

June 2,
2021

Economy

IMF loan program pivots to growth from stabilization: SBP

Economy | Positive

International Monetary Fund's (IMF) loan program for Pakistan is shifting its focus to growth from stabilization measures as the economy has stabilized, the central bank's governor said on Tuesday. "The IMF program right now is in a stage of pivoting from stabilization to growth. Pakistan has successfully demonstrated that it has stabilized," the State Bank of Pakistan (SBP) Governor Reza Baqir said. (The News) | [Click for more info.](#)

FBR issues rules for carry forward capital losses by listed securities

Capital Market | Positive

The Federal Board of Revenue (FBR) on Tuesday issued draft rules for tax treatment on capital loss on disposal of listed securities. The FBR issues SRO 639(I)/2021 to make amendments in Income Tax Rules, 2002. (PkRevnu) | [Click for more info.](#)

Inflation eases slightly to 10.9pc in May

Economy | Neutral

The country's annual inflation rate slightly eased to 10.87 per cent year-on-year in May, the Pakistan Bureau of Statistics said on Tuesday. That compared with an annual consumer price index increase of 11.1pc in the previous month. The data came days ahead of the annual budget announcement. (Dawn) | [Click for more info.](#)

Govt plans to abolish about two dozen withholding taxes

Economy | Neutral

The government is considering different proposals for abolishing around two dozen withholding taxes in the upcoming budget. In order to promote digital economy in Pakistan, the government will actively consider abolishing withholding tax and FED fee over usage of credit cards for a period of three to five years. (The News) | [Click for more info.](#)

Focus on maintaining growth momentum

Economy | Neutral

The Economic Advisory Council (EAC) on Monday agreed to keep the focus of coming budget on agriculture, export diversification, higher subsidy allocations and to extend construction sector tax amnesty until December 31 to maintain the growth momentum. (Dawn) | [Click for more info.](#)

Oil & Gas

Govt likely to reopen Kohat oil depot

Oil | Neutral

The government is likely to re-open Kohat oil depot under the Inland Freight Equalization Margin (IFEM) mechanism and to be declared as Virtual Depot for all OMCs with licenses to operate in the area to pass-on the cost benefit to POL consumers, well-informed sources told. (BR) | [Click for more info.](#)

PSO market share increased to 44.8% in May 2021

PSO | Positive

Pakistan State Oil (PSO) sales increased by 14% in May 2021 to 1.9 million tons as compared to 1.7mn tons in in May 2020. Pakistan State Oil maintained its leadership position with total sales of 758,269 tons in May 2021 with market share of 44.8%. PSO product wise MS/HSD/FO/JP-1 arrived at 311,276/373,100/53,047/12,889 tons with market share of 42.6/49.0/31.5/91.7% in May 2021. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	32,238.7	32,428.3	189.6	0.6%
KSE100	47,896.3	48,191.3	294.9	0.6%
KSE30	19,602.4	19,731.4	129.0	0.7%
KMI30	78,749.6	79,307.5	557.9	0.7%

Top Five Gainers

	Open	Close	Chg.	%
UPFL	15,500.0	15,850.0	350.0	2.3%
WYETH	2,290.3	2,462.0	171.8	7.5%
RMPL	9,400.0	9,450.0	50.0	0.5%
SAPL	853.5	887.6	34.1	4.0%
SALT	350.0	376.3	26.3	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	3.7	3.6	-0.1	354.08
BYCO	11.3	11.5	0.3	94.62
SILK	1.6	1.7	0.1	86.10
PTC	10.2	11.2	1.0	58.94
PIBTL	11.0	11.6	0.5	43.33

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.04	-0.14	-0.10
F-Corporates	1.09	-2.53	-1.44
O/S Pakistanies	11.46	-11.66	-0.20
Net	12.59	-14.32	-1.73
LIPI			
Individuals	167.89	-169.96	-2.07
Companies	8.01	-8.92	-0.90
Comm. Banks	8.00	-4.40	3.60
NBFC	0.08	-0.04	0.04
Mutual Funds	14.08	-10.96	3.11
Other	4.75	-1.50	3.24
Brokers Proprietary	31.41	-32.49	-1.08
Insurance	2.47	-6.68	-4.21
Net	236.69	-234.96	1.73

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	67.72	1.7%
Brent oil	USD/bbl.	70.25	1.3%
Gold	USD/t oz.	1900.44	-0.3%
Silver	USD/t oz.	27.89	-0.5%
Coal	USD/ton	111.65	3.4%
Steel Scrap (LME)	USD/ton	509.00	1.8%
Steel Rebar (LME)	USD/ton	755.00	1.4%
USD/PKR	Interbank	154.60	0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055



Autos

IMC gives the Fortuner a fresh look

INDU | Positive

Indus Motor Company (IMC), launched the much awaited Toyota Fortuner model lineup which has been given a fresh look. Fortuner Sigma 4 (4X4 1GD Hi Diesel), Fortuner V (4X4 2TR Hi Petrol) and Fortuner G (4X2 2TR Std Petrol). The ex-factory RSP range between Rs 7.99 million and Rs 9.65 million. (BR) | [Click for more info.](#)

Miscellaneous

Pakistan launches locally made anti-Covid vaccine 'PakVac'

Pharmaceutical | Positive

Pakistan launched on Tuesday its homemade Covid-19 vaccine 'PakVac', a week after it announced successfully developing it with the help of China's CanSino Bio. (ET) | [Click for more info.](#)

Private sector borrows another net sum of Rs45.16 billion in a week

Banks | Neutral

The non-government sector has borrowed another net sum of Rs.45.16 billion during the week ended May 21, 2021, which brings the cumulative net borrowing for ongoing fiscal year FY2021 to Rs.453.18 billion. The net borrowing as of prior week was recorded at Rs.408.01 billion. (Mettis) | [Click for more info.](#)

FBR registers historic growth again in May, 18 % Growth in 11-months

Economy | Neutral

Federal Board of Revenue (FBR) has released the provisional revenue collection figures for the first eleven months of current fiscal year. According to the provisional information, FBR has collected net revenue of Rs. 4,170 billion during Jul-May period, which has exceeded the target of Rs.3,994 billion by Rs. 176 billion. (Pakobserver) | [Click for more info.](#)

Salaried class to get 'big relief': Fawad

Economy | Neutral

Federal Minister for Information and Broadcasting Fawad Chaudhry Tuesday said the salaried class would get 'big relief' in the upcoming federal budget, while claiming that the purchasing power of the public increased with the same ratio inflation increased. (BR) | [Click for more info.](#)

International News

Asian Stocks Eye Steady Open After Mixed U.S. Data: Markets Wrap

Asian stocks look set for a steady open Wednesday after U.S. equities inched lower as the tussle between economic optimism and inflation concern continues to play out in markets. Treasury yields edged up. (Bloomberg) | [Click for more info.](#)

Oil prices rise on OPEC+ discipline, strong demand outlook

Oil prices rose on Wednesday after OPEC and its allies stuck to their plan to cautiously return oil supply in June and July while expecting fuel demand to rebound strongly during the U.S. summer. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	29,468.0	316.20	1.08%
PAK (KSE-100)	48,191.3	294.92	0.62%
INDONESIA - IDX	5,947.5	98.85	1.69%
Taiwan - TWII	17,162.4	93.95	0.55%
KSA - Tadawul	10,597.4	46.19	0.44%
US - Dow 30	34,575.3	45.86	0.13%
CHINA - Shanghai	3,624.7	9.23	0.26%
PHILP - PSEi	6,627.4	-1.06	-0.02%
US - S&P 500	4,202.0	-2.07	-0.05%
INDIA - SENSEX	51,934.9	-2.56	0.00%

Board Meetings

Scrip	Day	Agenda	Time
MFFL	Thursday	HY A/c 31-Mar-21	3:00 PM
DATM	Friday	3Q A/c 31-Mar-21	10:00 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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