



May 5,  
2021

## Economy

**'Budget proposals; PSX for encouraging NRPs to bring new investment**

**Economy | Neutral**

To attract foreign investment in the capital market, the Federal Board of Revenue (FBR) has received budget proposals of Pakistan Stock Exchange Limited for 2021-22 to encourage non-residents for bringing new investment in Pakistan. (BR) | [Click for more info.](#)

**ADB disbursed \$1.78b to Pakistan in 2020**

**Economy | Neutral**

Asian Development Bank disbursed US\$1.78 billion to Pakistan in term of loan and grant during the year 2020, comprising \$1.1 billion in program lending and \$680.7 million from project lending. (Pakobserver) | [Click for more info.](#)

**AGP asks FBR to revise duty drawback rates**

**Economy | Neutral**

The Auditor General of Pakistan (AGP) has recommended to the Federal Board of Revenue (FBR) to revisit duty drawback rates to rationalise them in view of the decreasing customs duty rates on imports. According to a new report of the AGP on drawback payments by the FBR, the FBR should ensure that customs duty drawback should not be more than the actual duty paid by the exporter. (BR) | [Click for more info.](#)

## Oil & Gas

**Mari Petroleum, PPL announce start of natural gas from Shah Bandar Block MARI, PPL | Positive**

Mari Petroleum is pleased to announce commencement of natural gas production from Benari X-1 Field in Shah Bandar Block w.e.f 3rd May, 2021. MPCL holds 32% working interest in Shah Bandar Block which is operated by PPL. Shah Bandar Joint Venture has agreed to process Benari X-1 gas at MPCL's operated Sujawal Gas Processing Facility for its onward injection in to SSGC network. The expected gas production from the field is 9.5 MMSCFD. Both Shah Bandar and Sujawal blocks are co-located in District Sujawal, Sindh Province. (Pakobserver) | [Click for more info.](#)

**PD awards 20 oil, gas blocks through competitive bidding process**

**Oil & Gas | Positive**

The Petroleum Division awarded 20 oil and gas blocks through competitive bidding process, in accordance with the Petroleum Exploration and Production Policy 2012 (Policy), which is approved by the Council of Common Interest. (BR) | [Click for more info.](#)

**Petroleum product sales surge 57pc in April 2021**

**PSO, SHEL, APL | Positive**

Total petroleum products sales increased 57 percent to 1.672 million tons during April 2021 against 1.068 million tons recorded during April 2020, data issued by Oil Companies Advisory Committee (OCAC) showed on Tuesday. (The News) | [Click for more info.](#)

**Oxygen gas, cylinders; Ministry seeks waiver of taxes, duties for another 6 months**

**GGL, PAKOXY | Positive**

The Ministry of Industries and Production (MoI&P) has sought extension in waiver of taxes and duties on oxygen gas, oxygen gas cylinder, cryogenic oxygen tanks and oxygen concentrators / generators / manufacturing plants of all specifications and capacities for another six months. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,935.6	30,072.1	136.5	0.5%
KSE100	44,076.2	44,563.6	487.4	1.1%
KSE30	18,027.3	18,260.3	233.1	1.3%
KMI30	71,346.7	72,061.7	715.0	1.0%

### Top Five Gainers

	Open	Close	Chg.	%
RMPL	9,455.0	9,525.0	70.0	0.7%
WYETH	1,021.3	1,055.9	34.7	3.4%
KHTC	331.9	355.8	23.9	7.2%
INDU	1,098.3	1,119.8	21.5	2.0%
PECO	253.0	272.0	19.0	7.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITY	32.1	34.5	2.4	33.87
TELE	13.8	14.8	1.0	26.29
GGL	36.0	38.1	2.2	23.57
TRG	156.6	167.3	10.7	18.27
HASCOL	8.7	9.1	0.4	8.89

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.02	-0.08	-0.05
F-Corporates	1.01	-0.59	0.42
O/S Pakistanies	4.08	-4.70	-0.61
<b>Net</b>	<b>5.12</b>	<b>-5.36</b>	<b>-0.24</b>
<b>LIPI</b>			
Individuals	70.05	-69.17	0.88
Companies	2.75	-4.58	-1.83
Comm. Banks	0.83	-2.14	-1.30
NBFC	0.05	-0.04	0.01
Mutual Funds	2.85	-3.05	-0.19
Other	1.57	-0.25	1.31
Brokers Proprietary	18.93	-17.00	1.94
Insurance	1.17	-1.74	-0.58
<b>Net</b>	<b>98.20</b>	<b>-97.96</b>	<b>0.24</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	65.69	1.9%
Brent oil	USD/bbl.	68.88	2.0%
Gold	USD/t oz.	1779.06	-0.8%
Silver	USD/t oz.	26.51	-1.5%
Coal	USD/ton	95.15	1.8%
Steel Scrap (LME)	USD/ton	474.00	10.3%
Steel Rebar (LME)	USD/ton	696.50	9.0%
USD/PKR	Interbank	153.55	0.1%

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

**Research Team**

[research@abaalihabib.com](mailto:research@abaalihabib.com)

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106

**REP-055**



## Power

**Power consumers; 3-phase subsidy mechanism on the cards**

**Power | Neutral**

The government is likely to introduce a three-phase subsidy mechanism for electricity consumers from June 1, 2021 aimed at protecting the vulnerable and re-target the burden on consumers using 301-701 units monthly. This was decided in a meeting chaired by the PM on September 16, 2020; however, details of the targeted subsidy for electricity consumers will be worked out by Power Division in consultation with Ehsaas and Finance Divisions. (BR) | [Click for more info.](#)

**ECC to meet today; KE likely to be eyeball to eyeball with PD**

**KEL | Positive**

The top management of K-Electric (KE) is likely to come eyeball to eyeball with the top brass of Power Division at a meeting of the Economic Coordination Committee (ECC) of the Cabinet Wednesday (today) due to their disagreement on the new draft Power Purchase Agreement Agency (PPAA) (BR) | [Click for more info.](#)

**Formation of panel ordered to address IPPs' issues**

**IPPs | Neutral**

A few hours after Information Minister Fawad Chaudhry's announcement that the federal cabinet has decided to pay 40 per cent dues of Independent Power Projects (IPPs), the Prime Minister Office clarified on Tuesday evening that the cabinet only approved the formation of a committee to address the long-standing issue. (Dawn) | [Click for more info.](#)

**ECC to discuss FCA for the months of Nov'19 to Jun'20**

**Power | Neutral**

The Economic Coordination Committee (ECC) of the Cabinet, in its meeting to be held on Wednesday, 5th May, 2021, will discuss the matter of Fuel Charges Adjustment for the month of November 2019 to June 2020 for XWDISCOs to improve the efficiency of power sector. (Mettis) | [Click for more info.](#)

## Autos

**Honda Increases Bike Prices Yet Again For No Reason**

**ATLH | Positive**

Since the early 1990s, Atlas Honda's motorcycles have remained largely the same, with just a few design changes like 'new graphics' stickers that are changed every year. Despite their bikes essentially remaining the same in the past several decades, their prices have been going up drastically for no valid reason. A recent news update by Horsepower Pakistan detailed that Atlas Honda has yet another price hike coming for its bikes. (Propakistani) | [Click for more info.](#)

## Cement

**Cement exports surge by 252pc in April**

**Cement | Positive**

Cement sector posted robust growth of 40.41 percent in April 2021 when total cement despatches were registered at 4.943 million tons against 3.52 million tons despatched during the same month of last fiscal year. (BR) | [Click for more info.](#)

## Banks

**Listed banks' profit up 31pc**

**Banks | Positive**

The profit of listed banks in Pakistan has increased by 31 percent or Rs15.2 billion on year-on-year basis during the first quarter of 2021 to reach Rs64.4 billion. The profit is up by 32 percent on quarter-on-quarter basis during this period. (BR) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	44,563.6	487.39	1.11%
HK - HangSeng	28,557.1	199.60	0.70%
US - Dow 30	34,133.0	19.80	0.06%
INDONESIA - IDX	5,963.8	11.22	0.19%
KSA - Tadawul	10,318.9	9.57	0.09%
PHILP - PSEi	6,359.2	-10.13	-0.16%
US - S&P 500	4,164.7	-28.00	-0.67%
CHINA - Shanghai	3,446.9	-28.04	-0.81%
Taiwan - TWII	16,933.8	-288.57	-1.68%
INDIA - SENSEX	48,253.5	-465.01	-0.95%

### Board Meetings

Scrip	Day	Agenda	Time
HWQS	Friday	HY A/c 31-Mar-21	4:00 PM

Source: PSX



## Renewable energy; Banks extend financing of around Rs36bn

**Banks | Positive**

Banks have extended financing of around Rs36 billion for 521 projects producing approximately 850 MW under the State Bank of Pakistan's (SBP) Financing Scheme for Renewable Energy. (BR) | [Click for more info.](#)

## Miscellaneous

### Steel mill oxygen plant to be revived for Rs1 billion

**Economy | Neutral**

Sindh Chief Minister Syed Murad Ali Shah has said that keeping in view the coronavirus situation, his government would intervene to make oxygen plants operational at steel mills against a cost of Rs1 billion. (BR) | [Click for more info.](#)

### Six industries to set up units at Hattar SEZ

**Economy | Positive**

The Hattar Special Economic Committee in its 6th meeting has approved the six industries for setting up their units in Hattar Special Economic Zone (SEZ). These 6 units combined consist of 31 acres, will inject Rs5.6 billion investments and generate over 1000 employment opportunities. The industries include oil and ghee, metals, herbal products and fragrances, pharma and plastic industries. (BR) | [Click for more info.](#)

### Government to introduce fundamental change in dairy sector

**Food | Neutral**

The federal government is going to introduce a fundamental change in the dairy sector through massive artificial insemination with imported semen, essentially eliminating local hardy cow breeds that have potential of producing up to 40 liters of milk daily. (The News) | [Click for more info.](#)

## Political News

### PPP urges govt to lay IMF terms in parliament

The Pakistan Peoples Party (PPP) has urged the Pakistan Tehreek-e-Insaf (PTI) government to lay the conditions of the International Monetary Fund (IMF) before the Parliament for discussion. (BR) | [Click for more info.](#)

## International News

### Asia Stocks Set for Volatile Open after Tech Slide: Markets Wrap

U.S. equity futures wavered and Asian stocks were set for a volatile open Wednesday after a selloff in technology shares, amid comments from Treasury Secretary Janet Yellen on interest rates that rattled markets. The dollar rose. (Bloomberg) | [Click for more info.](#)

### Oil jumps on steep drop in U.S. crude stocks

Oil prices rose nearly 1% on Wednesday, extending overnight gains, after industry data estimated U.S. crude stockpiles fell much more than expected last week reinforcing bullish views on fuel demand in the world's largest economy. (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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## THE TEAM

### CEO

Zahid Ali Habib  
[Zahid@abaalihabib.com](mailto:Zahid@abaalihabib.com)  
(021) 32425022

### RESEARCH TEAM

**Contact:** (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst  
[zubair@abaalihabib.com](mailto:zubair@abaalihabib.com)

Behroze Atique – Research Analyst  
[behroze@abaalihabib.com](mailto:behroze@abaalihabib.com)

Ayesha Abid – Research Analyst  
[ayesha.abid@abaalihabib.com](mailto:ayesha.abid@abaalihabib.com)

### SALES TEAM

Zaheer Ahmed - Head of Institutional Sales  
[Zaheer.ahmed@abaalihabib.com](mailto:Zaheer.ahmed@abaalihabib.com)  
(021) 32418693-94

Salman Ahmed - Head of Retail Sales  
(021) 32412491

Syed Khalid Ahmed - Equity Trader  
[Syedkhalid@abaalihabib.com](mailto:Syedkhalid@abaalihabib.com)  
(021) 32429664

Muhammad Faisal - Equity Trader  
[faisal@abaalihabib.com](mailto:faisal@abaalihabib.com)  
(021) 32464835

### Office (PSX Building)

Room # 419, 419 A & 421, 4<sup>th</sup> Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi  
Contact: 021-32429665  
Cell: [+92 3312766771](tel:+923312766771)



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