



April 8,
2021

Economy

IMF projects budget deficit at 7.1pc in FY21

Economy | Neutral

The International Monetary Fund on Wednesday projected Pakistan fiscal position to remain under pressure during current fiscal year with budget and primary deficit at 7.1pc and 1pc of GDP respectively and debt levels staying elevated at 87.7pc. In one of its flagship publications – Fiscal Monitor – the IMF, however, forecast improving fiscal situation over the next few years. The IMF forecast Pakistan's general government gross debt to peak at 87.7pc of GDP – the highest in history – by end of current fiscal year and then start declining to 83.3pc and then gradually going down to 65.5pc by 2026. (Dawn) | [Click for more info.](#)

Lavrov says Russia ready to 'further deepen' ties

Economy | Positive

Russia Wednesday reaffirmed its commitment to promote bilateral cooperation with Pakistan in diverse fields including economy, trade, energy, and defence, besides confirming to provide the country with special military equipment for strengthening its counterterrorism capability. (BR) | [Click for more info.](#)

Govt raises Rs869bn through T-bill auction

Economy | Positive

The government raised over Rs869 billion through the treasury bills (T-bills) auction on Wednesday, though a meagre amount for the long-term Pakistan Investment Bonds (PIBs) was raised against the target. The State Bank reported that bids for T-bills were Rs2.124 trillion but the government remained close to its target of Rs900bn. The highest amount raised was for the benchmark six-month T-bills while bids for 12-month papers were rejected. (Dawn) | [Click for more info.](#)

G20 extends debt-servicing freeze for poorer nations

Economy | Positive

World finance chiefs agreed on Wednesday to boost reserves at the International Monetary Fund by \$650 billion and extend a debt-servicing freeze to help developing countries deal with the coronavirus pandemic, according to a Group of 20 communique. | [Click for more info.](#)

Oil & Gas

Oil, gas production falls

Oil & Gas | Negative

Pakistan's oil production in the week ended March 30 fell by one per cent to 75,551 barrels per day while gas production declined by 2pc for the third consecutive week to an average production of 3,278mmcf. (Dawn) | [Click for more info.](#)

Petrol and diesel; OMCs directed to build up stocks

OMCs | Neutral

The Oil and Gas Regulatory Authority (OGRA), on Wednesday, directed the Oil Marketing Companies (OMCs) to build up their stocks of petrol and diesel as per law ahead of harvesting season in the country. The regulator directed all the OMCs to build up their stocks of petrol and diesel upto minimum 20 days owing to the start of harvesting season in the country. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,292.0	30,042.7	-249.3	-0.8%
KSE100	44,404.7	43,953.6	-451.1	-1.0%
KSE30	18,245.9	18,012.3	-233.6	-1.3%
KMI30	73,494.7	72,717.6	-777.1	-1.1%

Top Five Gainers

	Open	Close	Chg.	%
UPFL	13,750.0	14,000.0	250.0	1.8%
SFL	795.0	849.0	54.0	6.8%
AKDCL	308.0	331.1	23.1	7.5%
AABS	350.0	370.0	20.0	5.7%
SHEZ	291.0	305.9	14.9	5.1%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	137.0	138.1	1.1	38.33
DSL	5.2	6.2	1.0	30.34
ANL	33.1	33.1	0.0	22.93
GGL	24.8	26.7	1.9	16.18
TELE	7.1	6.9	-0.2	14.81

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.05	-0.05	0.01
F-Corporates	3.12	-14.22	-11.10
O/S Pakistanies	9.54	-9.27	0.27
Net	12.71	-23.53	-10.82
LIPI			
Individuals	149.19	-145.64	3.55
Companies	4.79	-4.16	0.63
Comm. Banks	3.71	-0.63	3.08
NBFC	0.05	-0.13	-0.08
Mutual Funds	5.11	-3.78	1.33
Other	0.31	-0.29	0.02
Brokers Proprietary	33.21	-32.26	0.96
Insurance	3.50	-2.17	1.33
Net	199.87	-189.06	10.82

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	59.77	0.7%
Brent oil	USD/bbl.	63.16	0.7%
Gold	USD/t oz.	1737.72	-0.3%
Silver	USD/t oz.	25.15	-0.1%
Coal	USD/ton	97.50	0.5%
Steel Scrap (LME)	USD/ton	454.00	-3.5%
Steel Rebar (LME)	USD/ton	641.00	-1.4%
USD/PKR	Interbank	153.29	-0.1%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited
(021) 32429665, Ext. 106

REP-055



LNG provisional prices increased for April

Gas | Positive

The Oil and Gas Regulatory Authority (Ogra), on Wednesday, increased the LNG provisional prices for consumers of both gas utility companies for the month of April. The regulator increased the prices of LNG for gas consumers of the Sui Northern Gas Company Limited (SNGPL) by \$0.1733 per mmbtu and the Sui Southern Gas Company Limited (SSGCL) by \$0.1634 per mmbtu as compared with prices of LNG for March. The distribution price of LNG for the SNGPL is fixed \$9.7638 per mmbtu for April which was \$9.5905 per mmbtu in March. For the consumers of the SSGCL, the price of LNG is \$9.4779 per mmbtu which recorded \$9.3145 per mmbtu in March. (BR) | [Click for more info.](#)

Power

Power firms get 64-paisa tariff hike for February

Power | Positive

The National Electric Power Regulatory Authority (Nepra) on Wednesday notified about 64 paisa per unit increase in electricity rates for ex-Wapda distribution companies (Discos) to generate about Rs4.4 billion additional revenue for the troubled power sector. The increase was allowed on account of monthly fuel cost adjustment (FCA) for electricity consumed in February. This would be charged to consumers in the current billing month. The tariff increase will be applicable to all consumers except lifeline consumers ie 50 units per month. This FCA is also not applicable to K-Electric consumers. (Dawn) | [Click for more info.](#)

ECC again refrains from approving payments to IPPs

IPPs | Negative

The Economic Coordination Committee (ECC) of the cabinet on Wednesday put off a decision on payment of first installment out of Rs403 billion outstanding payments to independent power producers (IPPs) but approved about Rs457bn restructuring plan for Pakistan International Airlines (PIA) along with retrenchment of its 25 per cent workforce (about 3,500 staff) at a cost of Rs13bn. (Dawn) | [Click for more info.](#)

Transportation

ECC passes on PIA restructuring plan to cabinet

PIAA | Positive

A meeting of the Economic Coordination Committee (ECC) of the Cabinet has decided that the restructuring plan of the Pakistan International Airlines Corporation Limited (PIACL) would be taken to the federal cabinet for a detailed discussion and approval. (BR) | [Click for more info.](#)

PIA's net losses wither by 34% YoY during CY20

PIAA | Neutral

Pakistan International Airline Company Limited (PIA)'s net losses for CY20 have shrunk by 34% YoY to Rs 35.3 billion as compared to the losses of Rs 52.6 billion that the company incurred in the previous year. (Mettis) | [Click for more info.](#)

Miscellaneous

Citi Pharma Limited applies for listing on PSX

Capital Market | Positive

Citi Pharma Limited (CPL) has applied for a listing on the Pakistan Stock Exchange (PSX). As per the notice issued by PSX, the Company shall be issuing 72,692,000 Ordinary Shares (35% of the total post-IPO paid-up capital of Citi Pharma Limited) of the face value of PKR 10/-each. (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	49,661.8	460.37	0.94%
Taiwan - TWII	16,815.4	75.49	0.45%
PHILP - PSEI	6,651.7	61.60	0.93%
INDONESIA - IDX	6,036.6	33.85	0.56%
KSA - Tadawul	10,014.3	25.32	0.25%
US - Dow 30	33,446.3	16.02	0.05%
US - S&P 500	4,080.0	6.01	0.15%
CHINA - Shanghai	3,479.6	-3.34	-0.10%
HK - Hang Seng	28,674.8	-263.94	-0.91%
PAK (KSE-100)	43,953.6	-451.12	-1.02%

Board Meetings

Scrip	Day	Agenda	Time
PTC	Sunday	1Q A/c 31-Mar-20	2:00 PM
HRPL	Monday	3Q A/c 31-Mar-20	11:00 AM
KOHC	Monday	3Q A/c 31-Mar-20	11:00 AM
PTL	Monday	3Q A/c 31-Mar-20	2:00 PM
BWHL	Tuesday	3Q A/c 31-Mar-20	11:00 AM
SIBL	Tuesday	1Q A/c 31-Mar-20	12:30 PM
FDIBL	Tuesday	3Q A/c 31-Mar-20	3:00 PM

Source: PSX



Banks defer, restructure Rs910.7bn worth of loans

Banks | Neutral

Banks and development finance institutions (DFIs) have deferred and restructured loans worth Rs910.7 billion in a year to help borrowers cope with economic distress amid the Covid-19 pandemic, according to the latest figures posted by the central bank. (The News) | [Click for more info.](#)

Duty-free imports increase to Rs2.6 trillion

Steel | Neutral

Import volume of duty-free goods increased to Rs2.6 trillion during the tax year 2020 compared with Rs2.44 trillion in the preceding tax year, up 6.4 percent despite efforts of the government to reduce the number of exemptions and concessions. The Federal Board of Revenue (FBR) data on Wednesday revealed that duty-free customs clearance increased by 11.6 percent only on import of 15 items. The major growth of 257 percent was seen on duty free clearance of iron and steel. (The News) | [Click for more info.](#)

International News

Asia shares set to follow Wall Street's modest gains after Fed maintains stance

Asian equities are poised to track Wall Street's cautious gains on Thursday after minutes from the Federal Reserve's latest meeting reiterated its commitment to keep interest rates low until the U.S. economy makes a more secure recovery. (Reuters) | [Click for more info.](#)

Oil up on global economic recovery, but hefty U.S. fuel stocks weigh

Oil futures inched higher on Wednesday on an improving global economic outlook, but gains were capped by rising gasoline inventories and fears that new coronavirus outbreaks will weaken a global recovery in fuel demand. (Reuters) | [Click for more info.](#)



Disclaimer

This report has been prepared by Aba Ali Habib Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Aba Ali Habib Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Aba Ali Habib Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents.

In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Aba Ali Habib Securities' Research Department and do not necessarily reflect those of the company or its directors. Aba Ali Habib as a firm may have business relationships, including investment- banking relationships, with the companies referred to in this report. Aba Ali Habib Securities or any of its officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the subject company, may have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company, may serve or may have served in the past as a director or officer of the subject company, may have received compensation from the subject company for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from the subject company for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the subject company.

All rights reserved by Aba Ali Habib Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Aba Ali Habib Securities. Action could be taken for unauthorized reproduction, distribution or publication.

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.

Analyst Certification ^{AC}

The research Analyst(s) hereby certify that the views about the company/companies and the security/securities discussed in this report accurately reflect his or her or their personal views and that s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst
zubair@abaalihabib.com

Behroze Atique – Research Analyst
behroze@abaalihabib.com

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

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

Salman Ahmed - Head of Retail Sales
(021) 32412491

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Office (PSX Building)

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



https://twitter.com/Aba_Ali_Habib



<https://www.facebook.com/aah162>



<https://www.linkedin.com/company/aba-ali-habib-securities/>