



March 8,
2021

Economy

PM wins trust vote, comes on very strong about opposition

Capital Market, Economy | Positive

Prime Minister Imran Khan on Saturday secured 178 votes from the 341-member National Assembly on a vote of confidence motion amid opposition's boycott following an upsetting defeat of Finance Minister Abdul Hafeez Shaikh against the opposition's joint candidate Syed Yusuf Raza Gilani on a crucial Senate seat from Islamabad. (BR) | [Click for more info.](#)

Imran asks Hafeez to continue as his finance adviser

Economy | Positive

After getting a vote of confidence from the National Assembly on Saturday, Prime Minister Imran Khan held a meeting with Dr Abdul Hafeez Shaikh at the Parliament House and asked him to continue performing duties as the adviser to PM on finance. (The News) | [Click for more info.](#)

Govt seeks economic re-engagement with US administration

Economy | Positive

The government has formed an apex committee to find avenues for economic reengagement with the new US administration, including a possibility of seeking investment under the China Pakistan Economic Corridor (CPEC) project. The 14-member ministerial apex committee will meet next week at the Foreign Office to discuss a range of economic and commercial proposals to warm ties with the US. (ET) | [Click for more info.](#)

Pakistan, IMF agree to lower FBR's tax collection target

Economy | Neutral

Pakistan and the International Monetary Fund (IMF) have agreed to revise downward the annual tax collection target of the Federal Board of Revenue (FBR) in order to revive the stalled extended fund facility (EFF) programme. The tax collection target would be lowered by Rs246 billion, from Rs.4,963 billion to Rs4,717 billion, for the current fiscal year, 2020-21. (The News) | [Click for more info.](#)

Second CPEC, SEZ start with Rs.53.6 billion investment in Faisalabad: BOI

Economy | Positive

The Board of Investment (BOI) has said that second Special Economic Zones (SEZ) of China Pakistan Economic Corridor (CPEC) begins with Planned Rs.53.6 billion investment in Faisalabad to attract the foreign and local investors with state of art world standard facilities. (BR) | [Click for more info.](#)

Govt might struggle to restrict budget deficit to targeted 7 per cent of GDP

Economy | Neutral

The government might struggle to restrict budget deficit at targeted seven per cent of the GDP after slashing down the tax collection target by Rs246 billion during current fiscal year and expected increase in expenditures amid Covid-19. (The Nation) | [Click for more info.](#)

PM approves withdrawal of 80 income tax exemptions

Economy | Neutral

Prime Minister Imran Khan on Friday approved the introduction of Money Bill in the National Assembly next week to withdraw around 80 income tax exemptions and reform the tax laws to meet a prior action for the revival of \$6 billion (IMF) programme. (ET) | [Click for more info.](#)

Govt debt surges by 11pc to Rs36.53tr

Economy | Negative

The federal government's total debt increased to Rs36.537 trillion by end-January as against Rs32.997tr in the same period last year, up by almost 11 per cent, or Rs3.54tr. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	31,133.9	31,402.0	268.1	0.9%
KSE100	45,278.5	45,837.4	558.8	1.2%
KSE30	18,898.3	19,173.8	275.5	1.5%
KMI30	75,339.2	76,412.9	1073.7	1.4%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	10,000.0	10,200.0	200.0	2.0%
SUTM	1,074.6	1,147.6	73.0	6.8%
IDYM	800.6	860.6	60.0	7.5%
BHAT	920.0	967.5	47.5	5.2%
MARI	1,549.7	1,589.3	39.6	2.6%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
ANL	32.9	34.0	1.1	29.25
TRG	142.7	145.8	3.1	21.08
PRL	26.1	26.6	0.5	17.89
GGL	18.7	20.0	1.3	17.33
FFBL	24.2	25.8	1.6	14.83

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.02	-0.04	-0.02
F-Corporates	3.12	-3.60	-0.48
O/S Pakistanies	5.47	-7.19	-1.72
Net	8.61	-10.83	-2.22
LIPI			
Individuals	108.60	-107.11	1.49
Companies	5.82	-4.20	1.62
Comm. Banks	1.63	-2.34	-0.71
NBFC	0.02	-0.02	0.00
Mutual Funds	2.33	-5.22	-2.89
Other	1.88	-0.41	1.47
Brokers Proprietary	23.73	-23.55	0.19
Insurance	2.43	-1.38	1.05
Net	146.44	-144.22	2.22

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	66.09	3.5%
Brent oil	USD/bbl.	69.36	3.9%
Gold	USD/t oz.	1700.63	0.2%
Silver	USD/t oz.	25.25	-0.4%
Coal	USD/ton	87.45	0.0%
Steel Scrap (LME)	USD/ton	463.50	-0.3%
Steel Rebar (LME)	USD/ton	643.50	-0.7%
USD/PKR	Interbank	157.13	-0.2%

News Source: Local / Int'l Newspapers and websites

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Oil & Gas

LHC rejects industries' plea, allows Ogra to recover arrears

Gas | Positive

The Lahore High Court (LHC) has dismissed a challenge of the industries against recovery of the arrears of the Estimated Revenue Requirement (ERR) on gas tariff determined by the Oil and Gas Regulatory Authority (Ogra) for 2014-15. (Dawn) | [Click for more info.](#)

Weighted average prices of RLNG reduced

SSGC, SNGP | Positive

Oil and Gas Regulatory Authority (Ogra) has reduced the weighted average prices of RLNG for consumers of Sui Northern Gas Company Limited (SNGPL) and Sui Southern Gas Company (SSGC) for March in month to month comparison. (BR) | [Click for more info.](#)

Overstressed LNG chain is a safety hazard, says report

Gas | Neutral

Pakistan's liquefied natural gas terminals are overstressed and LNG value chain is very fragile from all parameters against global standards and could face operational and safety risks, contrary to common perception in public discourse that terminals are underutilized. (Dawn) | [Click for more info.](#)

Govt releases 91.6pc of funds allocated under PSDP for petroleum projects

E&P | Positive

The government has so far released around 91.6 percent funds against the total allocation of Rs1,8441.230 million to execute eight petroleum sector projects under the Public Sector Development Programme (PSDP 2020-21). (The Nation) | [Click for more info.](#)

Power

Nepra okays supply of additional 150MW to K-Electric

KEL | Positive

The National Electric Power Regulatory Authority (Nepra) on Friday approved a tripartite power purchase agreement (TPPA) among K-Electric, National Transmission and Despatch Company (NTDC) and Central Power Purchase Agency (CPPA) for 150MW additional power supply to Karachi from the national grid. (Dawn) | [Click for more info.](#)

Energy sector; IMF, govt agree to freeze circular debt at current level

Power | Positive

The Government and International Monetary Fund (IMF) have reportedly agreed to freeze the energy sector circular debt at current level of Rs.2.4 trillion till June 30, 2023. (BR) | [Click for more info.](#)

MoF required to provide Rs194bn additional subsidy

Power | Positive

Ministry of Finance (MoF) is required to provide additional a subsidy of Rs194 billion to the power sector for the current fiscal year, otherwise the shortfall of subsidy would be added to the rapidly increasing circular debt despite adjustment in power tariff. (BR) | [Click for more info.](#)

Autos

Vehicles' import; FBR changes definition of 'tourists'

Autos | Neutral

The Federal Board of Revenue (FBR) has changed the definition of 'tourists' for allowing temporary import of vehicles by tourists without payment of duties and taxes for a period of six months. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	31,496.3	572.16	1.85%
PAK (KSE-100)	45,837.4	558.82	1.23%
KSA - Tadawul	9,351.1	108.80	1.18%
US - S&P 500	3,841.9	73.47	1.95%
PHILP - PSEi	6,881.4	-1.12	-0.02%
CHINA - Shanghai	3,502.0	-1.50	-0.04%
INDONESIA - IDX	6,258.8	-32.05	-0.51%
Taiwan - TWII	15,855.2	-51.18	-0.32%
HK - Hang Seng	29,098.3	-138.50	-0.47%
INDIA - SENSEX	50,405.3	-440.76	-0.87%

Board Meetings

Scrip	Day	Agenda	Time
GAMON	Monday	HY A/c 31-Dec-20	11:00 AM
AMBL	Monday	ANN A/c 31-Dec-20	2:00 PM
GLAXO	Tuesday	ANN A/c 31-Dec-20	2:00 PM
HASCOL	Wednesday	HY A/c 31-Dec-20	2:00 PM
JSLC	Thursday	ANN A/c 31-Dec-20	12:15 PM

Source: PSX



Chinese automakers for incentives to encourage localization

Autos | Neutral

Chinese carmakers want the government to incorporate tax and other incentives to encourage investors to 'localise' hi-tech EV (electric vehicle) parts in the upcoming Auto Industry Development and Export Programme (AIDEP) 2021-26 expected to be announced over the next several months. (Dawn) | [Click for more info.](#)

Auto industry seeks EV-like incentives for hybrid vehicles

Autos | Neutral

As the government has introduced incentives for electric vehicles through the Electrical Vehicle (EV) Policy, the country's automotive industry seeks similar facilities for hybrid vehicles as well. (PT) | [Click for more info.](#)

Fertilizer

Two urea plants; Ministry seeks Rs2bn grant for subsidy

Fertilizer | Neutral

The Ministry of Industries and Production (MoI&P) has sought over Rs2 billion supplementary grant for subsidy on provision of gas for production of 0.7 million tons of urea from two urea plants on SNGPL system. (BR) | [Click for more info.](#)

Banks

Ministry seeks Rs1.5bn grant for disbursement of loans under PM's low-cost housing scheme

Banks | Positive

The Ministry of Housing & Works has asked the federal cabinet's Economic Coordination Committee (ECC) to approve a Rs1,500 million technical supplementary grant (TSG) for the disbursement of interest-free loans to borrowers under the Prime Minister's Low Cost Housing Scheme. According to sources, the ECC meeting, likely to be held next week, is expected to take a decision regarding the allocation of funds for the current financial year (FY21) to the housing & works ministry. (PT) | [Click for more info.](#)

Govt to borrow Rs4.8trln from banks in 3 months

Banks | Neutral

The government will borrow Rs4.8 trillion from the banking sector in next three months to reduce the fiscal gap, according to the central bank's latest data. The government aimed to raise Rs4 trillion through market treasury bills and Rs825 billion from Pakistan Investment Bonds up to the end of May, according to the auction calendar of the State Bank of Pakistan (SBP). (The News) | [Click for more info.](#)

Miscellaneous

Commercial sale of Covid-19 vaccines allowed

Pharmaceutical | Positive

The government has permitted the commercial sales of Covid-19 vaccines and the first batch of Sputnik V is expected to arrive in March, said International Monetary Fund (IMF). (BR) | [Click for more info.](#)

Pakistan to get 17m Covid-19 vaccine doses from UK

Pharmaceutical | Positive

The Conservative Friends of Pakistan (CFoP) organised an exclusive virtual event led by CFoP NHS Chapter with the British Minister for Covid-19 vaccine deployment in which various initiatives to support the UK government vaccination programme were discussed. (ET) | [Click for more info.](#)

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KSA - Tadawul	9,351.1	108.80	1.18%
US - S&P 500	3,841.9	73.47	1.95%
PHILP - PSEi	6,881.4	-1.12	-0.02%
CHINA - Shanghai	3,502.0	-1.50	-0.04%
INDONESIA - IDX	6,258.8	-32.05	-0.51%
Taiwan - TWII	15,855.2	-51.18	-0.32%
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Source: PSX



Telecom sector; Ministry for cut in biometric charges, benchmarking of spectrum price

Telecom | Neutral

The Ministry of Information Technology and Telecom has proposed downward revision in biometric charges and benchmarking of spectrum price, official sources told. A stakeholders committee was constituted in pursuance of the directions of the Prime Minister on April 6, 2020 with the mandate to carry out consultations, evaluate the proposals of the cellular mobile operators and furnish recommendations to the Prime Minister. (BR) | [Click for more info.](#)

Govt orders second business plan for PIA in two years

PIAA | Neutral

The PTI government has awarded a \$1.2 million contract to the International Air Transport Association (IATA) to carry out a business plan for Pakistan International Airlines (PIA) to take the national flag carrier out of financial crisis. (The News) | [Click for more info.](#)

To boost tourism in Pakistan: 25 to 30 top hotels will be ready in two-three years, says Zulfi

Economy | Neutral

The Special Assistant to the PM (SAPM) on Overseas Pakistanis and Human Resource Development, Sayed Zulfikar Abbas Bukhari (Zulfi Bukhari), on Sunday said the country would get as many as 25 to 30 'five-star' international standard hotels and motels in the next two to three years. (The News) | [Click for more info.](#)

Aviation sector gets 60.8pc of funds allocated under PSDP for 15 projects

Economy | Positive

The government has so far released around 60.8 percent funds against the total allocation of Rs.1,320.879 million to execute 15 aviation sector projects under the Public Sector Development Programme (PSDP 2020-21). According to the official data as of February 26, an amount of Rs566.223 million has been released for the timely and smooth execution of the projects during the last eight months. (The Nation) | [Click for more info.](#)

Political News

PTI asks ECP to hold Gilani's victory notification

The Pakistan Tehreek-i-Insaf (PTI) on Saturday filed a petition in the Election Commission of Pakistan (ECP), asking it not to issue the notification about former prime minister Yousuf Raza Gilani's victory on a general seat from Islamabad in the recently held Senate elections. (Dawn) | [Click for more info.](#)

Coalition partners vote for PM, ask Imran to stand by his promises

Prime Minister Imran Khan with the support of his party and coalition parties received the vote of confidence in the National Assembly on Saturday. The premier received 178 votes in his favour. (ET) | [Click for more info.](#)

International News

Asian Stocks Gain on Growth Outlook; Oil Rises: Markets Wrap

Asian stocks climbed Monday on optimism over President Joe Biden's \$1.9 trillion Covid-19 relief plan and the global recovery. Crude jumped after an oil facility was attacked. (Bloomberg) | [Click for more info.](#)

Brent cracks \$70 for first time since pandemic began after Saudi facilities attacked

Brent crude futures jumped above \$70 a barrel on Monday for the first time since the COVID-19 pandemic began, while U.S. crude touched its highest in more than two years, following reports of attacks on Saudi Arabian oil facilities. (Reuters) | [Click for more info.](#)

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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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