



May 22,  
2021

## Benchmark climbs 740 points in a week after Eid holidays as government ease Covid-19 restrictions

KSE-100 index settled Friday's trading session with the gain of 340.91 points on positive news flows on business-friendly budget proposals. Bourse concluded the post-holidays trading week with the cumulative climb of 740.31 points despite meteorological and political catastrophes. Major support to equity prices came from improvement in economic indicators and populist budget proposals put forward to provide maximum relief to masses as well as businesses. On political front, PTI's inter-party political issues took center stage after Jehangir Tareen launched a group of like-minded lawmakers to support him in sugar scam probe. Investors' sentiments were also affected by potential threat of Cyclone Tauktae which wreaked havoc in India, however, its damage remained minimal after it changed its course. Corona related death tallies remained lower during the week, however higher positivity ratios continue to pose risk.

During the week, KSE-100 index witnessed three bullish trading sessions, where it cumulatively surged 740.31 points compared to last week. During the week the average traded volume in benchmark stood at 277 mn shares, while the average value stood at PKR 14.4 bn.

On global front, international markets witnessed mixed trend owing to opening of some European economies, sped-up vaccine drives and crash in crypto-currencies' prices. In global politics, Israeli forces agreed to cease-fire after it faced global condemnation for its atrocities on rightful Palestinian settlers.

During the week, events that were responsible for movement in benchmark index were i) 54% growth in local automobiles sales during the 10MFY21 ii) all-time high monthly remittances number of USD 2.8 billion which is 56% higher on YoY basis iii) PM's decision to keep local petrol prices unchanged for next 15 days iv) 0.71% WTD appreciation in PKR against USD.

Among market participants' foreigners remained net seller during the week amounting to USD 8.73mn, primarily contributed by corporates amounting to USD 49.35mn. Whereas local investors remained net buyer amounting to USD 49.35mn, mainly contributed individuals (USD 37.11mn), corporates (USD.18.07 mn) and others (USD 1.52mn). While insurance became net seller with the amount of USD 3.37mn.

## News of the week:

### Pakistan's economic growth rate projected at 3.94pc Economy | Positive

Pakistan's economy performed beyond expectations with all major macroeconomic indicators showing positive trend amid the Covid-19 pandemic, resulting in a 3.94 per cent economic growth rate this fiscal year, compared to a revised negative 0.47pc in 2019-20. | [Click for more info.](#)

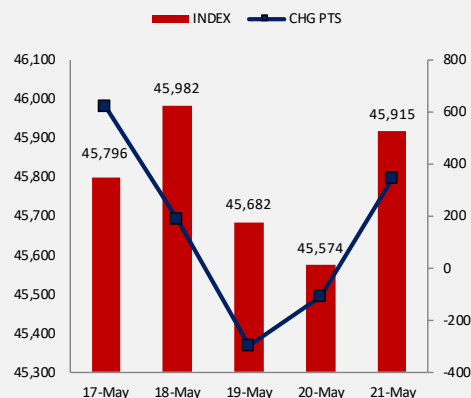
### Pakistan's newest nuclear plant boosts grid by 1,100MW Economy | Positive

Prime Minister Imran Khan on Friday formally inaugurated the 1,100MW Karachi Nuclear Power Plant Unit-2 (K-2), set up in collaboration with China, and stressed the generation of clean energy is important owing to Pakistan's particular vulnerability to climate change. | [Click for more info.](#)

KSE-100	L-WEEK	C-WEEK	CHNG	% CHNG
INDEX	45,175	45,915	740	1.64%
WEEK HIGH	45,244	46,034	790	1.75%
WEEK LOW	43,632	45,175	1,542	3.53%
VOLUME (MN)	442	1,387	945	213.97%
VALUE US\$ (MN)	222	470	248	111.85%
AVERAGE	44,690	45,790	1,100	2.46%
MKT CAP (PKR)	1.93	1.96	0.03	1.64%
FIPI NET (US\$ MN)	1.04	-49.35	-50.39	N/A

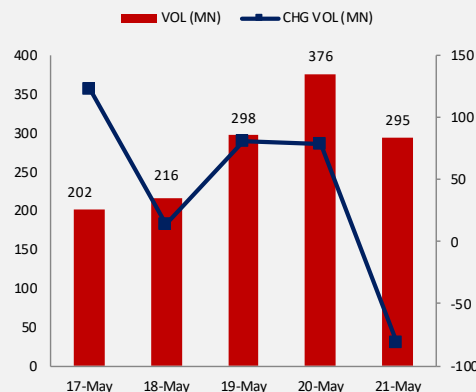
Source: PSX

### KSE-100 INDEX



Data Source: PSX

### KSE-100 INDEX VOLUME



Data Source: PSX

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Contd.. | Page 2

REP-055



## Foreign Direct Investment falls by 5.5% MoM in April

**Economy | Neutral**

Pakistan witnessed Foreign Direct Investments (FDI) of \$158.4 million during the month of April 2021 i.e. around 5.5% lower as compared to the net inflows of \$167.6 million received in March 2021.

However, it surged by 4.9% YoY against the net inflows of \$151.1 recorded in April 2020, as per data compiled by the State Bank of Pakistan (SBP). | [Click for more info.](#)

## ECC approves signing of an arbitration agreement between SSGC and K-Electric

**KEL | Positive**

The Economic Coordination Committee (ECC), in its meeting held on Friday, has approved the signing of an arbitration agreement between Sui Southern Gas Company (SSGC) and K-Electric as well as some other entities like NTDC for the acquisition of the power utility by a Chinese firm. | [Click for more info.](#)

## Food imports surge by 50% YoY during April'21

**Economy | Neutral**

The trade value of food exports from the country in April'21 stood at around \$387million, showing an increase of 14.03% YoY from \$339.4mn in April 2020.

The increase in exports may be attributed to the restoration of economic activities as the global economy reopened with the easing of virus-related restrictions. On the import side, the total import bill of the food group amounted to \$778mn, marking an increase of 49.97% on a YoY basis against the same period of last year due to increased demand after the lockdown situation amid the Covid-19 pandemic. | [Click for more info.](#)

## Pakistan's external debt and liabilities swell by 6% YoY to \$116.4bn during Jan-Mar FY21

**Economy | Neutral**

Pakistan's External Debt and Liabilities reached nearly \$116.39 billion during Jan-March FY21, an increase of \$6.27bn or 6% YoY, the Central Bank data showed on Friday. However, as a percent of GDP, Pakistan's External debt and Liabilities declined from 43.9% of GDP in 3QFY20 to 38% of GDP in 3QFY21. | [Click for more info.](#)

## Cell phone imports surge to \$1.68 during 10MFY21

**Economy | Neutral**

The import bill of the Machinery group has fallen by around 24% MoM to stand at \$793 million in the month of April 2021. While it surged by 62% when compared to the corresponding period last year. However, during July-April FY21, the imports of the machinery group jumped by 11% YoY to \$7.93 billion. The biggest contributor to the import bill, in terms of value, is Telecom, showing a significant surge of 48% to \$2.12 billion. Within Telecom, the imports of Mobile Phones climbed considerably by 64% YoY to \$1.68 billion during 10MFY21. | [Click for more info.](#)

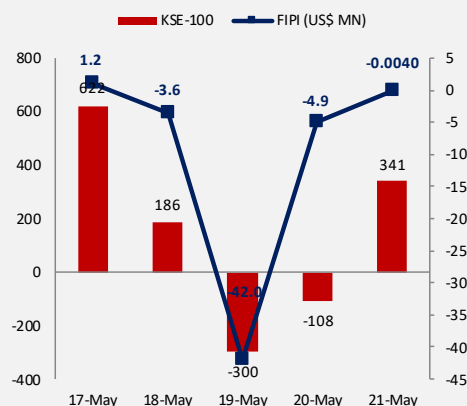
## ECC will recommend to cabinet to cancel divestment of OGDCL, PPL shares

**OGDC, PPL | Negative**

On the advice and summary of the petroleum division, the Economic Coordination Committee (ECC) decided to recommend to the cabinet to cancel plans to sell shares of OGDCL and PPL. The aforesaid statement was made by Hammad Azhar, Minister of Energy via his Twitter handle.

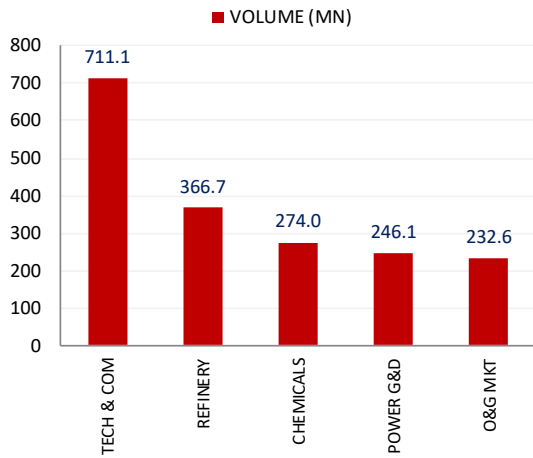
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**KSE-100 RETURN & FIPI FLOWS**

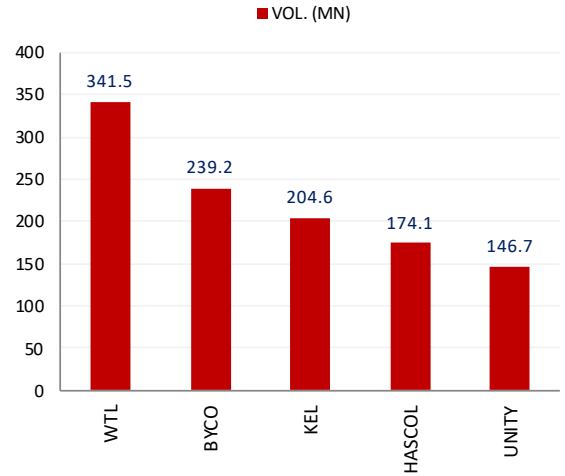




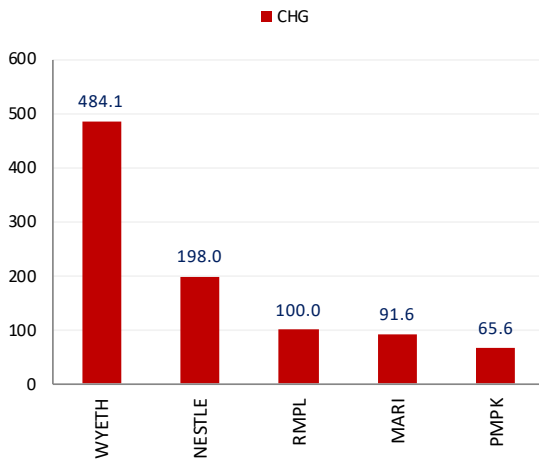
## TOP 5 SECTORS OF THE WEEK



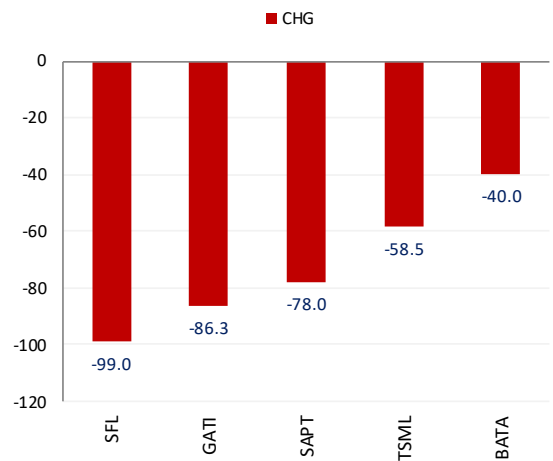
## TOP 5 VOLUME LEADERS OF THE WEEK



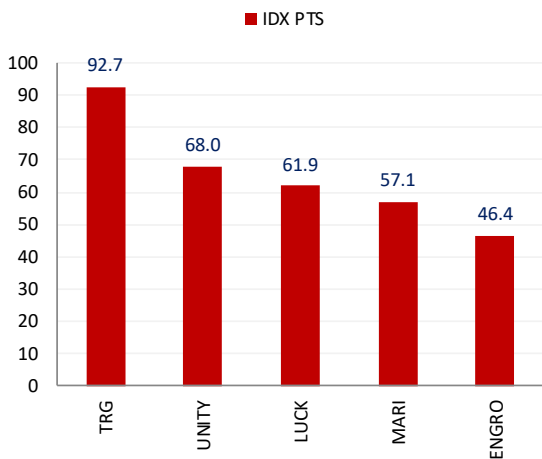
## TOP 5 PRICE GAINERS OF THE WEEK



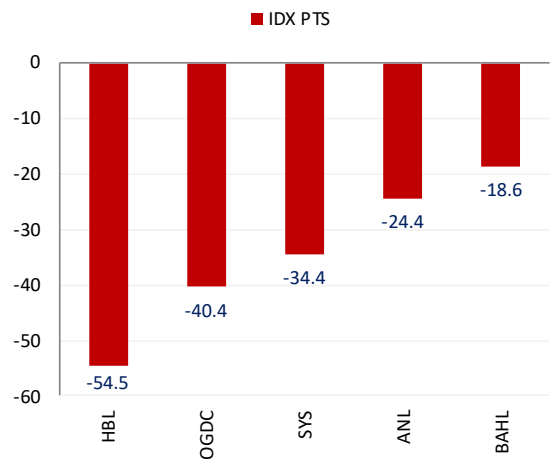
## TOP 5 PRICE LOSERS OF THE WEEK



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



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

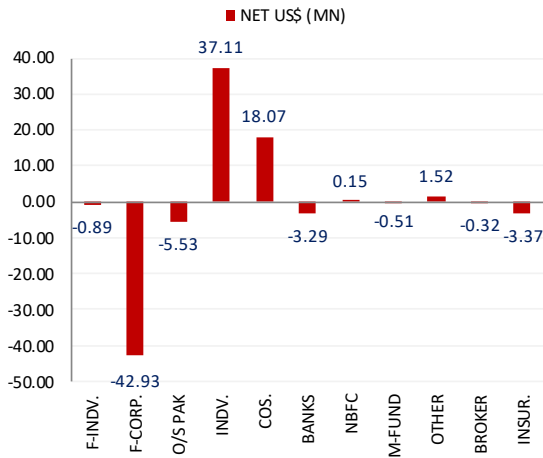




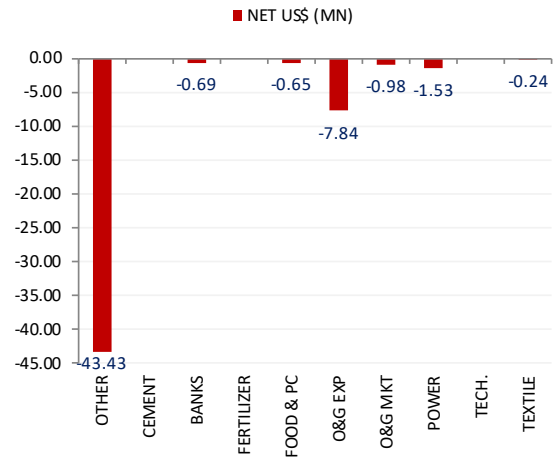
## Foreign & Local Portfolio Investments

SECTOR	F-INDV	F-CORP	O/S PAK	NET US\$	INDV.	COS.	BANKS	NBFC	M-FUND	OTHER	BROKER	INSUR
OTHER	-0.32	-36.80	-6.30	<b>-43.43</b>	13.33	21.18	-0.18	0.06	5.67	0.67	1.55	1.15
CEMENT	0.00	5.35	-0.04	<b>5.31</b>	-0.12	-1.44	-0.65	0.00	-0.87	0.17	-0.04	-2.36
BANKS	0.03	-1.73	1.01	<b>-0.69</b>	3.02	-0.94	0.30	0.00	-1.47	0.92	-0.85	-0.29
FERTILIZER	0.00	-0.11	0.29	<b>0.17</b>	2.48	2.09	-2.61	0.00	-2.42	0.00	0.17	0.12
FOOD & PC	-0.09	0.06	-0.61	<b>-0.65</b>	5.14	-2.90	-0.79	0.00	-1.80	-0.32	1.08	0.24
O&G EXP	0.00	-8.00	0.16	<b>-7.84</b>	6.42	1.20	0.84	0.06	0.24	0.01	0.29	-1.22
O&G MKT	0.00	-0.01	-0.97	<b>-0.98</b>	-0.09	-0.17	0.09	0.02	2.17	0.05	-0.05	-1.05
POWER	0.00	-1.70	0.17	<b>-1.53</b>	1.82	-0.56	-0.22	0.01	0.40	0.19	-0.11	0.00
TECH.	-0.50	0.39	0.63	<b>0.52</b>	5.45	-0.61	-0.05	0.00	-2.45	-0.22	-2.70	0.06
TEXTILE	0.00	-0.38	0.14	<b>-0.24</b>	-0.35	0.21	0.00	0.00	0.00	0.06	0.33	-0.02
<b>NET US\$</b>	<b>-0.89</b>	<b>-42.93</b>	<b>-5.53</b>	<b>-49.35</b>	<b>37.11</b>	<b>18.07</b>	<b>-3.29</b>	<b>0.15</b>	<b>-0.51</b>	<b>1.52</b>	<b>-0.32</b>	<b>-3.37</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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