



April 9,
2021

Economy

Pakistan enters international capital market after a gap of 3-years: Finance Ministry

Capital Market, Economy | Positive

Pakistan has entered the international capital market after a gap of over three years by successfully raising USD 2.5 billion through a multi-tranche transaction of 5-, 10- and 30-year Eurobonds, Finance Ministry said on Thursday. The Ministry stated that the transaction generated great interest as leading global investors from Asia, Middle East, Europe, and the US participated in the global investor calls and the order book. (Mettis) | [Click for more info.](#)

Rupee extends gains against dollar

Economy | Positive

The exchange rate of Pakistan rupee strengthened by 16 paisas against the US dollar in the interbank trading on Thursday and closed at Rs153.01 as compared to the previous day's closing of Rs153.17. According to Forex Association of Pakistan, the buying and selling rates of dollar in the open market were recorded at Rs152.7 and Rs153.5 respectively. (Pakobserver) | [Click for more info.](#)

IMF estimates financing needs at \$23.643bn

Economy | Neutral

The International Monetary Fund (IMF) has urged all key bilateral creditors to maintain their exposure to Pakistan in line with Extended Fund Facility (EFF) programme commitments, observing that there has been a rebalancing between creditors in recent months. Financing commitments from bi and multilateral partners and the temporary suspension of debt service to official bilateral creditors granted under the G20 DSSI initiative will cover gross external financing needs amounting to \$27 billion (9.9 percent of GDP) over the next twelve months. Good prospects continue for the remainder of programme. (BR) | [Click for more info.](#)

Economic growth; Pakistan may need to dampen hopes: IMF

Economy | Neutral

Pakistan may have to temper economic growth expectations following a third wave of COVID-19 infections, an IMF official said on Thursday. The IMF had forecast 1.5% growth in gross domestic product (GDP) for the current fiscal year 2020-21 but then felt it could be higher after good data in January and February, IMF Mission Chief for Pakistan Ernesto Ramirez Rigo told reporters. The IMF's economic growth forecast is half of the 3% growth projected by Pakistan's central bank. (BR) | [Click for more info.](#)

IMF projects \$23.635bn exports, \$46.168bn imports

Economy | Neutral

The International Monetary Fund (IMF) has projected Pakistan's exports will touch \$ 23.635 billion during fiscal year 2020-21, whereas imports are expected to reach \$ 46.168 billion on FoB basis. The Fund projects trade deficit at \$ 22.533 billion in the current year. Pakistan's exports were \$ 21.394 billion during 2019-20 whereas imports stood at \$ 44.574 billion, showing a trade deficit of \$ 23.180 billion. (BR) | [Click for more info.](#)

Whopping Rs1.27tr hike in taxes committed with IMF

Economy | Negative

Pakistan has made a commitment with the International Monetary Fund (IMF) to increase FBR taxes by a massive Rs1.272 trillion (almost 2.8 per cent of GDP) in the coming budget and jack up electricity rates by almost Rs4.97 per unit in the remaining three months of the current fiscal year. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,042.7	30,423.3	380.6	1.3%
KSE100	43,953.6	44,741.4	787.8	1.8%
KSE30	18,012.3	18,332.2	319.9	1.8%
KMI30	72,717.6	73,956.9	1239.3	1.7%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	9,500.0	9,850.0	350.0	3.7%
BATA	1,860.0	1,940.0	80.0	4.3%
BHAT	861.0	925.0	64.0	7.4%
MTL	1,066.3	1,091.4	25.2	2.4%
AKDCL	331.1	355.9	24.8	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
GGL	26.7	28.6	1.9	35.91
TRG	138.1	148.5	10.4	28.69
BYCO	9.8	9.8	-0.1	26.03
LOTCEM	16.3	16.7	0.4	22.46
PRL	24.5	24.4	-0.1	21.74

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.06	-0.01	0.05
F-Corporates	1.06	-1.52	-0.47
O/S Pakistanies	9.33	-10.29	-0.96
Net	10.45	-11.82	-1.37
LIPI			
Individuals	125.94	-127.73	-1.79
Companies	5.91	-5.06	0.85
Comm. Banks	1.72	-1.65	0.07
NBFC	0.06	-0.03	0.03
Mutual Funds	5.37	-4.48	0.89
Other	0.54	-0.95	-0.41
Brokers Proprietary	29.02	-28.15	0.87
Insurance	1.87	-1.00	0.87
Net	170.43	-169.06	1.37

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	59.60	-0.3%
Brent oil	USD/bbl.	63.20	0.1%
Gold	USD/t oz.	1755.84	1.0%
Silver	USD/t oz.	25.46	1.2%
Coal	USD/ton	95.70	-1.8%
Steel Scrap (LME)	USD/ton	453.00	-0.2%
Steel Rebar (LME)	USD/ton	636.00	-0.8%
USD/PKR	Interbank	153.12	-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

IMF sets 11 new structural benchmarks

Economy, Banks | Neutral Power, Gas | Positive

The International Monetary Fund (IMF) has set 11 new structural benchmarks (SBs), reset the delayed and merged the two Financial Action Task Force (FATF) related benchmarks for ongoing reforms under the Extended Fund Facility (EFF) programme. (BR) | [Click for more info.](#)

Fund projects 8.7pc average CPI inflation

Economy | Neutral

The International Monetary Fund (IMF) has projected average Consumer Price Index (CPI) inflation at 8.7 percent in fiscal year 2021. The IMF in its latest report, "Second, third, fourth, and fifth reviews under the extended arrangement under the Extended Fund Facility and request for re-phasing of access" released Thursday, noted that the CPI is expected at an average of eight percent as continued high food prices and energy price adjustments outweigh soft international oil prices and weak domestic demand. The report noted that core inflation remains subdued in line with tepid demand-side pressures. (BR) | [Click for more info.](#)

Govt pledges to bring GST, PIT reforms in next budget

Economy | Negative

Tax revenues, net of refunds, grew 12 percent on year to year while the government has pledged to the International Monetary Fund (IMF) to bring general sales tax (GST) and personal income tax (PIT) reforms in budget 2021-22 including decrease in size of income tax slabs from 11 to 5, reduction in tax credits/allowances by 50 percent, special tax procedures for very small taxpayers and abolition of all sales tax exemptions except on essential items. (BR) | [Click for more info.](#)

Eurobond inflows: SBP receives \$2.5bn

Economy | Positive

On Thursday night, Pakistan received inflows amounting to \$2.5 billion of recently-launched Eurobonds. The State Bank of Pakistan (SBP) has confirmed on its twitter account that SBP has received the government's proceeds of \$2.5 billion against Eurobond issuance in its account. With the arrival of these inflows, the State Bank's foreign exchange reserves surged to over \$16 billion, which is the highest level since July 2017, the SBP said. (BR) | [Click for more info.](#)

Forex reserves stand to US\$ 20,679.4 million

Economy | Positive

Pakistan's total liquid foreign reserves held by the country stood at US\$ 20,679.4 million on April 02. This was stated by a spokesperson of the State Bank of Pakistan on Thursday. The foreign reserves held by the Central Bank of Pakistan stood at US\$ 13,527.2 million. The Net foreign reserves held by commercial banks are US\$ 7,152.2 million. During the week ended at April,02, SBP reserves decreased by US\$ 146 million to US\$ 13,527.2 million due to external debt repayments. (BR) | [Click for more info.](#)

Oil & Gas

IMF report: SNGPL, SSGC arrears to rise by 0.6pc of GDP

SSGC, SNGP | Neutral

International Monetary Fund (IMF) has projected that arrears of state owned gas companies - Sui Northern Gas Pipeline Limited (SNGPL) and Sui Southern Gas Company (SSGC) will rise by 0.6 percent of GDP by the end of financial year 2021-22 due to higher cost-revenue mismatch as more liquefied natural gas (LNG) has recently been diverted from the high price power sector to low price domestic users. The IMF report for second to fifth reviews prepared by a staff team of the Fund for the Executive Board's consideration on March 24 was released on Thursday. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	44,741.4	787.78	1.79%
HK - Hang Seng	29,008.1	333.27	1.16%
Taiwan - TWII	16,926.4	111.08	0.66%
INDIA - SENSEX	49,746.2	84.45	0.17%
US - Dow 30	33,503.6	57.31	0.17%
INDONESIA - IDX	6,071.7	35.10	0.58%
US - S&P 500	4,097.2	17.22	0.42%
CHINA - Shanghai	3,482.6	2.93	0.08%
KSA - Tadawul	10,012.1	-2.17	-0.02%
PHILP - PSEi	6,545.2	-106.54	-1.60%

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



OGRA hikes April LNG prices by Rs24 per mmbtu

SSGC, SNGP | **Positive**

The Oil and Gas Regulatory Authority (OGRA) has announced a revision in the imported LNG prices for the month of April, according to a statement issued by the authority on Wednesday. As per details, Sui Northern Gas Pipelines Limited (SNGPL) shall sell the imported gas at \$9.763 per unit, while per unit rates for the Sui Southern Gas Company will be \$9.477. Earlier in March, rates were \$9.59/unit and \$9.31/unit for SNGPL and SSGC, respectively. (PT) | [Click for more info.](#)

NAB Karachi distributes cheques of over Rs one billion

PSO, PPL | **Positive**, BYCO | **Negative**

Director General National Accountability Bureau (NAB) Karachi, Dr. Najaf Quli Mirza distributed cheques amounting to Rs 1001.413 million amongst various state functionaries including Government of Sindh, Pakistan Petroleum limited (PPL), Pakistan State Oil (PSO) and Federal Board of Revenue (FBR). The cheque of an amount of Rs 29.648 million was handed over to the representative of the office of Chief Secretary, Government of Sindh. A cheque of Rs. 903.218 million was handed over to the representative of MD PPL. This huge recovery was made by NAB Karachi from accused Kamran Iftikhar Lari, Ex-Chief Operating Officer (COO), BYCO Petroleum Pakistan limited. (BR) | [Click for more info.](#)

Power

Power base tariff to be further raised, govt told

Power | **Positive**

The federal government has assured the International Monetary Fund (IMF) that it will further increase power base tariff by Rs 1.39 per unit from June 1, 2021 in addition to quarterly and monthly adjustments while acknowledging that adjustments of energy tariffs brought them closer to cost recovery. (BR) | [Click for more info.](#)

KE allowed to take additional 650MW power from NTDC

KEL | **Positive**

In order to ease the power woes of Karachi and to mitigate the supply-demand gap ahead of sizzling summer, the federal government on Thursday allowed K-Electric to draw an additional 450MWs of electricity from the National Transmission and Dispatch Company (NTDC). K-Electric CEO Moonis Alvi said the power utility, after the approval from the federal government has started drawing the additional power supply from the national grid into its system by Thursday. (BR) | [Click for more info.](#)

Sell-off of two RLNG plants likely by Feb-FY22 end, IMF told

Power | **Neutral**

The government has assured the International Monetary Fund (IMF) that privatization of two RLNG power plants will likely be completed by end of February financial year 2022. (BR) | [Click for more info.](#)

Banks

Banks' reserve requirements; IMF urges govt to unwind measure taken by SBP

Banks | **Neutral**

The International Monetary Fund (IMF) has urged the government to unwind the measure taken by the State Bank of Pakistan allowing banks to lower their reserve requirements as an incentive for doubling to 5 percent the share of their lending portfolio to the housing and construction sectors out of concerns for financial stability and efficiency. (BR) | [Click for more info.](#)



HBL in talks to acquire Silkbank's consumer portfolio

SILK, HBL | **Positive**

Silkbank has initiated negotiations for a deal with Habib Bank Ltd (HBL), the country's largest commercial bank, to sell its consumer portfolio, disclosed a notice sent to the Pakistan Stock Exchange (PSX) on Thursday. HBL has approached Silkbank with a request for its concurrence to it for applying to the State Bank of Pakistan for permission to proceed with due diligence of its consumer portfolio — credit cards, personal installment loans and running finance, the exchange was informed by the company secretary through the notice. (Dawn) | [Click for more info.](#)

Miscellaneous

PM Imran inaugurates another housing project for the underprivileged

Cement, Steel | **Positive**

Prime Minister Imran Khan laid the foundation stone of a housing scheme in Islamabad on Thursday in a bid to further his government's policy for facilitating the country's underprivileged in owning properties. (ET) | [Click for more info.](#)

Modi may attend 19th Saarc summit in Islamabad

Economy | **Positive**

Speculations were rife in the federal capital of a possible visit by Indian Prime Minister Narendra Modi to Pakistan later this year in October for attending the expected 19th Saarc Summit to be hosted by the country. | [Click for more info.](#)

Avanceon awarded contract to automate fuel retail sites for a leading OMC

AVN | **Positive**

Avanceon Limited (AVN) has been contracted to deploy a state-of-the-art fuel retail automation solution for one of the largest oil marketing companies in Pakistan. The fuel retail automation solution will be deployed on multiple sites and integrated with the customer's central remote monitoring system. (Mettis) | [Click for more info.](#)

Corona vaccination registration to open for all citizens after Eid: Asad

Economy | **Positive**

National Command and Operations Centre (NCOC) head Asad Umar said on Thursday said that COVID-19 vaccination registration will be open to all citizens after Eid. | [Click for more info.](#)

International News

Asia shares set for choppy session after S&P 500 hits record high

Asian equities are set for a choppy trading session on Friday after technology stocks lifted the S&P 500 to a new record even as investors weighed an unexpected rise in the number of Americans filing new claims for unemployment benefits. (Reuters) | [Click for more info.](#)

Oil edges up on weak dollar; investors weigh rising supplies, demand outlook

Oil prices edged up in early Asian trade on Friday, supported by a weaker dollar, as investors weighed rising supplies and the impact on fuel demand from the COVID-19 pandemic. (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/>