



March 20,  
2021

## KSE-100 collects 1,113 points over the week

Domestic equities witnessed volatility in Friday's session on the back of mixed economic signals. Benchmark index closed green with addition of 177.22 DoD points, to wind up the day at 44,901.31 level. On weekly basis, KSE-100 grew by 2.5% WoW amounting to 1,113.23 points, recovered more than half of the losses in the previous week. Vigorous investors' confidence carried the bourse with numerous speculations to maintain status quo on the policy rate. Furthermore, as per sources government's new refinery policy to provide variety of incentives to the refinery sector also hyped sentiments. However, government's proposal to withdraw 80 income tax exemptions to the tune of Rs140 billion on IMF's conditions was approved by federal cabinet to hinder upward trends.

On the international front, oil prices slid by 8% in yesterday's close on the back of inflation hedging, by commodity traders as fed reserves in US maintained interest rate near zero, projecting no change for next two years. Consequently, many global markets changed course to bearish sentiments.

During the week, in their monetary policy statement, MPC has maintained status quo on the policy rate, projecting medium term prospective of inflation rate gravitating towards 5-7% range. Domestic politics remained calm as PDM postponed their long march on alignment concerns within alliance. Covid third wave is tolling as positivity ratio has risen to 6.2%.

Among market participants' foreigners were net buyers during the week amounting to USD 3.04mn, primarily contributed by corporates amounting to USD 4.34mn. Whereas local investors were net sellers amounting to USD 3.04mn, mainly contributed banks (USD 9.90mn), corporates (USD 8.19mn) and individuals (USD 1.44mn). While m-funds remained net buyer with the amount of USD 9.21mn.

## News of the week:

### State Bank Of Pakistan Keeps Policy Rate Unchanged

Economy | Positive

At its meeting on March 19, 2021, the Monetary Policy Committee (MPC) of State Bank of Pakistan (SBP) decided to maintain the policy rate unchanged at 7 percent. The MPC noted that since the last meeting in January 2021, growth and employment have continued to recover and business sentiments have further improved. | [Click for more info.](#)

### Digital Financial Transactions show double-digit growth in Pakistan: SBP

Economy | Positive

As per the State Bank of Pakistan (SBP), Quarterly Payment System Review (QPSR), during Q2FY21, 296.7 million e-Banking transactions valuing Rs21.4 trillion were carried out, registering a growth of 24 percent by volume and 22 percent by value, over the same quarter last year. | [Click for more info.](#)

### First electronic warehouse receipt issued

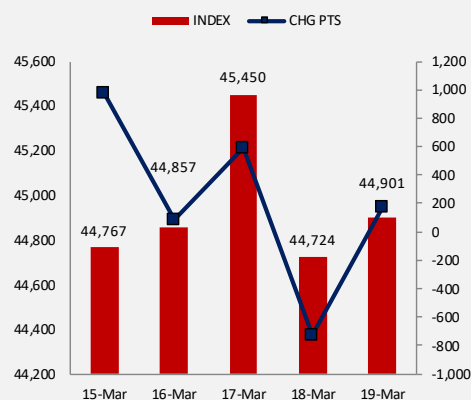
Economy | Positive

The first electronic warehouse receipt (EWR) was issued on Friday against rice and paddy stocks stored at the recently accredited NRSP-APCL facility in Hafizabad. The EWR gives financial institutions real-time information and access to farmers who have placed their produce in an accredited warehouse, significantly reducing transaction costs and operational risks for the banks. | [Click for more info.](#)

KSE-100	L-WEEK	C-WEEK	CHNG	% CHNG
INDEX	43,788	44,901	1,113	2.54%
WEEK HIGH	46,436	45,615	-820	-1.77%
WEEK LOW	42,689	43,788	1,099	2.57%
VOLUME (MN)	1,022	1,260	238	23.29%
VALUE US\$ (MN)	468	458	-11	-2.26%
AVERAGE	43,907	44,940	1,033	2.35%
MKT CAP (PKR)	1.88	1.91	0.03	1.73%
FIPI NET (US\$ MN)	3.64	3.04	3.06	N/A

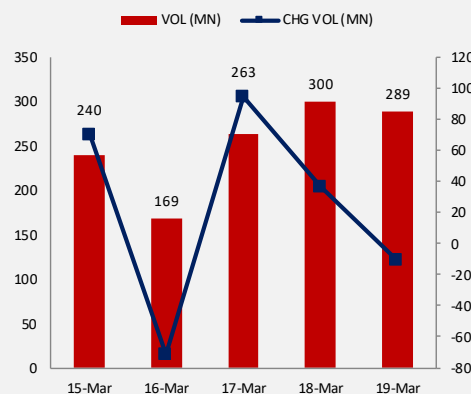
Source: PSX

### KSE-100 INDEX



Data Source: PSX

### KSE-100 INDEX VOLUME



Data Source: PSX

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## Pakistan needs system to deal with insolvencies: Baqir

**Economy | Neutral**

Addressing a high-level panel discussion on corporate debt in developing countries, Baqir shared that it was difficult to do a corporate workout in Pakistan due to intricacies of the judicial system and partly due to a culture where, previously, some borrowers used strategic default to set up questionable activities and then get a free bailout. | [Click for more info.](#)

## Cabinet gives nod to Rs5.65 power tariff rise

**Power | Positive**

The federal cabinet on Friday approved the promulgation of an ordinance aimed at preparing a legal path to increase power tariff by a minimum Rs5.65 per unit from now till October to collect a whopping Rs884 billion from consumers.. | [Click for more info.](#)

## Waves Singer to increase paid-up share capital via issue of 93.8 million shares

**WAVES | Neutral**

The Board of Directors of Waves Singer Pakistan Limited, in their meeting have decided to increase the paid-up share capital of the Company via issue of further 93,802,029 ordinary shares, having a face value of Rs 10 each as Right shares.. | [Click for more info.](#)

## Weekly SPI Increases by 13.21% YoY

**Economy | Neutral**

The Weekly Sensitive Price Indicator (SPI) for the Combined Group decreased by 0.19% during the week ended Mar 18, 2021 while the SPI increased by 13.21% compared to the corresponding period from last year.. | [Click for more info.](#)

## Pakistan gets \$7.21 billion foreign assistance during July-Feb FY21

**Economy | Positive**

Pakistan has received \$7.21 billion total external inflows during July-Feb FY21 from bilateral and multilateral development partners, foreign commercial borrowing, and time deposits to restructure its economy and finance its development projects. | [Click for more info.](#)

## Bestway Int'l Holdings acquires 51.6% stake in UBL as part of Bestway Group's internal reorganization

**UBL | Neutral**

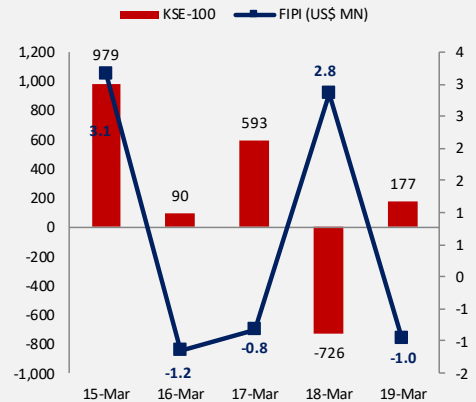
Bestway International Holdings Limited ("BIHL"), on 19 March 2021, has acquired 631,728,895 shares comprising 51.6% shares of United Bank Limited ("Company") as part of the Bestway Group's internal Re-Organization.. | [Click for more info.](#)

## MoC approves Rs 950 million for export-related projects: Razak Dawood

**Economy | Positive**

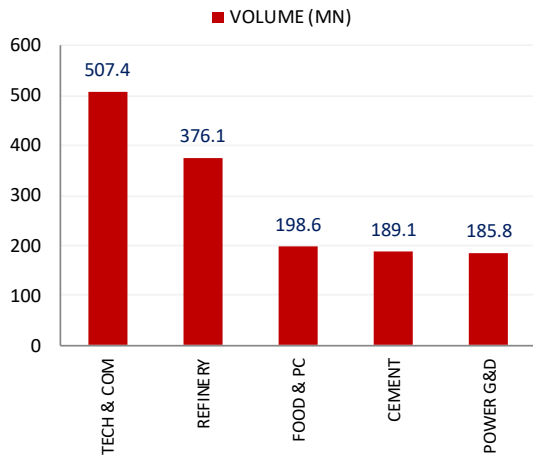
The Finance Committee of Export Development Fund (FC-EDF) approved Rs. 950 million for up-gradation of PPTF. Mr. Abdul Razak Dawood said the committee also approved Rs. 8.9 billion for EDF Financial year 2021-22 based on EDS collection expected during the current financial year. | [Click for more info.](#)

### KSE-100 RETURN & FIPI FLOWS

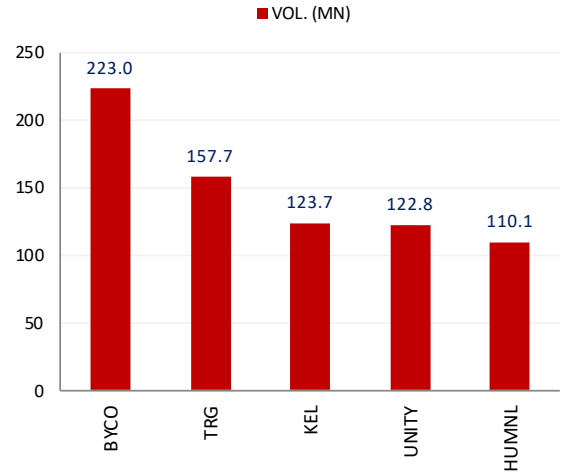




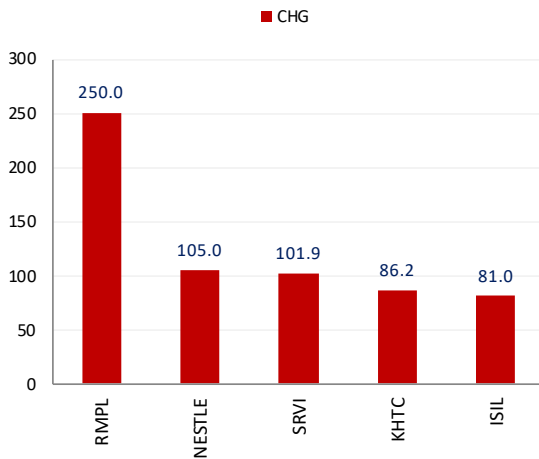
## TOP 5 SECTORS OF THE WEEK



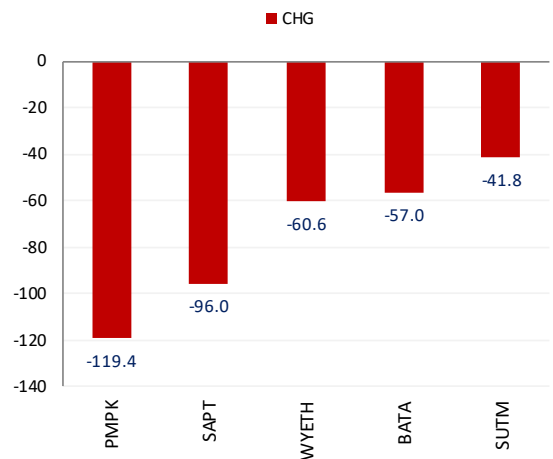
## TOP 5 VOLUME LEADERS OF THE WEEK



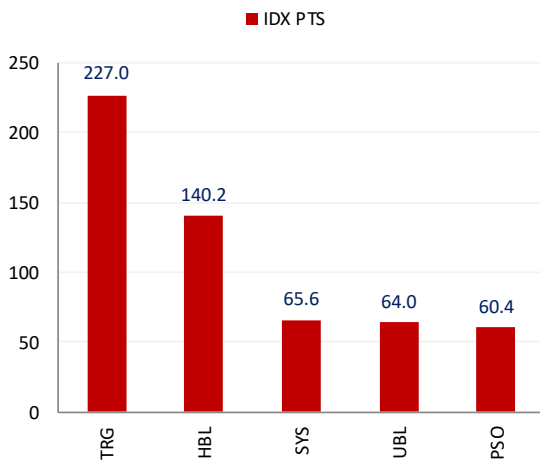
## TOP 5 PRICE GAINERS OF THE WEEK



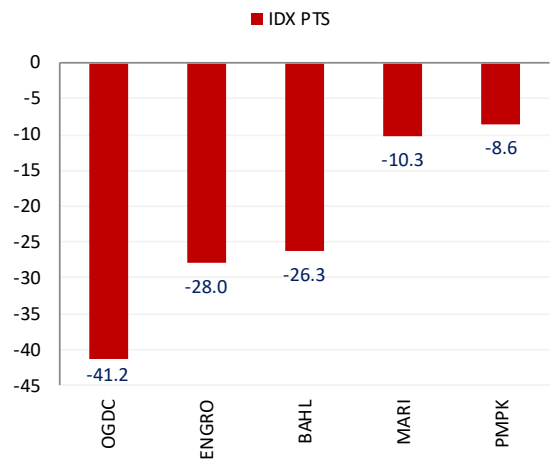
## TOP 5 PRICE LOSERS OF THE WEEK



## TOP 5 PARTICIPANTS OF THE WEEK (+ive)



## TOP 5 PARTICIPANTS OF THE WEEK (-ive)

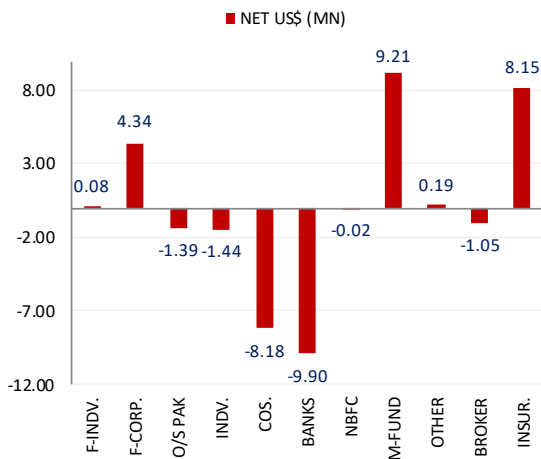




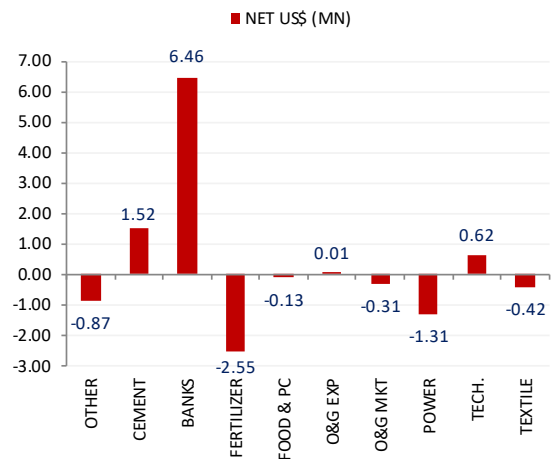
## Foreign & Local Portfolio Investments

SECTOR	F-INDV	F-CORP	O/S PAK	NET US\$	INDV.	COS.	BANKS	NBFC	M-FUND	OTHER	BROKER	INSUR
OTHER	0.06	-0.85	-0.08	<b>-0.87</b>	-2.43	0.87	-3.54	-0.01	3.03	-0.02	1.73	1.24
CEMENT	0.00	1.96	-0.44	<b>1.52</b>	0.53	-5.87	-1.47	-0.01	2.67	-0.06	0.72	1.98
BANKS	0.03	6.42	0.02	<b>6.46</b>	0.49	-2.35	-2.20	0.02	0.26	0.17	-0.67	-2.18
FERTILIZER	0.00	-1.95	-0.59	<b>-2.55</b>	-0.37	0.32	-0.30	0.00	2.31	0.02	0.00	0.58
FOOD & PC	0.00	-0.07	-0.05	<b>-0.13</b>	-1.44	0.90	0.08	-0.01	-0.84	0.05	-0.53	1.92
O&G EXP	0.00	0.55	-0.54	<b>0.01</b>	0.66	-0.49	-0.75	0.00	0.21	0.00	0.04	0.33
O&G MKT	-0.02	-0.06	-0.23	<b>-0.31</b>	-1.05	-0.24	0.00	-0.01	0.42	0.03	0.36	0.81
POWER	0.00	-0.46	-0.85	<b>-1.31</b>	0.02	-0.35	0.09	0.01	1.03	-0.08	0.01	0.57
TECH.	0.02	-1.27	1.88	<b>0.62</b>	1.02	-0.50	-1.56	0.00	0.49	0.28	-2.23	1.87
TEXTILE	0.00	0.08	-0.50	<b>-0.42</b>	1.14	-0.47	-0.23	-0.01	-0.36	-0.18	-0.48	1.02
<b>NET US\$</b>	<b>0.08</b>	<b>4.34</b>	<b>-1.39</b>	<b>3.04</b>	<b>-1.44</b>	<b>-8.18</b>	<b>-9.90</b>	<b>-0.02</b>	<b>9.21</b>	<b>0.19</b>	<b>-1.05</b>	<b>8.15</b>

PORTFOLIO INVESTMENT BY CLIENT



PORTFOLIO INVESTMENT BY SECTORS





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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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