

April 6,
2021

Economy

Pakistan seeks financial assistance to deal with Covid impact

Economy | Neutral

Pakistan, on Monday, urged the international community for providing additional financial assistance to developing countries to deal with the negative impact of corona pandemic on the economy and fight against the socioeconomic challenges. The spring meeting includes ministers and government officials from 80 countries to share views/narratives that will improve the human capital of the world after the pandemic. (BR) | [Click for more info.](#)

Public debt hits all-time high in Feb

Economy | Neutral

The government debt stocks (domestic and external) continued to surge, reaching historic level of Rs 36.6 trillion in February 2021, primarily due to rising government borrowing from domestic market. The State Bank of Pakistan (SBP) Monday reported that the central government (public) debt increased by 4.2 percent during the first eight months (July-Feb) of this fiscal year (FY21). (BR) | [Click for more info.](#)

Power

KE's settlement process: Aljomaih makes wild allegations against SAPM

KEL | Negative

Managing Director, Investments of Saudi Arabia's Aljomaih Holdings Co, Abdulaziz Hamad Aljomaih has accused Special Assistant to Prime Minister on Power, and Petroleum, Tabish Gauhar, of making "deliberate attempts" to disrupt KE issues' settlement process. According to him, during meetings, he was assured by all including Prime Minister that a dispute resolution document was in the final stages of negotiations, to be approved by the PM's office soon. However, the matter remains unresolved and potentially even at risk due to last minute negative comments on the agreed document by the SAPM on Power. (BR) | [Click for more info.](#)

ECC to approve first instalment of payment for IPPs

Economy | Positive

The federal cabinet's economic coordination committee (ECC), during its meeting next week, is likely to approve the payment of Rs85 billion to Independent Power Plants (IPPs). According to sources, the Ministry of Energy sent a summary to the committee in this regard after receiving a clearance letter from the National Accountability Bureau (NAB). (PT) | [Click for more info.](#)

Annual capacity payments to IPPs to reach Rs1.455trn by 2023

Economy | Neutral

Federal Minister for Energy. Omar Ayub Khan Monday said that \$6.5 billion are being thrown into 'hellfire' every year to import energy under the head of guaranteed capacity payments – a major source of accumulation of the circular debt singed by the previous government. (BE) | [Click for more info.](#)

'We all want Shanghai's transaction but at what cost?': Tabish Gauhar

KEL | Negative

When contacted, SAPM to PM on Power and Petroleum Tabish Gauhar told Business Recorder that Aljomaih letter against him that just because he served as CEO and Chairman of KE between 2009 and 2015 does not constitute a conflict of interest, as alleged, "since I have no current direct or indirect economic stake in KE and I'm just doing my job as one of the GOP functionaries to protect the public interest. I don't have any 'personal' views on KE, they simply reflect the 'institutional' views of the Power Division, Ministry of Energy. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,286.2	29,769.5	-516.7	-1.7%
KSE100	44,301.0	43,548.2	-752.7	-1.7%
KSE30	18,170.3	17,851.2	-319.1	-1.8%
KMI30	73,105.4	72,177.8	-927.6	-1.3%

Top Five Gainers

	Open	Close	Chg.	%
SAPT	861.4	926.0	64.6	7.5%
SFL	801.0	855.0	54.0	6.7%
WYETH	976.0	1,019.0	43.0	4.4%
BATA	1,880.0	1,900.0	20.0	1.1%
MACTER	143.0	153.1	10.2	7.1%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	136.2	127.5	-8.7	24.56
DSL	5.2	5.9	0.7	24.40
SILK	1.2	1.3	0.1	20.02
BYCO	10.2	9.9	-0.3	18.39
PRL	26.1	24.1	-2.0	15.19

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.02	-0.01	0.01
F-Corporates	0.24	-1.20	-0.97
O/S Pakistanies	10.36	-8.77	1.59
Net	10.61	-9.98	0.63
LIPI			
Individuals	108.46	-110.58	-2.11
Companies	2.90	-1.72	1.17
Comm. Banks	2.67	-1.24	1.43
NBFC	0.03	-0.02	0.01
Mutual Funds	5.22	-6.78	-1.56
Other	0.52	-0.23	0.29
Brokers Proprietary	24.31	-24.29	0.02
Insurance	1.58	-1.47	0.11
Net	145.70	-146.33	-0.63

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	58.65	-4.6%
Brent oil	USD/bbl.	62.15	-4.2%
Gold	USD/t oz.	1728.27	0.0%
Silver	USD/t oz.	24.88	-0.5%
Coal	USD/ton	97.00	0.0%
Steel Scrap (LME)	USD/ton	460.00	0.0%
Steel Rebar (LME)	USD/ton	643.00	0.0%
USD/PKR	Interbank	153.77	0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055



Nepra reduces Wapda hydropower tariff by 27.5pc

Economy | Positive

The National Electric Power Regulatory Authority (Nepra) on Monday determined about 27.5 per cent reduction in average bulk hydroelectric tariff of the Water and Power Development Authority (Wapda) to ensure its revenue stream at Rs124 billion for fiscal year 2020-21. The bulk hydropower tariff at which Wapda sells its power generation from all hydropower stations to the Central Power Purchasing Agency has been determined at Rs4.11 per unit for FY2020-21 against Rs5.67 fixed in FY2017-18. (Dawn) | [Click for more info.](#)

Basic power tariff of hydel power increased

Economy | Neutral

National Electric Power Regulatory Authority (Nepra) has increased basic power tariff of hydel power by 49 per cent from Rs 2.12 per unit to Rs 3.15 per unit. However, payment of NHP to provinces and AJK has slashed, resulting in reduction is overall impact on tariff by Rs 1.65 per unit. (BR) | [Click for more info.](#)

Banks

Islamic banking shares expected to reach 30pc: SBP

Economy | Neutral

The State Bank of Pakistan (SBP) on Monday projected share of Islamic banking industry in assets and deposits to increase at 30 percent in five years from the existing around 18 percent. In its third five-year strategic plan for Islamic banking industry, the SBP expected share of Islamic banking industry to reach 35 percent in branch network of overall banking industry and 10 percent and 8 percent of SMEs and agriculture financing, respectively. (The News) | [Click for more info.](#)

Miscellaneous

TCP floats tender for import of 50,000 tons of sugar

Economy | Neutral

Trading Corporation of Pakistan (TCP) has floated a tender for the import of 50,000 tonnes white sugar for domestic consumption. (BR) | [Click for more info.](#)

PC's body to finalize price of PSM assets, wording for EoI

Economy | Neutral

Privatization Commission's (PC's) Transaction Committee is to meet on Tuesday (today) to finalise the price of assets of PSM and wording for an Expression of Interest (EoI) expected to be published this month, well informed sources told. (BR) | [Click for more info.](#)

International News

Asia shares set to rise after S&P 500, Dow hit records on strong economic data

Asian equities are poised to rise on Tuesday after the S&P 500 and Dow indexes set records as a streak of strong U.S. economic data fueled optimism even as a smaller-than-expected climb in 10-year Treasury notes eased inflation concerns. (Reuters) | [Click for more info.](#)

Oil climbs on weaker dollar, outweighing OPEC+ supply worries

Oil prices rose early on Tuesday as a drop in the U.S. dollar made crude a more attractive buy, paring losses of more than 4% incurred overnight on the prospect of producers returning more than 2 million barrels per day of supply to the market by July. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	28,938.7	560.39	1.97%
US - Dow 30	33,527.2	373.98	1.13%
Taiwan - TWII	16,571.3	140.15	0.85%
US - S&P 500	4,077.9	58.04	1.44%
PHILP - PSEI	6,495.2	52.06	0.81%
CHINA - Shanghai	3,484.4	24.42	0.71%
KSA - Tadawul	9,964.8	2.07	0.02%
INDONESIA - IDX	5,970.3	-41.17	-0.68%
PAK (KSE-100)	43,548.2	-752.74	-1.70%
INDIA - SENSEX	49,159.3	-870.51	-1.74%

Board Meetings

Scrip	Day	Agenda	Time
SHNI	Tuesday	ANN A/c 31-Dec-20	10:00 AM
PIAA	Tuesday	ANN A/c 31-Dec-20	11:30 AM
PAKRI	Tuesday	ANN A/c 31-Dec-20	2:00 PM
PTC	Sunday	1Q A/c 31-Mar-20	2:00 PM
PTL	Monday	3Q A/c 31-Mar-20	2:00 PM

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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