



June 8,  
2021

## Economy

**PSX seeks rationalisation of tax rates**

**Capital Market | Neutral**

The Pakistan Stock Exchange (PSX) has sought rationalisation of tax rates for listed companies and aligning rates of capital gain tax on disposal of securities in line with regional practices in its budget proposals. (Dawn) | [Click for more info.](#)

**Taxation measures: Govt-IMF deadlock still persists**

**Economy | Neutral**

Pakistan and the IMF have not yet reached agreement on next budgetary targets especially taking additional taxation measures to fetch Rs300 billion, hiking petroleum levy and exact timeframe for increasing electricity tariff. (The News) | [Click for more info.](#)

**NA passes 10 key bills**

**Economy | Neutral**

The National Assembly, on Monday, before presenting Budget-2021-22 in the house passed as many as 10 bills, including "The Privatization Commission (Amendment) Bill, 2020", "The Loans for Agricultural, Commercial and Industrial Purp (Amendment) Bill, 2019", and "The Hyderabad Institute for Technical and Management Science Bill, 2021". According to sources, the Budget-2021-22 will be presented in the House on June 11 for discussion, and it would be passed by the end of this month (June). (BR) | [Click for more info.](#)

**Central govt debt rises by 8% YoY in April**

**Economy | Negative**

The Central Government's total debt inflated by Rs2.75trillion or 8% YoY to Rs37.08 trillion by end-April 2021 as opposed to Rs34.32trillion recorded in April 2020. On a monthly basis, the central government debt inched up by 1% MoM. (Mettis) | [Click for more info.](#)

**Public debt surges 5.61pc in July-April FY2021**

**Economy | Negative**

Pakistan's public debt increased by Rs1.971 trillion or 5.61 percent in 10 months of the current fiscal year as the government borrowed heavily to fund the budget deficit and the Covid-related expenditure needs. Higher interest payments also contributed to the rise in the stock of the public debt. (The News) | [Click for more info.](#)

**Coronavirus positivity ratio drops to 3.02pc**

**Economy | Positive**

The national coronavirus positivity ratio has dropped to 3.02 percent in Pakistan as the country conducted 49,285 tests of which 1,490 returned positive, the National Command and Operation Centre (NCOC) said. (BR) | [Click for more info.](#)

## Oil & Gas

**High LPG prices: JJVL LPG extraction plant awaits nod of SSGC for gas supply**  
**SSGC | Neutral**

Amid the LPG prices going up in the country, JJVL (Jamshoro Joint Venture Limited) LPG and NGL extraction plant still awaits the nod of Sui Southern Gas Company (SSGC) for supply of gas despite the fact that AF Ferguson & Company (AFFCO), appointed as supervisor by the Supreme Court in its final determination report, has established the commercial and financial viability for SSGC to supply gas to the LPG plant. And more importantly, the consultant's report has found that setting up a new LPG/NGL extraction plant by SSGC, on current gas available, is unviable. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	32,588.9	32,732.2	143.3	0.4%
KSE100	48,211.7	48,302.7	91.0	0.2%
KSE30	19,654.7	19,658.1	3.5	0.0%
KMI30	79,246.2	79,186.6	-59.6	-0.1%

### Top Five Gainers

	Open	Close	Chg.	%
UPFL	16,300.0	17,199.0	899.0	5.5%
RMPL	9,450.0	9,725.0	275.0	2.9%
COLG	2,800.0	2,850.0	50.0	1.8%
SIEM	587.1	631.1	44.0	7.5%
SAPL	965.7	1,000.0	34.3	3.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HUMNL	7.9	8.7	0.7	118.20
WTL	3.5	3.5	0.0	80.74
PTC	11.9	12.6	0.8	64.77
BYCO	11.4	11.5	0.1	44.57
TELE	17.4	18.0	0.6	31.01

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.05	-0.01	0.04
F-Corporates	0.76	-3.11	-2.36
O/S Pakistanies	13.19	-12.07	1.12
<b>Net</b>	<b>14.00</b>	<b>-15.19</b>	<b>-1.19</b>
<b>LIPI</b>			
Individuals	163.26	-153.07	10.19
Companies	7.09	-7.10	-0.01
Comm. Banks	4.42	-7.27	-2.84
NBFC	0.08	-0.17	-0.09
Mutual Funds	13.99	-11.50	2.49
Other	0.37	-1.71	-1.34
Brokers Proprietary	26.56	-33.19	-6.63
Insurance	2.86	-3.44	-0.59
<b>Net</b>	<b>218.63</b>	<b>-217.44</b>	<b>1.19</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	69.23	-0.6%
Brent oil	USD/bbl.	71.49	-0.6%
Gold	USD/t oz.	1899.21	0.4%
Silver	USD/t oz.	27.89	0.4%
Coal	USD/ton	113.90	2.2%
Steel Scrap (LME)	USD/ton	499.00	-1.6%
Steel Rebar (LME)	USD/ton	715.00	-5.3%
USD/PKR	Interbank	155.05	0.2%

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

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**REP-055**



## LNG tender re-issued

### Economy | Neutral

Pakistan LNG has re-issued a tender and is now seeking two liquefied natural gas (LNG) cargoes for delivery in July, according to a document posted on the company website. (Dawn) | [Click for more info.](#)

## Power

### 300 units' consumption in April '21; Nepra approves Rs4.4bn refund to Discos' consumers

#### Power | Positive

The National Electric Power Regulatory Authority (Nepra) Monday approved a refund of Rs 4.4 billion @ paisa 44 per unit, to the consumers of Discos using above 300 units in April 2021 under monthly fuel adjustment mechanism. (BR) | [Click for more info.](#)

### Domestic consumers using over 700 units; Nepra to allow levy of Rs1.25/unit surcharge

#### Power | Negative

The National Electric Power Regulatory Authority (Nepra) has agreed in principle to allow federal government to impose a surcharge of up to Rs1.25 per unit on domestic consumers using over 700 units and other categories of commercial and industrial consumers aimed at cross subsidizing other domestic consumers as "special arrangement in special circumstances." (BR) | [Click for more info.](#)

### Rs182.4bn for 92 hydropower and water projects earmarked in PSDP

#### Power | Positive

The Federal Government has reportedly earmarked Rs 182.4 billion for 92 hydropower and water projects in Public Sector Development Programme (PSDP) for the fiscal year 2021-22, official sources told. (BR) | [Click for more info.](#)

## Autos

### Here's the Expected Price of New 6th-Gen Honda City

#### HCAR | Positive

Honda Atlas Cars is poised to retire the old 5th generation Honda City and debut the 6th Generation City in the Pakistani market in a bid to rejuvenate its status in the B-segment car market. The vehicle is starting to gain considerable momentum in the Pakistani market, with the company reportedly having received bookings for over 7,000 units despite the lack of information on features and the price of the vehicle. The report further shared a photo of an excise document according to which the price of the 1200cc CVT variant of the upcoming City is Rs.2,725,000. (Propakistani) | [Click for more info.](#)

## Miscellaneous

### No cut in local ghee, oil rates despite falling world prices

#### POML, Unity | Neutral

The prices of ghee and edible oil have started to ease in the international markets amid the harvest of fresh palm oil crops in Malaysia and Indonesia. However, the impact is yet to be felt locally while investors are hoarding stocks ahead of the upcoming budget. (Dawn) | [Click for more info.](#)

### Govt proposes sharp cuts on 600 raw material tariff lines

#### MERIT, PKGS, SGF, BAT, SRVI, PAEL, WAVES, GATM, NML | Positive

The government has approved hefty cuts including exemptions on raw materials under 600 tariff lines to boost import substitutions of consumer industries and promote exports from traditional and non-traditional sectors. (Dawn) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	52,328.5	228.46	0.44%
PAK (KSE-100)	48,302.7	90.96	0.19%
KSA - Tadawul	10,719.9	34.40	0.32%
CHINA - Shanghai	3,599.5	7.69	0.21%
INDONESIA - IDX	6,069.9	4.76	0.08%
US - S&P 500	4,226.5	-3.37	-0.08%
PHILP - PSEi	6,763.9	-32.42	-0.48%
Taiwan - TWII	17,083.9	-63.50	-0.37%
US - Dow 30	34,630.2	-126.15	-0.36%
HK - Hang Seng	28,787.3	-130.82	-0.45%

### Board Meetings

Scrip	Day	Agenda	Time
HSPI	Wednesday	ANN A/c 30-Jun-20	3:00 PM
HUMNL	Monday	ANN A/c 30-Jun-20	12:00 PM

Source: PSX



## Collateral free loans to businesses soon

Banks, Economy | **Positive**

Governor State Bank of Pakistan Dr. Reza Baqir has said that the SBP is going to initiate a scheme for Financing to Cottage Industry up to Rs 10 million without the collateral. He said that the government will give guarantee to the banks against losses and will invite Expression of Interest from banks for inclusion in this scheme. (Pakobserver) | [Click for more info.](#)

## International News

### Anti-poverty groups criticise rich countries over G7 tax deal

Anti-poverty campaigners on Monday criticised a deal reached by seven wealthy countries to impose a minimum tax on multinational companies, saying it would benefit rich nations at the expense of the poor. (BR) | [Click for more info.](#)

### Asia Stocks Set for Steady Open; Dollar, Bonds Dip: Markets Wrap

Asian stocks are poised for a steady start Tuesday as investors await more clues on the outlook for inflation and central bank stimulus amid the recovery from the pandemic. The dollar and Treasuries slipped. (Bloomberg) | [Click for more info.](#)

### Oil dips on profit-taking after logging 2-year high on OPEC+ curbs

Oil prices pulled back on Monday after touching two-year highs on expectations of improved demand and OPEC producers keeping supply curbs in place. (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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