



April 7,
2021

Economy

PSX proposes legal change to indemnify staffs

Capital Market | Neutral

Pakistan Stock Exchange (PSX) wants to indemnify its directors and officials against any loss and liability through a legal change, it was learnt on Tuesday, much like a similar demand by the central bank. (BR) | [Click for more info.](#)

Govt to consult IMF to disburse second relief package for vulnerable segments under Ehsaas: PM Imran

Economy | Neutral

Prime Minister Imran Khan on Tuesday said his government would consult the International Monetary Fund (IMF) in order to disburse a second package of incentives as the third wave of the coronavirus takes its toll on the vulnerable population segments. (Dawn) | [Click for more info.](#)

Covid-19 scourge: World Bank projects rising public debt, increasing poverty

Economy | Neutral

While presenting a dismal picture about Pakistan's economy, the World Bank has projected rising public debt, increasing poverty, and low GDP growth in the range of 1.3 percent for the current fiscal year. The WB released Pakistan Development Update on Tuesday and said that the country's Public and Publicly Guaranteed Debt (PPGD) to-GDP ratio is projected to peak at 94.4 percent of GDP by end-FY22 on account of elevated fiscal deficits, before easing to 94.1 percent of GDP by FY23. (The News) | [Click for more info.](#)

Cement

MLCF enhances brownfield clinker production by 500 tons per day

MLCF | Positive

Maple Leaf Cement Factory Limited (MLCF), in an announcement to Exchange, said the existing clinker capacity of brownfield clinker production line-3 located at Iskanderabad, which commenced its production on May 21, 2019, has been enhanced by 500 tons per day of clinker from 7,300 tons to 7,800 tons per day of clinker due to a debottlenecking and Balancing, Modernization and Replacement program. (Mettis) [Click for more info.](#)

Sugar

Ex-mill, retail prices of sugar; LHC suspends notification

Sugar | Positive

The Lahore High Court on Tuesday suspended a notification of fixing the ex-mill and retail price of sugar at Rs 80 and Rs 85 respectively and restrained the Punjab government from implementing it. The court also summoned provincial secretary for industries, cane commissioner and officials of the Federal Board of Revenue (FBR) for Wednesday (today) in petitions of Tandlianwal Sugar Mills and others. (BR) | [Click for more info.](#)

High production cost pushes sugar price up

Sugar | Neutral

Exorbitantly high cost of sugarcane crushing in Pakistan leads to increase in sugar price at the retail level in Pakistan compared to neighbouring India, documents showed on Tuesday. Against the average sugarcane price of Rs259 per 40-kilogram in Pakistan, local sugar industry is adamant to sell sugar at ex-mill price of Rs93 per kg. In sheer contrast, fair and remunerative price of sugarcane in India was set at equivalent of 238 Pakistani rupees per 40kg for 2020/21 season while sugar price was fixed accordingly at 64 per kg Pakistani rupees, according to the documents. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,769.5	30,292.0	522.5	1.8%
KSE100	43,548.2	44,404.7	856.5	2.0%
KSE30	17,851.2	18,245.9	394.6	2.2%
KMI30	72,177.8	73,494.7	1316.9	1.8%

Top Five Gainers

	Open	Close	Chg.	%
UPFL	13,310.1	13,750.0	439.9	3.3%
PAKT	1,445.0	1,511.4	66.4	4.6%
COLG	2,750.0	2,800.0	50.0	1.8%
NRL	502.3	537.4	35.2	7.0%
FASM	350.0	376.2	26.2	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	127.5	137.0	9.6	20.65
NETSOL	162.8	172.5	9.8	19.23
UNITY	27.3	29.2	1.9	16.49
ANL	31.3	33.1	1.8	15.87
BYCO	9.9	10.2	0.3	15.78

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.07	0.00	0.06
F-Corporates	0.87	-1.65	-0.78
O/S Pakistanies	6.89	-7.01	-0.12
Net	7.83	-8.66	-0.83
LIPI			
Individuals	127.41	-128.08	-0.67
Companies	6.07	-4.67	1.40
Comm. Banks	3.71	-4.07	-0.36
NBFC	0.04	-0.02	0.03
Mutual Funds	5.61	-3.96	1.65
Other	0.24	-0.15	0.09
Brokers Proprietary	28.57	-29.59	-1.01
Insurance	1.44	-1.75	-0.31
Net	173.11	-172.28	0.83

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	59.33	1.2%
Brent oil	USD/bbl.	62.74	0.9%
Gold	USD/t oz.	1743.27	0.9%
Silver	USD/t oz.	25.16	1.1%
Coal	USD/ton	97.00	0.0%
Steel Scrap (LME)	USD/ton	470.50	2.3%
Steel Rebar (LME)	USD/ton	650.00	1.1%
USD/PKR	Interbank	153.47	-0.2%

News Source: Local / Int'l Newspapers and websites

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Miscellaneous

Nestle Plans To Invest Rs. 3.4 Billion To Expand its Businesses in 2021

NESTLE | Positive

Nestle Pakistan's management has planned to invest an amount of Rs. 3.4 billion in Pakistan to scale up its operations and business in 2021. Investments of approximately Rs. 3.4 billion are planned for 2021, primarily focused on operational reliability and capacity increases to meet consumer demand, the company said in its annual financial report. (Propakistan) | [Click for more info.](#)

Fuel stocks drop to lowest levels

OMCs | Negative

Though the Federal Investigation Agency (FIA) is probing the oil crisis of last year, shortage of petrol and jet fuel may once again be looming in the country as stocks have plummeted to the lowest levels. The country has average storage capacity for 73 days. However, oil marketing companies were maintaining stocks for an average of 15 days as on April 6. Jet fuel is widely used by airlines. | [Click for more info.](#)

Import of palm oil, palm olein

UNITY | Neutral

The Economic Coordination Committee (ECC) of the Cabinet has reportedly delayed its decision on a proposal of Ministry of Industries and Production proposal pertaining to exemption in customs duty and additional customs duty to importers of palm oil and palm olein | [Click for more info.](#)

JS Global Capital Ltd to buy-back up to a maximum of 3.99 mln issued ordinary shares

JSCL | Neutral

The Board of Directors of JS Global Capital Limited has proposed to purchase/buyback up to a maximum of 3,991,525 issued ordinary shares (13.06% of the total outstanding shares) of the company, having face value of Rs10 each at a purchase price of Rs80 per share. (Mettis) | [Click for more info.](#)

Fake/flying invoices; Steel sector submits plan to FBR

Steel | Neutral

The documented steel sector (large steel producers) has offered the Federal Board of Revenue (FBR) to take their input for effectively dealing with the problem of fake invoice with structural changes in sales tax law to make it impossible for any taxpayer to use flying invoices. (BR) | [Click for more info.](#)

ECC to examine PIA restructuring plan today

PIAA | Neutral

The Economic Coordination Committee (ECC) of the Cabinet is likely to consider and approve the Pakistan International Airline Corporation Limited restructuring plan today. (BR) | [Click for more info.](#)

Services trade deficit shrinks 41.8pc in 8 months

Economy | Positive

The country's services trade deficit contracted by 41.8 percent during the first eight months of the current financial year (2020-21) as compared to the corresponding period of last year. The services trade deficit during July-February (2020-21) was recorded at \$1338.58 million against the deficit of \$2299.87 million in July-February (2019-20), according to the latest data of Pakistan Bureau of Statistics (PBS). (The Nation) | [Click for more info.](#)

International News

Oil prices rise on stronger economic outlook, U.S. stockpile draw

Oil prices edged higher on Wednesday on the prospects for stronger global economic growth amid increased COVID-19 vaccinations and a report that crude inventories in the United States, the world's biggest fuel consumer, fell. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	44,404.7	856.49	1.97%
HK - Hang Seng	28,938.7	560.39	1.97%
Taiwan - TWII	16,739.9	140.15	0.85%
PHILP - PSEI	6,590.1	94.96	1.46%
INDIA - SENSEX	49,201.4	42.07	0.09%
INDONESIA - IDX	6,002.8	32.48	0.54%
KSA - Tadawul	9,989.0	24.14	0.24%
CHINA - Shanghai	3,483.0	-1.42	-0.04%
US - S&P 500	4,073.9	-3.97	-0.10%
US - Dow 30	33,430.2	-96.95	-0.29%

Board Meetings

Scrip	Day	Agenda	Time
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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