



May 3,  
2021

## Economy

**'Productive' investments; PSX proposes launch of RSAs to help channel savings**

**PSX | Neutral**

Pakistan Stock Exchange Limited has proposed to the Federal Board of Revenue (FBR) to launch registered savings and investment accounts (RSAs) to help channel savings towards productive investments, eliminate/reduce capital gains tax (CGT) on disposal of securities, measures to avert future pension crisis and long-term measures to promote savings and investment and development of the capital market. (BR) | [Click for more info.](#)

**Cabinet takes major step aimed at meeting FATF conditions**

**Economy | Neutral**

The Federal Cabinet has reportedly approved draft rules/notifications of National Policy Statement on follow the money, Anti-Money Laundering Rules, 2021, appointment of public prosecutors and appointment of administrators under AML Act, 2010, aimed at meeting the conditions of Financial Action Task Force (FATF), well informed sources in Finance Ministry told. Sources said. (BR) | [Click for more info.](#)

**Financial activities thru drug trafficking**

**Economy | Neutral**

Financial Monitoring Unit (FMU) has issued 'red flag indicators' covering individual profiles, transactional channels and patterns, which may help the financial institutions in detections of transactions relating to proceeds generated through drug trafficking. (BR) | [Click for more info.](#)

**Pakistan, Saudi Arabia to sign loan deal**

**Economy | Positive**

Islamabad and Riyadh will sign a memorandum of understanding (MoU) for a \$500 million loan during next week's visit of Prime Minister Imran Khan, as both countries seek to revive bilateral ties which were strained for a year over differences on regional issues. (PT) | [Click for more info.](#)

**\$400 million loan agreement for K-P signed**

**Economy | Positive**

The federal government will extend all possible support to provincial bodies to restore human capital by building a resilient service delivery system and promoting economic opportunities to ensure economic growth in the country, said Minister of Economic Affairs Omar Ayub Khan. His comments came at the signing ceremony of a loan agreement for the Khyber-Pakhtunkhwa Spending Effectively for Enhanced Development (SPEED) programme worth \$400 million with the World Bank on Friday. (ET) | [Click for more info.](#)

**FBR surpasses revenue collection target by Rs34bn in April**

**Economy | Positive**

The Federal Board of Revenue (FBR) surpassed its revenue collection target by Rs34 billion to Rs384bn in April, the second highest collection in the second half of current fiscal year (FY21), provisional data collected by the tax authorities on Friday showed. The net collection for April was Rs384bn against a target of Rs350bn, an increase of 9.7 per cent. (Dawn) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,372.5	30,018.0	-354.5	-1.2%
KSE100	44,863.1	44,262.4	-600.8	-1.3%
KSE30	18,351.3	18,100.6	-250.7	-1.4%
KMI30	72,485.6	71,477.0	-1008.6	-1.4%

### Top Five Gainers

	Open	Close	Chg.	%
ILTM	1,918.5	2,062.3	143.9	7.5%
SAPT	851.7	915.5	63.8	7.5%
GATI	509.0	539.0	30.0	5.9%
BTL	376.0	404.0	28.0	7.4%
ICI	843.1	858.3	15.2	1.8%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
GGL	40.4	38.7	-1.7	34.82
TRG	178.3	168.6	-9.7	26.23
TELE	15.8	14.8	-1.0	22.86
WTL	1.5	1.4	-0.1	13.13
HASCOL	9.6	8.9	-0.7	11.85

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	-0.01	0.00
F-Corporates	2.44	-3.71	-1.28
O/S Pakistanies	8.30	-10.99	-2.70
<b>Net</b>	<b>10.74</b>	<b>-14.72</b>	<b>-3.97</b>
<b>LIPI</b>			
Individuals	115.06	-117.87	-2.81
Companies	6.65	-4.65	2.00
Comm. Banks	2.11	-3.22	-1.11
NBFC	0.09	-0.08	0.01
Mutual Funds	16.98	-15.96	1.03
Other	3.12	-0.19	2.93
Brokers Proprietary	26.39	-23.63	2.76
Insurance	1.03	-1.87	-0.83
<b>Net</b>	<b>171.44</b>	<b>-167.47</b>	<b>3.98</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	63.58	-2.2%
Brent oil	USD/bbl.	67.25	-1.9%
Gold	USD/t oz.	1769.13	-0.2%
Silver	USD/t oz.	25.92	-0.7%
Coal	USD/ton	93.00	0.0%
Steel Scrap (LME)	USD/ton	429.91	0.2%
Steel Rebar (LME)	USD/ton	639.28	-0.5%
USD/PKR	Interbank	154.05	0.3%

**News Source:** Local / Int'l Newspapers and websites

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## Foreign inflows in domestic bonds rise

**Economy | Positive**

With the improvement in the external account of the country, foreign inflows have also increased in domestic bonds, with both the treasury bills (T-bills) and Pakistan Investment Bonds (PIBs) collectively attracting \$770 million during 2020-21. (Dawn) | [Click for more info.](#)

## Hungary to provide \$84m credit line for B2B cooperation

**Economy | Positive**

Pakistan and Hungary on Friday agreed to work together to form a strong bilateral economic partnership as the latter announced establishing an exclusive credit-line of \$84 million for Hungarian companies to do business with Pakistan, besides a loan facility of \$50 million for projects in fisheries and food processing. (BR) | [Click for more info.](#)

## Net foreign transfers reach \$3bln in Jul-Feb

**Economy | Neutral**

The government achieved net foreign transfers of \$3 billion so far in the current fiscal year mainly due to higher inflows from multilateral development partners and \$1 billion Chinese safe deposits. (The News) | [Click for more info.](#)

## High-level meeting on budget 2021-22

**Economy | Neutral**

Prime Minister Imran Khan has directed that the development projects be prioritized in the upcoming federal budget 2021-22 and special focus be given forthwith on inflation reduction. (BR) | [Click for more info.](#)

## Trade deficit widens by 20.1pc in 10 months

**Economy | Negative**

The country's trade deficit has widened by 20.1 per cent to \$23.562 billion during first 10 months (July-April) of Financial Year 2020-21 from \$19.613 billion in the corresponding period of 2019-20. (BR) | [Click for more info.](#)

## Inflation skyrockets to 11.1% in April

**Economy | Negative**

People endured double-digit inflation in April with reading skyrocketing to over 11% on back of surge in food prices amid the Ministry of Finance's failure to give a realistic and professional assessment of the increasing prices in its monthly reports. (ET) | [Click for more info.](#)

## Oil & Gas

**Govt. keeps petroleum prices unchanged**

**Oil | Neutral**

The federal government on Friday decided to keep oil prices unchanged in a bid to provide relief to consumers in the holy month of Ramazan. The Ministry of Finance said in a statement that in line with the vision of PM Imran Khan to provide relief to consumers in the holy month of Ramazan, the government has decided not to increase the prices of petroleum products. (ET) | [Click for more info.](#)

## PSO enters into strategic partnership with PARCO, PAPCO

**PSO | Neutral**

Pakistan State Oil (PSO) has signed multiple infrastructural MoUs of strategic importance with Pak Arab Refinery Limited (PARCO) and Pak Arab Pipeline Company (PAPCO) which aim to safeguard the country's petroleum product supply chain and enable economical and environment friendly transportation of fuels. (BR) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
Taiwan - TWII	17,566.7	-0.87	0.00%
INDONESIA - IDX	5,995.6	-17.34	-0.29%
CHINA - Shanghai	3,446.9	-28.04	-0.81%
US - S&P 500	4,181.2	-30.30	-0.72%
KSA - Tadawul	10,365.5	-53.47	-0.51%
PHILP - PSEi	6,370.9	-116.64	-1.80%
US - Dow 30	33,874.9	-185.51	-0.54%
HK - Hang Seng	28,724.9	-578.38	-1.97%
PAK (KSE-100)	44,262.4	-600.76	-1.34%
INDIA - SENSEX	48,782.4	-983.58	-1.98%

### Board Meetings

Scrip	Day	Agenda	Time
HACC	Tuesday	3Q A/c 31-Mar-21	11:00 AM
HWQS	Friday	HY A/c 31-Mar-21	4:00 PM

Source: PSX



## Ogra slashes LPG price by Rs146.19 per 11.8-kg cylinder

**BPL | Neutral**

The government on Friday reduced the prices of indigenous liquefied petroleum gas (LPG) by Rs 146.19 to Rs 1572 for 11.8/kg cylinder for the month of May. (The Nation) | [Click for more info.](#)

## Power

### Power supply to Karachi increased by 621MW: Federal govt

**KEL | Positive**

Federal Planning Minister Asad Umar said on Sunday that power supply to Karachi was recorded at 3,180 megawatts, which is 621 MW more than power supply of 2,559 to Karachi recorded in the corresponding period last year. (BR) | [Click for more info.](#)

### Pakistan to seek debt restructuring of CPEC power projects

**Power | Positive**

Islamabad will seek debt restructuring of \$3 billion against the China-Pakistan Economic Corridor (CPEC) energy projects in an effort to eliminate the need for increasing the power tariff by Rs1.50 per unit. China has set up 12 power plants under the CPEC and the repayments of the Chinese debt are included in the electricity tariffs. The consumers would pay them in rupees. However, the government would return them in dollars. (ET) | [Click for more info.](#)

### Pakistan seeks \$1.2 billion World Bank program loan for power sector reforms

**Power | Positive**

Pakistan has asked World Bank for \$1.2 billion loans during the ongoing fiscal year, including \$600 million for Pakistan Programme for Affordable and Clean Energy to reduce circular debt via cost cut in power generation, decarbonising energy mix, improving distribution, and retargeting electricity subsidies. (The News) | [Click for more info.](#)

### Suki Kinari Hydro Power project to be completed next year

**Power | Neutral**

China Pakistan Economic Corridor CPEC Authority Chairman Lt Gen (r) Asim Saleem Bajwa Friday said that about 60 per cent work of the Suki Kinari Hydro Power Project had been completed. He said the project that is being executed under the framework of CPEC would become operational in December 2022. (PT) | [Click for more info.](#)

### Premature termination of 11 oil-fired power plants; Power Division forms body to make recommendations

**Power | Neutral**

The Power Division has constituted a nine-member cross functional committee to prepare recommendations for premature termination of 11 oil-fired power plants of 3,300 MW installed under various policies, amid fears of NAB investigation as in a few other cases, well-informed sources told. (BR) | [Click for more info.](#)

## Tech. & Communication

### Telecard plans listing of Supernet on PSX

**TELE | Positive**

Telecard Limited is considering listing of its subsidiary Supernet Limited on the stock exchange to expand its footprint in technology sector, the company said. The board of directors of Telecard Limited authorized the company to explore the option for listing of its 100 percent owned subsidiary Supernet Limited. (The News) | [Click for more info.](#)



## Banks

**SBP asks banks to rationalize loan fee**

**Banks | Neutral**

Pakistan's central bank has taken notice of exorbitant application processing fee charged by commercial banks and development finance institutions (DFIs) for the much-hyped government's subsidized loans for low-cost housing. It has also observed that financial institutions are unduly delaying the processing of applications. (ET) | [Click for more info.](#)

## Miscellaneous

**Exports cross \$2bn mark for seven months, says PM aide**

**Economy | Positive**

Adviser to the Prime Minister on Commerce and Investment Abdul Razak Dawood has claimed that Pakistan's monthly exports have crossed the two billion dollars mark for seven consecutive months for the first time over a decade. (Dawn) | [Click for more info.](#)

**Industrial sector to cut 15-20% jobs after Eid**

**Economy | Negative**

Industrialists are preparing to slash 15-20% jobs after Eidul Fitr in the wake of slowdown in industrial production amid third wave of Covid-19 pandemic in Pakistan. "Initially, we estimate 15-20% layoffs after Eid, however, the actual number of layoffs may be much higher than the initial estimates," said Employers' Federation of Pakistan (EFP) former president Majyd Aziz. (ET) | [Click for more info.](#)

**Pakistan reduce inbound international flights to 20pc**

**PIAA | Neutral**

The National Command and Control Centre (NCOC) has reduced the number of inbound international flights to 20 percent of current numbers to curb rising COVID-19 cases. (BR) | [Click for more info.](#)

**FY22 Budget; Tax relief on beverages, cigarettes, tea under study**

**Food, Tobacco | Neutral**

The government is in the process of finalising budget proposals to provide tax benefit/reduction to three products, which are considered not good for health to outright injurious, ie, beverages (sugary drinks), cigarettes, and tea in the coming budget (2021-22). (BR) | [Click for more info.](#)

**Blasphemy law: EU Parliament's decision to review GSP+ status irks Pakistan**

**Economy | Neutral**

Islamabad on Friday expressed its disappointment over a resolution adopted on Pakistan's blasphemy laws by the European Parliament, which also called for a review of GSP (Generalized Scheme of Preferences) plus status of the country. (ET) | [Click for more info.](#)

## International News

**Asia off to slow start ahead of U.S. data deluge**

Asian share markets got off to a slow start on Monday as holidays in China and Japan crimped volumes and investors awaited a raft of data this week which should show the U.S. leading a global economic recovery. (Reuters) | [Click for more info.](#)

**Oil climbs as demand optimism overshadows India worries**

Oil prices climbed on Monday as optimism about a strong rebound in fuel demand in developed countries and China in the second half of the year overshadowed growing concerns of a full lockdown in India to curb the COVID-19 pandemic. (Reuters) | [Click for more info.](#)



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**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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