



May 6,
2021

Economy

PM directs embassies to give special treatment to Pakistani diaspora

Economy | Neutral

Prime Minister Imran Khan on Wednesday directed Pakistani embassies around the globe to give special treatment to the Pakistani diaspora and resolve their problems on a priority basis. (Pakobserver) | [Click for more info.](#)

Govt seeks easing of conditions; Tarin urges IMF to give 'us some space'

Economy | Neutral

Finance Minister Shaukat Tarin said on Wednesday that Pakistan will not leave the International Monetary Fund (IMF) programme rather will try to convince them that there is no space for increase in power tariff and taxes as people are now tired. We would also ask the IMF when productivity and business would increase, revenue collection would also increase and circular debt would also be reduced through other means and not increase in power tariff. (BR) | [Click for more info.](#)

Govt raises Rs618bn, slashes yields on T-bills again by 14bps

Economy | Neutral

The government again slashed the cut-off yields on treasury bills (T-bills) while it raised Rs617.8 billion in an auction on Wednesday. The cut-off yield on the benchmark six-month T-bills was slashed by 14 basis points to raise Rs299.4bn. In the last auction held on April 21 the rate was slashed by 11bps. (Dawn) | [Click for more info.](#)

Jul-Apr trade deficit widens by 21.60pc YoY

Economy | Negative

The country's trade deficit widened by 21.60 percent to \$23.825 billion in July-April 2020-21 compared to \$19.593 billion in July-April 2019-20, says the Pakistan Bureau of Statistics (PBS). According to trade data, released by the PBS, Pakistan's exports declined by 7.23 percent on month on month (MoM) basis and stood at \$2.194 billion in April 2021 against \$2.365 billion in March 2021. (BR) | [Click for more info.](#)

External debt servicing to stay above \$10bn next fiscal

Economy | Neutral

The country's external debt servicing will remain over \$10 billion a year for the next two years, as the government weighs its debt-related foreign inflows position to meet the mounting foreign obligations that keeps it dependent on global lenders. (PT) | [Click for more info.](#)

Power

Govt to take over K-Electric if utility refuses to sign PPA

KEL | Neutral

The Economic Coordination Committee (ECC) here on Wednesday made the government intention clear of taking over K. Electric if the utility company continues to avoid signing power purchase agreement (PPA). (The News) | [Click for more info.](#)

ECC okays Rs90bn payment to IPPs

IPPs, KEL | Positive

The Economic Coordination Committee (ECC) of the Cabinet on Wednesday approved payment of Rs90 billion to 35 independent power producers (IPPs). The ECC also decided to give a last chance to K-Electric (KE) for settling Rs212bn payments and inking an agreement for additional power intake from the national grid on timely payments. Informed sources said the meeting was told that Rs212bn were payable by KE to the NTDC which operates the national grid. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,072.1	30,259.3	187.2	0.6%
KSE100	44,563.6	44,943.6	380.0	0.9%
KSE30	18,260.3	18,383.0	122.6	0.7%
KMI30	72,061.7	72,845.4	783.7	1.1%

Top Five Gainers

	Open	Close	Chg.	%
ILTM	2,050.0	2,200.0	150.0	7.3%
SAPT	855.0	918.0	63.0	7.4%
INDU	1,089.8	1,111.9	22.1	2.0%
WYETH	1,055.9	1,077.9	22.0	2.1%
PECO	272.0	292.0	20.0	7.4%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITY	34.5	35.0	0.5	42.39
TELE	14.8	15.6	0.8	32.75
TRG	167.3	162.4	-5.0	30.09
GGL	38.1	38.1	-0.1	23.08
NETSOL	134.9	137.7	2.8	10.79

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	-0.03	-0.01
F-Corporates	1.47	-1.64	-0.17
O/S Pakistanies	6.92	-5.48	1.45
Net	8.41	-7.14	1.27
LIPI			
Individuals	116.01	-116.00	0.01
Companies	3.36	-3.16	0.20
Comm. Banks	0.62	-2.05	-1.43
NBFC	0.06	-0.04	0.01
Mutual Funds	4.16	-2.99	1.17
Other	0.49	-0.23	0.27
Brokers Proprietary	26.15	-27.80	-1.65
Insurance	1.34	-1.19	0.15
Net	152.19	-153.45	-1.27

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	65.63	-0.1%
Brent oil	USD/bbl.	68.96	0.1%
Gold	USD/t oz.	1786.87	0.4%
Silver	USD/t oz.	26.49	-0.1%
Coal	USD/ton	96.75	1.7%
Steel Scrap (LME)	USD/ton	483.00	1.9%
Steel Rebar (LME)	USD/ton	710.00	1.9%
USD/PKR	Interbank	153.26	-0.2%

News Source: Local / Int'l Newspapers and websites

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REP-055



Govt yet to comply with some commitments

Power | Neutral

The government has yet to fully comply with some of the commitments made to the International Monetary Fund (IMF) on power sector reforms, tariff increase and amendments in the Nepra Act prior to the sixth review due in June 2021. (BR) | [Click for more info.](#)

Miscellaneous

Habib Insurance Ltd to invest Rs350mn in associated companies

HICL | Positive

The shareholders of Habib Insurance Limited in its annual general meeting, have authorized the company to invest a total of Rs350mn in associated companies by way of purchase of ordinary shares. (Mettis) | [Click for more info.](#)

NCCPL discloses number of stock market investors — 252,322

Economy | Neutral

The National Clearing Company of Pakistan (NCCPL) has set the long-held speculation on the number of investors who trade at the Pakistan Stock Exchange at rest. The clearing company disclosed on its website that the active Unique Identification Numbers (UINs) — allotted to each investor — as of April 30, 2021 stood at 252,322. (Dawn) | [Click for more info.](#)

International News

Oil Rally Pauses as Investors Weigh Rising Gasoline Supplies

Oil was little changed, giving up earlier gains as traders assessed an increase in gasoline stockpiles and technical signals suggesting the commodity's rally was due for a pullback. (Bloomberg) | [Click for more info.](#)

Asia Stocks Look Steady as Tech Drops; Yields Fall: Markets Wrap

Asia stocks are set for a muted open after technology shares weighed on U.S. markets, offsetting optimism over solid corporate earnings and economic reports. Treasuries climbed. (Bloomberg) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	48,677.6	424.04	0.88%
PAK (KSE-100)	44,943.6	380.02	0.85%
US - Dow 30	34,230.3	97.31	0.29%
INDONESIA - IDX	5,975.9	12.09	0.20%
US - S&P 500	4,167.6	2.93	0.07%
CHINA - Shanghai	3,446.9	-28.04	-0.81%
PHILP - PSEi	6,299.7	-59.46	-0.94%
KSA - Tadawul	10,252.2	-66.79	-0.65%
Taiwan - TWII	16,843.4	-90.34	-0.53%
HK - Hang Seng	28,418.0	-139.16	-0.49%

Board Meetings

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