.6 | 31,054.9 | -129.7 | -0.4% |
| KSE100 | 45,726.2 | 45,521.6 | -204.5 | -0.4% |
| KSE30 | 18,850.0 | 18,722.1 | -127.9 | -0.7% |
| KMI30 | 74,866.4 | 74,401.4 | -465.0 | -0.6% |

Top Five Gainers

| | Open | Close | Chg. | % |
|------|---------|---------|------|------|
| SRVI | 1,012.2 | 1,064.7 | 52.5 | 5.2% |
| INDU | 1,100.8 | 1,139.0 | 38.2 | 3.5% |
| NRL | 607.4 | 628.3 | 20.9 | 3.4% |
| ATRL | 258.5 | 277.9 | 19.4 | 7.5% |
| EFUL | 187.0 | 201.0 | 14.0 | 7.5% |

Top Five Volume Leaders

| | Open | Close | Chg. | Vol. |
|-------|-------|-------|------|-------|
| BYCO | 11.0 | 11.5 | 0.5 | 83.52 |
| PRL | 26.6 | 28.5 | 1.9 | 56.43 |
| PTC | 10.1 | 10.1 | 0.0 | 39.61 |
| UNITY | 30.0 | 30.2 | 0.1 | 33.86 |
| TRG | 165.7 | 166.7 | 1.0 | 32.89 |

Portfolio Investments – Net Position

| FIPI | Buy | Sell | Net |
|---------------------|---------------|----------------|--------------|
| F-Individuals | 0.02 | -0.02 | 0.00 |
| F-Corporates | 0.75 | -1.96 | -1.21 |
| O/S Pakistanies | 12.65 | -13.41 | -0.76 |
| Net | 13.41 | -15.39 | -1.98 |
| LIPI | | | |
| Individuals | 203.17 | -199.79 | 3.38 |
| Companies | 11.28 | -11.77 | -0.49 |
| Comm. Banks | 2.37 | -3.92 | -1.55 |
| NBFC | 0.01 | -0.04 | -0.03 |
| Mutual Funds | 19.15 | -22.74 | -3.60 |
| Other | 1.43 | -0.73 | 0.70 |
| Brokers Proprietary | 46.68 | -43.66 | 3.02 |
| Insurance | 2.12 | -1.57 | 0.56 |
| Net | 286.21 | -284.23 | 1.98 |

Commodity Outlook

| | Unit | Close | % chg. |
|-------------------|-----------|---------|--------|
| Crude oil | USD/bbl. | 60.97 | 4.1% |
| Brent oil | USD/bbl. | 64.57 | 4.2% |
| Gold | USD/t oz. | 1732.52 | 0.3% |
| Silver | USD/t oz. | 25.06 | 0.0% |
| Coal | USD/ton | 96.00 | 0.6% |
| Steel Scrap (LME) | USD/ton | 437.50 | -0.2% |
| Steel Rebar (LME) | USD/ton | 631.00 | 0.8% |
| USD/PKR | Interbank | 154.83 | -0.3% |

News Source: Local / Int'l Newspapers and websites

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REP-055

Oil & Gas

Cabinet ratifies 6pc increase in profit margins of oil companies, dealers

OMCs | Positive

The federal cabinet has ratified a decision of the Economic Coordination Committee (ECC) of the Cabinet with regard to 6pc increase in the margins of Oil Marketing Companies (OMCs) and dealers on the sale of petrol and diesel across the country. According to sources, dealers' margin on petrol has been increased by Rs0.22 to Rs3.92 per liter, while the same on diesel has been Rs0.19 to Rs3.31 per liter. Similarly, OMCs would now charge Rs2.98 on sale of each litre of petrol and diesel instead of the existing rate of Rs2.81 per liter, showing an increase of 17 paise. (PT) | [Click for more info.](#)

2020 oil shortages: AGP resumes forensic audit of top 10 OMCs

OMCs | Neutral

In a new development, the Auditor General of Pakistan (AGP) has kick-started the process to conduct the forensic audit of 10 oil marketing companies to find out 'unscrupulous players' responsible for the oil crisis and making huge illegal money out of it. (The News) | [Click for more info.](#)

SNGPL, SSGC told to address LNG operators' concerns

SSGC, SNGP | Natural

The Prime Minister Office has directed the two gas utilities to immediately engage with two new liquefied natural gas (LNG) operators who have complained about roadblocks and apathetic responses to setting up of their terminals. (Dawn) | [Click for more info.](#)

Power

220 kV transmission line upgraded; KE to get additional 450MW of electricity

KEL | Positive

Karachi Electric is to get additional 450 MW electricity in summer as it has completed the rehabilitation/upgradation of the existing 220 kV double circuit transmission line (130 kms long) from Jamshoro to KDA-33. The completion of transmission infrastructure will result in the increase power supply of 450 MW from National Grid to the KE power network during summer months when load demand is high. (BR) | [Click for more info.](#)

K-Electric deal may face trouble

KEL | Neutral

A close aide of the prime minister has stepped forward in the K-Electric deal that may lead to another controversy. Different quarters say that intervention by the premier's close aide, who had previously worked on different positions in K-Electric, may derail the progress made so far in resolving the payables and receivables dispute among Sui Southern Gas Company (SSGC), National Transmission and Despatch Company (NTDC), Ministry of Finance and K-Electric. (ET) | [Click for more info.](#)

LoS extensions approved by PPIB board

STPL | Positive

The Board of Private Power and Infrastructure Board (PPIB) headed by Secretary Power, Ali Raza Bhutta, on Friday approved extensions in Letter of Support (LoS) of a few projects without any penalty. The 300MW coal-based power project at Gwadar was also discussed. The board also granted extension in Financial Closing Date of 330 MW imported coal power project of M/s Siddiqsons Energy Limited (SEL). The meeting approved Terms of Reference (ToRs) of "project committee" of PPIB board. (BR) | [Click for more info.](#)

World Indices

| | Last | Chg. | Chg. % |
|------------------|----------|---------|--------|
| INDIA - SENSEX | 49,008.5 | 568.38 | 1.17% |
| US - Dow 30 | 33,072.9 | 453.40 | 1.39% |
| HK - Hang Seng | 28,336.4 | 436.82 | 1.57% |
| Taiwan - TWII | 16,305.9 | 245.74 | 1.53% |
| INDONESIA - IDX | 6,195.6 | 72.68 | 1.19% |
| KSA - Tadawul | 9,483.0 | 65.24 | 0.69% |
| US - S&P 500 | 3,974.5 | 65.02 | 1.66% |
| CHINA - Shanghai | 3,418.3 | 54.74 | 1.63% |
| PHILP - PSEi | 6,544.6 | -36.37 | -0.55% |
| PAK (KSE-100) | 45,521.6 | -204.53 | -0.45% |

Board Meetings

| Scrip | Day | Agenda | Time |
|-------|-----------|-------------------|----------|
| SPWL | Monday | ANN A/c 31-Dec-20 | 12:30 PM |
| WYETH | Monday | 1QA/c 28-Feb-21 | 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 |
| PKGJ | 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 |
| UVIC | Friday | ANN A/c 31-Dec-20 | 11:30 AM |

Source: PSX



Sugar

Contract defaults; TCP blacklists 9 sugar mills

Sugar | Negative

The Trading Corporation of Pakistan (TCP) has blacklisted nine sugar mills as they were failed to perform the awarded contract with the state-run grain trader for supply of sugar. (BR) | [Click for more info.](#)

Banks

Bank deposits grow 17% to Rs17.25tr in Feb

Banks | Positive

Pakistani banks have appeared to be one of the leading beneficiaries of Covid-19, as they have not only made higher safe lending to the cash-strapped government to help bridge its budget deficit but the lending has helped the banks grow their deposits as well. The bank deposits grew 17% in one year to Rs17.25 trillion in February compared to Rs14.81 trillion in the same month of last year, Pakistan's central bank reported on Friday. Banks' investment in government debt securities soared 33% in one year to Rs11.61 trillion in the month under review compared to Rs8.72 trillion in the corresponding month of the previous year. (ET) | [Click for more info.](#)

Under new law, SBP to retain refinancing facilities

Banks | Neutral

The State Bank of Pakistan (SBP) will discontinue quasi-fiscal operations or monetary actions it undertakes on behalf of the government but keep refinancing facilities it uses to support access (of various sectors of the economy) to subsidized credit, even after the passage from the parliament of amendments to the existing SBP Act of 1956. The amendments propose to reset domestic price stability or inflation targeting as the SBP's primary objective, freeing it from responsibility of supporting growth, and barring it from directly lending to the government. (Dawn) | [Click for more info.](#)

Miscellaneous

Pharmaceutical sector records strong gains

Pharmaceutical | Positive

The Pharmaceutical sector recorded strong growth during CY20. Sales for the chosen sample companies increased by 10 percent on YoY, where profit after tax (PAT) jumped by 61 percent on YoY. Moreover, the sector's gross margins increased by 291bps on YoY during CY20. (BR) | [Click for more info.](#)

MNCs repatriate profit up to \$1.050bln in July-Feb FY2021

Economy | Neutral

Outflows of profits and dividends from the country increased to \$1.050 billion in the eight months of the current fiscal year from \$973.9 million a year earlier, the central bank data showed on Friday. Multinational companies repatriated \$24.9 million as profits and dividends to their headquarters in February, significantly lower when compared with \$133.3 million in January. (The News) | [Click for more info.](#)



Govt to release info memorandum for sale of additional telecom spectrum

Tech & Communication | Neutral

The federal government is likely to release an information memorandum for the auction of additional telecom spectrum during the first week of April. Pakistan Telecommunication Authority will release the information memorandum for the auction of telecom spectrum, following the authority will give one-month time to parties to submit their replies against the said memorandum. PTA had selected one international consultant with regard to auctioning the remaining spectrum of 3G and 4G services in the country. The government is optimistic that it would generate \$1 billion revenue from the auction of an additional 1800, 2100 MHz bands of spectrum. (PT) [Click for more info.](#)

International News

Asia shares, dollar look to U.S. infrastructure spree

Asian shares inched higher and the U.S. held near multi-month peaks on Monday as the chance of yet more trillions in U.S. fiscal spending underpinned the outlook for global growth. Oil prices, and commodities in general, have been supported by speculation a blockage in the Suez canal could take weeks to clear, delaying oil shipments of a million barrels a day. There are now over 300 vessels waiting to pass through the shipping route which accounts for 12% of global trade. The market will be cautious ahead of an OPEC meeting this week which will have to decide whether to extend supply limits, or loosen the spigots. (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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