



March 3,
2021

Economy

IMF grants over Rs200b spending waiver to fight Covid

Economy | Positive

The International Monetary Fund (IMF) has granted over Rs200 billion spending waiver to create fiscal space for mitigation of the coronavirus contagion – an amount which is less than half of the remaining unspent funds committed under the Prime Minister's Covid-19 Relief Fund 2020. The over Rs200 billion fiscal adjuster is part of the staff-level arrangement agreed between Pakistan and the IMF this month, sources in the Ministry of Finance said. (ET) [Click for more info.](#)

China to gift 0.5m more Covid vaccine doses to Pakistan

Economy | Neutral

Foreign Minister Shah Mahmood Qureshi on Tuesday announced that China would send 500,000 more doses of coronavirus vaccine for Pakistan's frontline workers and senior citizens. (ET) [Click for more info.](#)

PSX signs deal with NIFT to launch E-IPO System

Capital Market | Neutral

Pakistan Stock Exchange (PSX) and National Institutional Facilitation Technologies (NIFT) on Tuesday signed an agreement to collaborate in the development of a new payment and registration system for the capital market. (The News) | [Click for more info.](#)

Trade Deficit Widens by 9% to \$17.30 Billion

Economy | Neutral

Pakistan's trade deficit has swelled to \$17.30 billion in the first eight months (July 2020 to February 2021) of the current fiscal year FY21) as imports exceeded more than the exports. The country's trade imbalance was recorded at \$17.30 billion in July to February period of the FY2020-21 as compared to \$15.87 billion in the corresponding period of the previous year, showing an increase of 9 percent. (Propakistani) | [Click for more info.](#)

Over Rs1trn borrowed for budgetary support

Economy | Neutral

The federal government has borrowed over Rs 1 trillion for budgetary support from scheduled banks during current fiscal year (FY21) to finance the fiscal deficit. The country's fiscal deficit stood at Rs1.138 trillion and as percentage of GDP, it stood at 2.5 percent in first half (July-December) of this fiscal year. (BR) | [Click for more info.](#)

Oil & Gas

Oil sales jump 26pc to 14mln tons last month

OMCs | Positive

Sales of petroleum products surged 26 percent year-on-year to 1.4 million tons in February as consumer demand was seen recovering back to the pre-COVID level, official data showed on Tuesday. The off-takes of petroleum products stood at 1.1 million tons in February 2020. (The News) | [Click for more info.](#)

Cement

Cement sales up, exports down in February

Cement | Neutral

Cement sales increased 6.1 percent year-on-year to 3.9 million tons in February, but exports dropped 18.2 percent to 616,030 tons, according to the industry's data. Overall, cement sales and exports stood at 4.5 million tons in February 2021 as against 4.4 million tons in the same month a year earlier, depicting around two percent growth. Exports continued to decline during the last three months. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,269.3	31,534.5	265.2	0.8%
KSE100	45,593.4	45,964.3	370.8	0.8%
KSE30	19,055.9	19,235.8	179.9	0.9%
KMI30	76,002.6	76,406.0	403.4	0.5%

Top Five Gainers

	Open	Close	Chg.	%
ILTM	1,805.0	1,940.0	135.0	7.5%
BATA	1,840.0	1,935.9	95.9	5.2%
SUTM	865.0	929.9	64.9	7.5%
SAPL	763.3	820.6	57.2	7.5%
SFL	880.0	929.0	49.0	5.6%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	141.5	147.6	6.1	38.34
ANL	31.4	32.9	1.5	31.31
ASL	23.8	25.5	1.7	29.53
BYCO	9.8	10.0	0.2	29.47
GGL	16.1	16.5	0.4	14.20

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.04	-0.02	0.02
F-Corporates	3.52	-6.23	-2.71
O/S Pakistanies	6.78	-7.63	-0.85
Net	10.35	-13.88	-3.53
LIPI			
Individuals	189.32	-186.62	2.70
Companies	41.31	-43.13	-1.82
Comm. Banks	5.25	-2.54	2.71
NBFC	0.03	-0.03	0.00
Mutual Funds	9.25	-8.96	0.29
Other	1.17	-1.15	0.01
Brokers Proprietary	33.87	-35.81	-1.94
Insurance	4.25	-2.67	1.58
Net	284.45	-280.92	3.53

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	59.75	-1.5%
Brent oil	USD/bbl.	62.70	-1.6%
Gold	USD/t oz.	1738.36	0.8%
Silver	USD/t oz.	26.76	0.7%
Coal	USD/ton	87.75	2.5%
Steel Scrap (LME)	USD/ton	474.50	0.6%
Steel Rebar (LME)	USD/ton	652.00	-0.7%
USD/PKR	Interbank	158.12	-0.1%

News Source: Local / Int'l Newspapers and websites

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Sugar

Pakistan gets offers in 50,000 tonnes white sugar tender

Sugar | Neutral

The lowest price offered in Pakistan's international tender to buy 50,000 tonnes of sugar which closed on Tuesday is believed to be \$540.10 tonne c&f, European traders said in initial assessments. (BR) | [Click for more info.](#)

Sugar, wheat cotton behind import bill hike

Sugar | Neutral

Prime Minister's Adviser on Commerce and Investment, Abdul Razak Dawood has said that the main reason for increase in import bill is import of sugar and wheat. He added that cotton was also imported to help the export-orientated industry so that exports are not hampered. According to provisional data, imports during July-Feb 2020-21 increased by \$ 2.085 billion from \$ 31.515 billion to \$ 33.600 billion, posting a growth of 6 percent. (BR) | [Click for more info.](#)

Miscellaneous

Private sector borrowing rises by 80pc

Banks | Neutral

Private sector borrowing through banks went up by 80 per cent in the first eight months of the current fiscal year, reflecting accelerated economic activities in the country. Though the government is not optimistic about economic growth rate, the pace of borrowing from the private sector indicates economic activities are higher than they were in the previous fiscal year. (Dawn) | [Click for more info.](#)

Pakistan to get 10m doses of vaccine under Covax

Pharmaceutical | Neutral

Pakistan, Nigeria and Indonesia will be among the biggest recipients of free Covid-19 vaccines before June — more than 10 million doses each — the Covax scheme announced on Tuesday. (Dawn) | [Click for more info.](#)

Political News

Decision day today for Senate elections

The stage is set for a nail-biting contest on 37 vacant seats of the Senate today (Wednesday) with 11 senators elected unopposed from the Punjab. Now polling would be held for 12 seats each of Balochistan and Khyber Pakhtunkhwa, 11 of Sindh and two of the federal capital. (The News) | [Click for more info.](#)

International News

Asian stocks edge higher, Aussie in demand on recovery signs

Asian shares edged higher on Wednesday as investors shrugged off concerns that stocks may have rallied too far too fast in the past year, and focused instead on optimism that more imminent U.S. stimulus will energise the global economic recovery. (Reuters) | [Click for more info.](#)

Oil slips on concerns that OPEC+ may be set to pump up supply

Oil prices were down in early trade on Wednesday, extending several days of losses, amid uncertainty over how much supply producing countries will push to restore to the market at a meeting this week while the coronavirus pandemic persists. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	50,296.9	447.05	0.90%
PAK (KSE-100)	45,964.3	370.84	0.81%
KSA - Tadawul	9,248.3	109.91	1.20%
PHILP - PSEi	6,919.5	46.57	0.68%
INDONESIA - IDX	6,359.2	20.70	0.33%
Taiwan - TWII	15,946.9	-6.92	-0.04%
US - S&P 500	3,870.3	-31.53	-0.81%
CHINA - Shanghai	3,508.6	-42.81	-1.21%
US - Dow 30	31,391.5	-143.99	-0.46%
HK - Hang Seng	29,095.9	-356.71	-1.21%

Board Meetings

Scrip	Day	Agenda	Time
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
GSKCH	Friday	ANN A/c 31-Dec-20	2:45 PM
GAMON	Monday	HY A/c 31-Dec-20	11:00 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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