



June 3,  
2021

## Economy

### WB proposes \$200m credit facilities for housing sector

Economy | **Positive**

The Country Director, World Bank (WB), Najy Benhassine in a meeting with the Federal Minister for Finance and Revenue, Shaukat Tarin shared the Bank's proposed \$200 million credit facilities for various interventions in the housing sector. (BR) | [Click for more info.](#)

### GDP growth expected to reach 6% by 2023: Hammad Azhar

Economy | **Neutral**

In yet another positive development, Federal Minister for Energy Hammad Azhar, who also served as finance minister for a brief period, said the Gross Domestic Product (GDP) growth rate of Pakistan is expected to reach 6 per cent by 2023. (ET) | [Click for more info.](#)

### Govt raises Rs773.3bn thru T-bills auction

Economy | **Positive**

The government on Wednesday raised Rs773.3 billion through auction of market treasury bills but the cut-off yields remained unchanged. The bids offered by the investors reflected the presence of large liquidity in the financial sector but the government remained close to its requirement. (Dawn) | [Click for more info.](#)

### Pakistan's exports up by 14% during July-May 2021

Economy | **Positive**

Pakistan's exports increased by 14% to USD 22.563 billion during Jul-May 2021 compared to USD 19.801 billion in Jul-May 2020. Imports in Pakistan have always been higher compared to exports. However, present government has been making efforts to increase exports and shrink imports in Pakistan. (Newstodayz) | [Click for more info.](#)

### CDWP approves 12 projects worth Rs30.32bn

Economy | **Positive**

The Central Development Working Party (CDWP) approved as many as 12 development projects at the cost of Rs30.32 billion and recommended one project valued at Rs27.9 billion to the Executive Committee of the National Economic Council (ECNEC) for further consideration. Projects related to transport and communications, education, information technology, physical planning and housing, and industries and commerce were considered in the meeting. (BR) | [Click for more info.](#)

## Oil & Gas

### Oil sales soar 14pc to 1.7mln tonnes in May

OMCs | **Positive**

Oil sales increased 14 percent year-on-year and one percent month-on-month to 1.7 million tons in May, taking cumulative turnover to 17.5 million tons, up 18 percent. Sequential growth was mainly led by increase in motor gasoline sales. Sales of high-speed diesel and furnace oil were down month-on-month. (The News) | [Click for more info.](#)

### Govt opens Kohat oil depot to boost storage capacity

OMCs, Refineries | **Positive**

ECC of the cabinet on Wednesday approved a proposal for the re-opening of the Kohat oil depot under the inland freight equalisation margin mechanism. The re-opening of the depot will add approximately 2,000 kilo litres to the country's storage capacity. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	32,428.3	32,423.4	-4.8	0.0%
KSE100	48,191.3	48,126.9	-64.4	-0.1%
KSE30	19,731.4	19,657.6	-73.8	-0.4%
KMI30	79,307.5	79,084.5	-223.0	-0.3%

### Top Five Gainers

	Open	Close	Chg.	%
UPFL	15,850.0	16,499.0	649.0	4.1%
WYETH	2,462.0	2,646.7	184.7	7.5%
COLG	2,805.0	2,850.0	45.0	1.6%
PMRS	335.6	360.0	24.4	7.3%
HCAR	339.8	360.8	21.1	6.2%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	3.6	3.6	0.0	202.68
BYCO	11.5	11.4	-0.1	59.11
PTC	11.2	11.1	-0.2	36.20
UNITY	46.0	47.0	1.0	34.55
ANL	31.8	33.1	1.3	30.77

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.04	-0.04	0.00
F-Corporates	1.73	-2.38	-0.65
O/S Pakistanies	9.79	-8.83	0.96
<b>Net</b>	<b>11.57</b>	<b>-11.26</b>	<b>0.31</b>
<b>LIPI</b>			
Individuals	155.16	-151.90	3.26
Companies	5.07	-5.15	-0.08
Comm. Banks	7.92	-6.92	1.00
NBFC	0.07	-0.04	0.03
Mutual Funds	11.26	-13.51	-2.25
Other	4.54	-2.39	2.14
Brokers Proprietary	37.34	-38.37	-1.03
Insurance	5.05	-8.43	-3.38
<b>Net</b>	<b>226.41</b>	<b>-226.72</b>	<b>-0.31</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	68.83	1.6%
Brent oil	USD/bbl.	71.35	1.6%
Gold	USD/t oz.	1908.38	0.4%
Silver	USD/t oz.	28.17	1.0%
Coal	USD/ton	111.75	0.1%
Steel Scrap (LME)	USD/ton	510.00	0.2%
Steel Rebar (LME)	USD/ton	755.00	0.0%
USD/PKR	Interbank	154.82	0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055



## ECC allows PPL to revalidate investment in Iraq

**PPL | Positive**

Petroleum division had sought the approval of the summary for the revalidation of the ECC approval for exploration activities in Block-8 Iraq by PPL. ECC approved the proposal to revalidate the investment in oil and gas exploration in Iraq. Government of Pakistan had allowed PPL to carry out the committed exploration activities with a minimum financial obligation of US\$100 million in 2012. Out of total, PPL had already invested US\$77.6 million. ECC allowed the revalidation and directed the PPL Board to revalidate feasibility of investment. (Newstodayz) | [Click for more info.](#)

## Power

**Power matters: KE given 10-day deadline**

**KEL | Neutral**

The K-Electric on Wednesday was directed to address electricity-related issues in Karachi within 10 days. On the directives of Prime Minister Imran Khan, a high-level meeting about supply of electricity to Karachi was held here in Ministry of Power Division. It was further told that provision of smooth and uninterrupted power supply to the people of Karachi was a basic responsibility of K-Electric. In the meeting, the Energy Minister also reiterated his commitment to provide additional over 400MW to KE. (BR) | [Click for more info.](#)

**IPPs Pakistan: Govt assures to release Rs 90b by Friday**

**IPPs | Positive**

CCPA (G) is making efforts to make a Payment transaction by Friday. Cabinet has already approved to make payment to IPPs in Pakistan under agreement. On March 29, 2021, the government missed the deadline to pay 40% dues to lead IPPs in Pakistan. The government, however, had 70 days since March 29, 2021, to cure the default. Cure Period' for payment to IPPs is due to end on Monday, June 07, 2021; hence payment to IPPs has to be made by that date or earlier. (Newstodayz) | [Click for more info.](#)

**Nepra hints at refunding Rs4.4bn to consumers**

**Power, Economy | Positive**

National Electric Power Regulatory Authority (Nepra) on Wednesday hinted at refunding Rs 4.4 billion to domestic consumers of Distribution Companies (Discos) who consumed over 300 units in April 2021 under the monthly fuel adjustment mechanism amid a fiery discussion on the need for conducting a special audit of National Power Control Centre (NPCC) for violating economic merit order and not rectifying constraints. (BR) | [Click for more info.](#)

## Pharmaceutical

**Glaxo's Supplier Plans Pakistan's Largest Pharma IPO**

**Pharma | Positive**

Citi Pharma Ltd., a raw material supplier to the Pakistani units of GlaxoSmithKline Plc and Abbott Laboratories, plans to raise as much as 2.85 billion rupees (\$18 million), in potentially the biggest initial share sale by a drugmaker in the nation. (Bloomberg) | [Click for more info.](#)

**Pharmaceutical sector can help Pakistan with its export target**

**Pharmaceutical | Positive**

As the government seeks to find a way to achieve long-term sustainable growth, the pharmaceutical industry has said that it is a low-hanging fruit that can help Pakistan both in terms of exports and industrial progress. The report said exports of the pharmaceutical sector could hit \$5 billion in just a few years as Pakistan emphasizes public healthcare. (BR) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PHILIP - PSEI	6,841.7	214.26	3.23%
INDONESIA - IDX	6,031.6	84.11	1.41%
KSA - Tadawul	10,656.8	59.39	0.56%
US - Dow 30	34,600.4	25.07	0.07%
US - S&P 500	4,208.1	6.08	0.14%
Taiwan - TWII	17,165.0	2.66	0.02%
CHINA - Shanghai	3,597.1	-27.57	-0.76%
PAK (KSE-100)	48,126.9	-64.36	-0.13%
INDIA - SENSEX	51,849.5	-85.40	-0.16%
HK - Hang Seng	29,297.6	-170.38	-0.58%

### 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



## Miscellaneous

### PTA allows telcos to operate in tribal areas as security situation improves

Telecom | **Positive**

As the security situation begins to improve in many tribal areas of Balochistan and the former Fata districts, the Pakistan Telecommunication Authority (PTA) has directed mobile telecommunication companies to resume the internet in several authorised districts. (PT) | [Click for more info.](#)

### SBP extends banks/DFIs investment limit for REITs

DCR, Banks | **Positive**

The State Bank of Pakistan (SBP) on Wednesday announced further relaxation to banks and development finance institutions to increase investment in real estate investment trusts (REITs) to boost housing and construction sector. (The News) | [Click for more info.](#)

### Pakistan, Tajikistan sign 12 MoUs in diverse areas

Economy | **Positive**

The Tajik president and the prime minister also signed a joint declaration on next steps in building strategic partnership for regional solidarity and integration. (The News) | [Click for more info.](#)

### Decline in cotton sowing feared

Textile | **Negative**

otton prospects for 2021-22 season presents a gloomy picture and it is feared that growers will sow cotton on lesser area. According to experts the province would get 50 per cent less cotton crop in comparison to last year due to farmers' aversions. | [Click for more info.](#)

## International News

### Oil hits over 1-year high on OPEC+ supply discipline, demand prospects

Oil prices surged on Wednesday, hitting their highest in more than a year from a decision by OPEC and allies to stick to the plan to gradually restore supply, along with the slow pace of nuclear talks between Iran and the United States. (Reuters) | [Click for more info.](#)

### Asian Stocks Set for Mixed Start amid Fed Comments: Markets Wrap

Asian stocks look set for a mixed start Thursday as traders weigh the latest Federal Reserve comments about the need for a discussion on the time frame for tapering stimulus. (Bloomberg) | [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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