



March 30,
2021

Economy

Pakistan, ADB agrees to expand economic portfolio

Economy | Positive

Pakistan and Asian Development Bank (ADB) on Monday agreed to continue discussing ways to deepen bilateral development partnership and ensure effectiveness of the ongoing economic portfolio. Both sides discussed and agreed to expand cooperation in the areas of trade and competitiveness, social protection, Public Private Partnership, operationalization of the EXIM Bank, and Domestic Resource Mobilization. (BR) | [Click for more info.](#)

China's Century Steel to invest \$242.2 m in Rashakai SEZ

Economy | Positive

China's Century Steel will invest a total of \$242.2 million in Rashakai SEZ in three phases, Gwadar Pro reported on Monday. The firm recently announced to have acquired 40 acres of land in the SEZ with plans to invest \$50 million to produce 0.25 million tonnes of steel products. (Pakobserver) | [Click for more info.](#)

Rupee at its strongest since Feb 17

Economy | Positive

The rupee continues to strengthen against the dollar and has now returned to its pre-Covid level. During intraday, the rupee is trading at 154.15 as of 1 pm PST after gaining 42 paisas compared to Friday. This is the strongest the rupee has been since February 17, 2020. (PT) | [Click for more info.](#)

Opposition terms tax laws ordinance unconstitutional

Economy | Neutral

The National Assembly on the opening day of its new session on Monday witnessed a legal and technical debate on the issue of government's powers to bypass parliament and make changes in the country's tax laws through a presidential ordinance after the opposition protested over the recently promulgated Tax Laws (Second Amendment) Ordinance 2021, terming it unconstitutional and a breach of the parliament's privilege. (Dawn) | [Click for more info.](#)

New SBP law to bring financial stability, control inflation: Baqir

Economy | Natural

Governor State Bank of Pakistan (SBP) Reza Baqir has dismissed the fears and the rumours that the proposed State Bank Bill that is in a draft form so far, grants limitless powers to the central bank or once it becomes Act, it would cripple the federal government's monetary oversight/authority over the bank or its policies. (Pakobserver) | [Click for more info.](#)

Punjab cities; complete lockdown with over 12pc positivity rate from April 1

Economy | Negative

Punjab Chief Minister Usman Buzdar on Monday announced that the provincial government will not impose any restrictions on economic activities but lockdown will be imposed in districts with a Covid-19 positivity rate of more than 12 percent from April 1 to 11, to curb the spread of the disease. (BR) | [Click for more info.](#)

Oil & Gas

Private sector likely to import LNG by April 21

Gas | Neutral

The private sector is likely to start import of LNG by April 21, 2021 as grant of unutilised Liquefied Natural Gas (LNG) terminal capacity is currently in process. According to a private sector importer, the private sector has suggested some changes in third-party rules to the Oil and Gas Regulatory Authority (OGRA). (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,054.9	30,314.3	-740.6	-2.4%
KSE100	45,521.6	44,431.8	-1089.8	-2.4%
KSE30	18,722.1	18,264.3	-457.8	-2.4%
KMI30	74,401.4	72,593.1	-1808.4	-2.4%

Top Five Gainers

	Open	Close	Chg.	%
ILTM	2,000.0	2,150.0	150.0	7.5%
WYETH	935.7	984.2	48.5	5.2%
SCL	311.0	334.3	23.3	7.5%
SUTM	302.0	324.6	22.6	7.5%
IDYM	300.0	322.5	22.5	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BYCO	11.5	10.6	-0.9	80.25
PRL	28.5	26.5	-2.1	48.96
ANL	38.2	38.2	0.0	45.63
TRG	166.7	154.4	-12.2	35.30
PTC	10.1	9.6	-0.6	24.33

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.32	-0.07	0.26
F-Corporates	1.50	-1.82	-0.32
O/S Pakistanies	12.97	-14.64	-1.66
Net	14.80	-16.52	-1.72
LIPI			
Individuals	165.34	-170.07	-4.73
Companies	7.10	-4.26	2.84
Comm. Banks	6.42	-0.97	5.45
NBFC	0.03	-0.02	0.01
Mutual Funds	4.87	-5.40	-0.53
Other	0.98	-0.22	0.77
Brokers Proprietary	35.95	-39.47	-3.52
Insurance	2.68	-1.23	1.45
Net	223.37	-221.64	1.72

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	61.56	1.0%
Brent oil	USD/bbl.	64.98	0.6%
Gold	USD/t oz.	1712.20	-1.2%
Silver	USD/t oz.	24.66	-1.6%
Coal	USD/ton	95.00	-1.0%
Steel Scrap (LME)	USD/ton	440.00	0.6%
Steel Rebar (LME)	USD/ton	633.00	0.3%
USD/PKR	Interbank	154.40	-0.3%

News Source: Local / Int'l Newspapers and websites

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REP-055



Power

Govt misses deadline to pay first instalment to 19 IPPs

IPPs | Natural

Ending conclusion of a National Accountability Bureau (NAB) inquiry, the government has missed the deadline for payment of first installment of about Rs85 billion to about 19 independent power producers (IPPs) required under an agreement signed on Feb 28. (Dawn) | [Click for more info.](#)

60pc of energy mix to be clean energy by 2030: PM

Power | Neutral

Prime Minister Imran Khan Monday said that by 2030 the country's 60 percent energy mix would be shifted to clean electricity production through solar, wind, and hydro power. (BR) | [Click for more info.](#)

Autos

Atlas Honda raises bike prices

ATLH | Positive

Atlas Honda Ltd (AHL) has increased bike prices by Rs1,000-1,600 despite low cost of import on account of improving rupee strength against the dollar in the last seven months. A dealer said the new prices would be effective from April 1 and like past practice. (Dawn) | [Click for more info.](#)

Cars to Get Cheaper as Govt Mulling to Remove Additional Customs Duty

Autos | Positive

The government is considering abolishing 7 percent Additional Customs Duty (ACD) on the auto sector in the next federal budget (2021-22), top government officials revealed. High-level officials informed that the Ministry of Industries and Production and tax authorities of the Federal Board of Revenue (FBR) would jointly finalize the proposal on the withdrawal of the ACD on the import of spare parts used in the local assembling of vehicles. (Propakistani) | [Click for more info.](#)

New Car Maker to Launch 2 New Affordable Premium SUVs in Pakistan Soon

SAZEW | Positive

A new automaker called Haval, which is yet to set up shop in Pakistan, will introduce two new SUVs here before the end of the year. Haval is a Chinese automaker that will debut in Pakistan this year in partnership with Sazgar Engineering Works Limited (SAZEW). SAZEW is also working in partnership with another Chinese automaker called BAIC. (Propakistani) | [Click for more info.](#)

Banks

Moody's says Robust growth in Pakistan's Islamic banking a credit positive

MEBL, Banks | Positive

International credit rating agency Moody's has termed the impressive growth in Pakistan's Islamic banking assets as credit positive for banks. On Wednesday, the State Bank of Pakistan (SBP), released its quarterly Islamic Banking Bulletin for December 2020, which showed that Shariah-compliant banking assets grew 30 percent in 2020. (BR) | [Click for more info.](#)

HBL to make equity investment of up to Rs.4 billion in First Micro Finance Bank Ltd

HBL | Neutral

The Board of Directors of Habib Bank Limited (HBL), in its meeting held today, approved and authorized equity investment in The First Micro Finance Bank Ltd. (FMFB) of up to Rs.4 billion over the next three years to help FMFB to maintain a stronger capital base and provide sufficient headroom in its Capital Adequacy Ratio (CAR) for on-going business expansion and growth plans. (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	49,008.5	568.38	1.17%
Taiwan - TWII	16,476.0	170.09	1.04%
KSA - Tadawul	9,615.6	132.68	1.40%
US - Dow 30	33,171.4	98.49	0.30%
PHILP - PSEi	6,607.8	63.15	0.96%
CHINA - Shanghai	3,435.3	16.97	0.50%
HK - Hang Seng	28,338.3	1.87	0.01%
US - S&P 500	3,971.1	-3.45	-0.09%
INDONESIA - IDX	6,166.8	-28.74	-0.46%
PAK (KSE-100)	44,431.8	-1089.83	-2.39%

Board Meetings

Scrip	Day	Agenda	Time
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
UVIC	Friday	ANN A/c 31-Dec-20	11:30 AM

Source: PSX



Sugar

Import of raw sugar: SBP allows 100pc advance payment

Sugar | Neutral

The State Bank of Pakistan (SBP) has allowed sugar mills to make advance payment up to 100 percent of the value of the contract for import of raw sugar. The federal government has recently allowed import of 300,000 metric tons of raw sugar by the sugar mills with tax concession. The government has reduced withholding income tax on import of raw sugar from 5.5 percent to 0.25 percent for the sugar mills. (BR) | [Click for more info.](#)

Sugar 'Satta' scam of Rs110 bn: FIA issues notices to eight major sugar mill owners

Sugar | Negative

The Federal Investigation Agency (FIA) on Monday issued call up notices to eight sugar mill owners for their alleged involvement in sugar 'Satta' (speculative pricing) scam worth Rs110 billion. (The News) | [Click for more info.](#)

Miscellaneous

Govt retains corporate income tax exemption to REITs

DCR, Economy | Positive

The government has retained the corporate income tax exemption available to the Real Estate Investment Trusts (REITs) through the Tax Laws second Amendment Ordinance, 2021, to encourage investment in the REITs. (BR) | [Click for more info.](#)

ECC to allow import of cotton, yarn from India

Textile | Positive

The Economic Coordination Committee (ECC) of the Cabinet is to allow import of cotton and yarn through land route (including India) aimed at ensuring provision of raw material to the value-added sector at cheaper rates. (BR) | [Click for more info.](#)

Pakistan earns US\$ 1119mn from IT services' export 7 months

Tech. & Communication | Positive

Pakistan earned US \$1119.220 million by providing different information technology (IT) services in various countries during the seven months of financial year 2020-21. This shows growth of 37.86 percent as compared to US \$811.845 million earned through provision of services during the corresponding period of fiscal year 2019-20, Pakistan Bureau of Statistics (PBS) reported. (BR) | [Click for more info.](#)

PNSC plans to acquire Aframax tanker for expansion

PNSC | Positive

Pakistan National Shipping Corporation (PNSC) has planned to acquire a used AFRAMAX tanker, with a deadweight of 10,5000 tons, to expand its customer base in the tanker segment. PNSC has already invited bids from international suppliers in this regard, and the corporation expects the delivery by the third quarter of 2021-22. (The News) | [Click for more info.](#)

Constitution of board for PSM subsidiary proposed

Economy | Neutral

Ministry of Industries and Production (MoI&P) has proposed constitution of a seven-member board for a new subsidiary of Pakistan Steel Mills (PSM) to be headed by Chairman PSM Board to proceed ahead with the privatisation of PSM, sources close to Minister for Industries told. (BR) | [Click for more info.](#)



Political News

Azhar to become new finance minister; PM removes Hafeez over 'price hike'

Prime Minister Imran Khan has decided to remove Finance Minister Dr Abdul Hafeez Shaikh as Finance Minister due to his "failure" to check rising inflation and replace him with Minister for Industries and Production Hammad Azhar. (BR) | [Click for more info.](#)

International News

Oil prices slip as focus switches from Suez Canal blockage to OPEC+ supply policy

Oil prices fell on Tuesday as shipping traffic resumed through the Suez Canal after days on hold and attention switched to an OPEC+ meeting this week where the extension of supply curbs may be on the table amid new coronavirus pandemic lockdowns. (Reuters) | [Click for more info.](#)

Asia shares set to rise as broader worries about hedge fund default ease

Asian shares were set to open higher on Tuesday as investors shook off earlier worries about a hedge fund default that roiled global banking stocks overnight, while rekindled concerns about inflation pushed bond yields higher. (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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