

March 5,  
2021

## Economy

### ADB says Pakistan holds potential for rapid economic growth

#### Economy | Neutral

Pakistan has the potential for rapid economic growth and development with a youthful, growing population and strategic location, Asian Development Bank's (ADB) official said. "Under vision 2025, the country aims to achieve upper middle-income status and provide quality jobs to its growing labor force. But Pakistan has struggled with boom-and-bust cycles in previous years due to low export capacity, weak domestic revenue, and other systemic challenges," ADB Country Director for Pakistan Xiaohong Yang said. (The News) | [Click for more info.](#)

### Forex reserves rise to \$20.133bn

#### Economy | Neutral

Pakistan's foreign exchange reserves slightly rose to \$20.133 billion during the week ended February 26 from \$20.041 billion a week ago, the central bank reported on Thursday. The forex reserves held by the State Bank of Pakistan (SBP) increased \$70 million to \$12.978 billion due to the government's official inflows, it said. The foreign exchange reserves of commercial banks also increased to \$7.155 billion from \$7.132 billion. (The News) | [Click for more info.](#)

## Oil & Gas

### New LNG deal with Qatar: Pakistan to get 450 cargoes in 10 years at 10.13pc of Brent

#### Gas | Neutral

Pakistan will import 450 cargoes in 10 years from Qatar under G-to-G (govt to govt) new LNG deal with effective rate of 10.13 percent from January 1, 2022 though the deal is done at 10.20 percent of the Brent. (The News) | [Click for more info.](#)

### CCoE asks for assessment before reducing port charges for LNG

#### Gas | Neutral

The Cabinet Committee on Energy (CCoE) on Thursday did not immediately allow reduction in port charges on handling of liquefied natural gas (LNG) demanded by the Petroleum Division and ordered an independent assessment to reach a decision on charges competitive in the region. (Dawn) | [Click for more info.](#)

## Power

### NA panel objects to bill for surcharge imposition powers

#### Power | Neutral

A parliamentary panel on Thursday resisted a government bill seeking powers to impose surcharge on electricity consumers required under the IMF deal, while the standing committee on finance unanimously cleared another bill for corporate restructuring of companies. (Dawn) | [Click for more info.](#)

### KP govt begins construction of Balakot hydropower project

#### Power | Positive

The Khyber Pakhtunkhwa (KP) government is all set to start construction work on the Balakot Hydropower Project, the largest hydropower project in the province, on the Kunar River in Mansehra district. The power project will be completed within the next seven years with the financial support of the Asian Development Bank (ADB). Once completed, it will earn an annual income of Rs15 billion as well as creating employment for 1,400 people. (PT) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,665.1	31,133.9	-531.2	-1.7%
KSE100	46,160.8	45,278.5	-882.2	-1.9%
KSE30	19,299.0	18,898.3	-400.7	-2.1%
KMI30	77,024.8	75,339.2	-1685.6	-2.2%

### Top Five Gainers

	Open	Close	Chg.	%
COLG	2,750.0	2,900.0	150.0	5.5%
SUTM	999.6	1,074.6	75.0	7.5%
SAPT	1,000.0	1,062.0	62.0	6.2%
IDYM	744.7	800.6	55.9	7.5%
GATI	550.0	590.0	40.0	7.3%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	4.1	4.0	-0.2	33.11
GGL	17.8	18.7	0.9	28.67
TRG	147.6	142.7	-4.9	25.83
BYCO	10.2	9.7	-0.6	22.44
WTL	1.5	1.4	-0.1	18.47

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.02	-0.09	-0.06
F-Corporates	3.53	-5.59	-2.05
O/S Pakistanies	8.83	-7.60	1.23
<b>Net</b>	<b>12.39</b>	<b>-13.28</b>	<b>-0.89</b>
<b>LIPI</b>			
Individuals	136.85	-138.11	-1.26
Companies	5.53	-5.34	0.19
Comm. Banks	7.93	-2.88	5.04
NBFC	0.01	-0.01	0.00
Mutual Funds	2.90	-10.09	-7.19
Other	2.65	-0.17	2.49
Brokers Proprietary	31.40	-31.10	0.30
Insurance	2.86	-1.55	1.31
<b>Net</b>	<b>190.13</b>	<b>-189.25</b>	<b>0.89</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	63.83	4.2%
Brent oil	USD/bbl.	66.74	4.2%
Gold	USD/t oz.	1697.52	-0.8%
Silver	USD/t oz.	25.35	-2.8%
Coal	USD/ton	87.45	-1.3%
Steel Scrap (LME)	USD/ton	465.00	-1.3%
Steel Rebar (LME)	USD/ton	648.00	-0.3%
USD/PKR	Interbank	157.49	0.0%

News Source: Local / Int'l Newspapers and websites

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REP-055



**IPPs established under 2002 policy; ECC all set to consider Power Division's proposals**

**Power | Neutral**

The Economic Coordination Committee (ECC) of the Cabinet is all set to consider a proposal of Power Division that payment to IPPs established under the Power Generation Policy 2002 should be withheld till final clearance from National Accountability Bureau (NAB). (BR) | [Click for more info.](#)

**ECC likely to approve Rs114bn subsidy for Power Division**

**Power | Neutral**

The federal cabinet's Economic Coordination Committee (ECC) is likely to approve the allocation of Rs114.5 billion as technical supplementary grant (TSG) from the current financial year's power subsidy budget to the Power Division. According to sources, out of Rs147 billion earmarked as power sector subsidy during FY21, an amount of around Rs32.50 billion has so far been disbursed. (PT) | [Click for more info.](#)

## Autos

**Javed Afridi Teases the Official Launch of Cultus Competitor MG3**

**Autos | Neutral**

In his latest social media post, Javed Afridi has hinted at the impending launch of the MG 3 hatchback in Pakistan. His tweet reads, "NEED MORE MG COLORS IN LIFE!?" followed by a sticker that says "SOON" at the end of the post. (Propakistani) | [Click for more info.](#)

## Textile

**Textile sector's profitability up 32pc in 1HFY21**

**Textile | Positive**

Textile sector's profitability increased significantly by 32pc YoY during the first half (July-Dec) of FY21 primarily due to an increase in exports, improvement in other income, and decline in finance cost. According to data shared by Topline Pakistan Research, the country's overall textile revenues increased 12pc YoY during the period under review, with exports rising 8pc YoY in USD terms and 13pc YoY in PKR terms. (PT) | [Click for more info.](#)

**PM approves cross-border yarn import**

**Textile | Neutral**

Prime Minister Imran Khan nodded to cross-border import of cotton yarn as the shortage of industrial input is feared to stymie recovery in textile exports. The government is considering import of cotton from India to meet the local demands, according to media reports. (The News) | [Click for more info.](#)

## Miscellaneous

**HBL signs MoU to promote low-cost housing**

**HBL | Neutral**

Habib Bank and Akhuwat signed strategic MoU to work on providing affordable housing to the masses, said a press release issued on Thursday. (Dawn) | [Click for more info.](#)

**Telecom sector; Universal service subsidy requirement offsets fiscal revenues: WB**

**Telecom | Neutral**

The universal service subsidy requirement of telecom sector in Pakistan entirely offsets the fiscal revenues it generates through spectrum pricing and taxation, making broadband infrastructure a net recipient of public funds, says the World Bank. (BR) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
KSA - Tadawul	9,310.3	-6.62	-0.07%
US - S&P 500	3,768.5	-51.25	-1.34%
PHILP - PSEi	6,882.5	-60.27	-0.87%
CHINA - Shanghai	3,503.5	-73.42	-2.05%
INDONESIA - IDX	6,290.8	-85.96	-1.35%
Taiwan - TWII	15,906.4	-305.32	-1.88%
US - Dow 30	30,924.1	-345.95	-1.11%
INDIA - SENSEX	50,846.1	-598.57	-1.16%
HK - Hang Seng	29,236.8	-643.63	-2.15%
PAK (KSE-100)	45,278.5	-882.25	-1.91%

### Board Meetings

Scrip	Day	Agenda	Time
GSKCH	Friday	ANN A/c 31-Dec-20	2:45 PM
GAMON	Monday	HY A/c 31-Dec-20	11:00 AM
AMBL	Monday	ANN A/c 31-Dec-20	2:00 PM
GLAXO	Tuesday	ANN A/c 31-Dec-20	2:00 PM
HASCOL	Wednesday	HY A/c 31-Dec-20	2:00 PM
JSLC	Thursday	ANN A/c 31-Dec-20	12:15 PM

Source: PSX



## IT Ministry Approves Projects Worth Rs. 4.8 Billion

Telecom | **Positive**

The Departmental Development Working Party (DDWP) of the Ministry of Information Technology and Telecommunication on Thursday approved seven projects worth around Rs. 4.8 billion. (Propakistani) | [Click for more info.](#)

## Political News

NA summoned to meet on Saturday

The President has summoned the session of National Assembly to meet on Saturday (March 6) at 12:15 pm in the Parliament House. The session was summoned for the purpose of requiring the Prime Minister to obtain the vote of confidence from the National Assembly under Article 91(7) of the constitution, said a notification issued here Thursday. (BR) | [Click for more info.](#)

PM Imran names Sadiq Sanjrani as candidate for Senate chairman

Prime Minister Imran Khan announced Sadiq Sanjrani as a candidate for Chairman Senate, Federal Minister for Information and Broadcasting Shibli Faraz said in a tweet on Thursday. The elections for the Senate chairman would be held on March 12 after the completion of the incumbent's -Sadiq Sanjrani- tenure of three years. (ET) | [Click for more info.](#)

## International News

Asia Stocks Drop as Treasury Yields Rise on Powell: Markets Wrap

Asian stocks followed U.S. peers lower after Federal Reserve Chairman Jerome Powell refrained from pushing back against the recent surge in bond yields. Treasuries held a decline. (Bloomberg) | [Click for more info.](#)

Oil In Sight of \$65 as OPEC+ Supply Shock Feeds Powerful Rally

Oil rallied toward \$65 a barrel after OPEC+ chose not to relax supply curbs even as the global economy pulls out of its pandemic-driven slump, confounding widespread expectations the group would loosen the taps. (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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