

March 2,
2021

Economy

Eurobonds, Sukuk; Profit on debt exempted from income tax

Economy | Positive

The Federal Board of Revenue (FBR) has exempted income tax on the profit on debt of an agency of a foreign government, a foreign national company, firm or association of persons or any other non-resident person, on Eurobonds and international Sukuk issued under the government's medium-term note programme. (BR) | [Click for more info.](#)

30pc of TERF goes to new projects, says Baqir

Economy | Neutral

The State Bank of Pakistan's Temporary Economic Refinance Facility (TERF) will raise the investment-to-GDP ratio by almost one per cent during the ongoing fiscal year despite the Covid-19 pandemic as approvals of long-term concessional investment loans under it have already reached Rs430 billion. (Dawn) | [Click for more info.](#)

Pakistan's tax-to-GDP ratio drops below average levels: WB

Economy | Neutral

The World Bank has pointed out that Pakistan's tax to GDP ratio dropped to below average during the last two fiscal years. Furthermore, the overdependence on withholding taxes is also bad because it converted into another kind of Sales Tax. (The News) | [Click for more info.](#)

Debt-to-GDP ratio may soar to 87pc by end-FY21

Economy | Negative

Finance Minister Dr Abdul Hafeez Shaikh Monday informed the National Assembly that the debt-to-GDP ratio was expected to be 87 percent by end-fiscal year 2020-21, saying enough had been done to rationalise expenditures, broadening of tax base, and restructuring of the public sector enterprises. (BR) | [Click for more info.](#)

FY21 fiscal deficit projected at 7pc of GDP

Economy | Negative

The Finance Ministry has informed the National Assembly, on Monday that the federal fiscal deficit was 3.1 percent of the GDP (Rs1,393 billion) during the first half (July-December) of 2020-21 consequent to Rs3,185 billion expenditure against the net federal receipts of Rs1,792 billion. (BR) | [Click for more info.](#)

Consumer inflation hits four-month high of 8.7pc in Feb

Economy | Negative

Annual consumer inflation rose to 8.7 percent in February compared to 5.7 percent in January, as prices of non-perishable foods and fuel continued to increase, the official data showed on Monday. (The News) | [Click for more info.](#)

Oil & Gas

Local LPG price increases by Rs21.78 per 11.8-kg cylinder

LPT | Negative

Oil and Gas Regulatory Authority (OGRA) on Monday issued a price-revision notification of Liquefied Petroleum Gas (LPG) for the month of March. According to the notification, the authority increased the locally produced LPG price by Rs 21.78 per cylinder of 11.8 kilograms. After the revised price, the cylinder would be sold in the open market at Rs.1,884.92 during the current month, which was available at 1,863.14 in the last month. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,436.2	31,269.3	-166.9	-0.5%
KSE100	45,865.0	45,593.4	-271.6	-0.6%
KSE30	19,173.1	19,055.9	-117.2	-0.6%
KMI30	76,278.4	76,002.6	-275.8	-0.4%

Top Five Gainers

	Open	Close	Chg.	%
UPFL	13,550.0	14,000.0	450.0	3.3%
COLG	2,666.0	2,750.0	84.0	3.2%
BATA	1,763.0	1,840.0	77.0	4.4%
SUTM	805.2	865.0	59.8	7.4%
IDYM	599.5	644.4	45.0	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
ANL	30.7	31.4	0.7	31.77
TRG	142.1	141.5	-0.6	24.62
UNITY	31.4	29.7	-1.7	21.20
HUMNL	7.3	7.0	-0.3	20.53
BYCO	10.3	9.8	-0.5	18.21

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	-0.01	0.00
F-Corporates	5.90	-6.66	-0.76
O/S Pakistanies	7.96	-7.27	0.69
Net	13.86	-13.93	-0.08
LIPI			
Individuals	114.36	-115.44	-1.08
Companies	4.28	-7.79	-3.50
Comm. Banks	3.03	-3.37	-0.34
NBFC	0.01	-0.04	-0.03
Mutual Funds	10.54	-10.38	0.16
Other	0.54	-0.14	0.40
Brokers Proprietary	26.93	-26.03	0.90
Insurance	5.26	-1.68	3.58
Net	164.95	-164.88	0.08

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	60.64	-1.4%
Brent oil	USD/bbl.	63.69	-1.1%
Gold	USD/t oz.	1725.04	-0.5%
Silver	USD/t oz.	26.57	-0.4%
Coal	USD/ton	85.65	3.1%
Steel Scrap (LME)	USD/ton	471.50	13.2%
Steel Rebar (LME)	USD/ton	656.50	8.4%
USD/PKR	Interbank	158.26	0.0%

News Source: Local / Int'l Newspapers and websites

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REP-055



Hascol Petroleum sells properties at Dolmen Sky Tower to Liberty Mills

HASCOL | Neutral

Hascol Petroleum Limited has sold two of its properties at Dolmen Sky Tower, Clifton Karachi to Liberty Mills. It is pertinent to note that this step was taken as part of the restructuring exercise to improve the liquidity of the company which will definitely add positive financial impact on the Company's cash flows. (Mettis) | [Click for more info.](#)

Autos

New Suzuki Swift is coming to Pakistan This Year

PSMC | Positive

The second-generation Suzuki Swift was introduced in Pakistan back in 2010 to a warm reception and became an instant hit due to its modern characteristics and strong performance. It has been such a success that the Pak Suzuki Motor Company (PSMC) is still selling it in Pakistan while skipping the launch of the third-generation Swift. (Propakistani) | [Click for more info.](#)

Hyundai Elantra is coming to Pakistan Very Soon

Autos | Positive

Recent reports have revealed that the Elantra is set to hit the Hyundai Nishat dealerships across Pakistan very soon. One of the highly anticipated cars, Elantra is a compact family sedan that will take on the likes of Honda Civic and Toyota Corolla. (Propakistani) | [Click for more info.](#)

Miscellaneous

Exports fall 4.5pc to \$2bln in February

Economy | Neutral

Pakistan's exports fell 4.5 percent year-on-year to \$2 billion in February after maintaining the growth pace for five months, although they remained at the pre-COVID monthly level. Adviser to the Prime Minister for Commerce and Investment Razak Dawood said the exports have crossed the \$2 billion mark for the fifth consecutive months. However, exports decreased from \$2.14 billion in February last. (The News) | [Click for more info.](#)

Pakistan Oxygen to set up electrode manufacturing facility in Karachi

PAKOXY | Positive

he Board of Directors of Pakistan Oxygen Limited in its meeting held on Monday has approved an investment plan of about Rs 417.5 million for setting up a new electrode manufacturing facility at Karachi. (BR) | [Click for more info.](#)

EPCL's plant begins operation

EPCL | Positive

Engro Polymer and Chemicals Limited (EPCL) on Monday announced that commercial operation date of the new PVC plant of 100,000 tons capacity has been achieved. EPCL had secured \$35 million from the International Finance Corporation (IFC) to fund the expansion plans for its PVC production plant. The IFC financing is a part of the initial Rs10.3 billion expansion plan announced earlier, out of which Rs5.4 billion was already raised by the company from the issue of right shares. (The News) | [Click for more info.](#)

Feroze 1888 Mills considers equity investment of upto \$5 million in 1888 Mills LLC

FML | Positive

The Board of Directors of Feroze 1888 Mills Limited, in their meeting held on February 26, 2021, considered equity investment to be made in 1888 Mills LLC, an associated company, to the tune of USD 5 million upon terms to be approved by the shareholder under a Special Resolution. (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	49,849.8	749.85	1.53%
US - Dow 30	31,535.5	603.14	1.95%
HK - Hang Seng	29,452.6	472.36	1.63%
INDONESIA - IDX	6,338.5	96.71	1.55%
US - S&P 500	3,901.8	90.67	2.38%
PHILP - PSEi	6,873.0	78.11	1.15%
CHINA - Shanghai	3,551.4	42.32	1.21%
KSA - Tadawul	9,138.4	-6.62	-0.07%
PAK (KSE-100)	45,593.4	-271.59	-0.59%
Taiwan - TWII	15,953.8	-498.38	-3.03%

Board Meetings

Scrip	Day	Agenda	Time
SHEL	Tuesday	ANN A/c 31-Dec-20	10:00 AM
BOK	Tuesday	ANN A/c 31-Dec-20	11:00 AM
MSCL	Tuesday	HY A/c 31-Dec-20	11:00 AM
SAPL	Tuesday	ANN A/c 31-Dec-20	11:00 AM
BIPL	Wednesday	ANN A/c 31-Dec-20	1:30 PM
DLL	Wednesday	ANN A/c 31-Dec-20	2:30 PM
RMPL	Wednesday	ANN A/c 31-Dec-20	6:00 PM
SYS	Wednesday	ANN A/c 31-Dec-20	6:00 PM
SLL	Thursday	ANN A/c 31-Dec-20	12:15 PM
GAMON	Monday	HY A/c 31-Dec-20	11:00 AM

Source: PSX



3 New Airlines Are Launching in Pakistan Soon

Economy | Neutral

Three new airlines have sought Regular Public Transport (RPT) permit from the CAA to launch flight operations in Pakistan. Q-Airlines, Fly Jinnah, and Jet Green are the three airlines that will start domestic operations in the coming months. (Propakistani) | [Click for more info.](#)

Political News

Senate elections; SC for secret ballot; ECP asked to stay watchful

The Supreme Court, on Monday, by majority of four against one rendered its opinion on Presidential reference that the Senate elections are held “under the Constitution” and the law. (BR) | [Click for more info.](#)

International News

Asian shares rise as risk assets shine, Australian central bank eyed

Asian shares are poised to rally on Tuesday as a halt in a recent bond markets sell-off calmed investor nerves and lifted riskier assets, although oil prices were on the defensive on fears of slowing Chinese energy consumption. (Reuters) | [Click for more info.](#)

Oil extends losses on worry over possible supply increase from OPEC

Oil prices fell more than 1% on Tuesday, extending losses that began last week, as investors unwound long positions on concern that OPEC may agree to increase global supply in a meeting this week and Chinese demand may be slipping. (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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