



March 27,  
2021

## KSE-100 index added 620 points during the week as IMF approves long-awaited tranche

Benchmark index witnessed bullish trends during the week on the domestic cues as IMF's executive board approved 2nd-5th review along with release of USD 500mn tranche under USD 6bn Extended Fund Facility (EFF). IMF's executive board appreciated Pakistan's reform agenda in key areas, including on consolidating central bank autonomy, reforming corporate taxation, bolstering management of state-owned enterprises, and improving cost recovery and regulation in the power sector. Investors' also cheered recently proposed Refineries Policy 2021, which helped the benchmark to add over 620.32 points during the week. On Friday, however, concerns over rising virus cases battered stocks to close the index 204 points lower at 45,521.63. Going forward, pace of vaccine distribution and rate of domestic virus spread will drive the investors' sentiments.

Benchmark remained range bound in Friday's trading session on the back of last day of the rollover week, while investors took to profit booking in the second half of the session. Several economic triggers influenced the market during the week are as follows: i) IT exports jumped 41% yoy Jul-Feb 2021 while Feb'21 IT exports rose by 69% MoM4. ii) IPPs release of payment expected to be completed by this month

Among market participants' foreigners remained net seller during the week amounting to USD 0.12mn, primarily contributed by corporates amounting to USD 3.50mn. Whereas local investors remained net buyer amounting to USD 0.12mn, mainly contributed brokers (USD 3.69mn), m-funds (USD 1.65mn) and others (USD 0.79mn). While banks became net seller with the amount of USD 2.96mn.

## News of the week:

**Leading banks connect to SECP's portal for real time access to statutory records**

**Economy | Positive**

In pursuit of its agenda to promote ease of doing business and digitalization, the Securities and Exchange Commission of Pakistan (SECP), in coordination with State Bank of Pakistan (SBP), had launched an exclusive digital portal last month, enabling banks to open corporate accounts without seeking physically certified copies of statutory documents. | [Click for more info.](#)

**World Bank approves \$600 mln to support household-resilient social protection program in Pakistan**

**Economy | Positive**

The World Bank's Board of Executive Directors approved \$600 million in financing from the International Development Association (IDA) for the Crisis-Resilient Social Protection Program (CRISP) that will support Pakistan to expand Ehsaas, the national poverty alleviation program, to protect vulnerable households and increase resilience to economic shocks such as the COVID-19 pandemic. | [Click for more info.](#)

**Government revises features of its Mark-up Subsidy Scheme for housing finance**

**Economy | Positive**

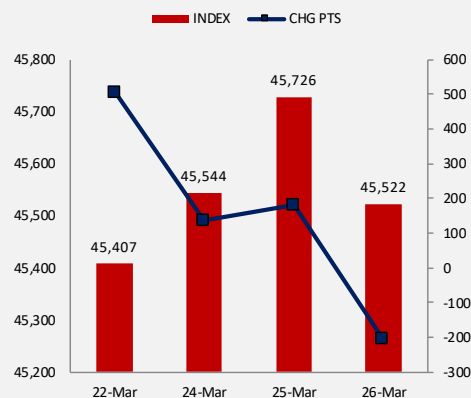
In its effort to promote low cost and affordable home ownership among low to middle-income groups, the Government of Pakistan (GoP) has revised its markup subsidy scheme of housing finance significantly to align with the prevailing housing market dynamics. The revised scheme is expected to make access to housing finance much easier for a large number of households who currently do not own a house. | [Click for more info.](#)

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KSE-100	L-WEEK	C-WEEK	CHNG	% CHNG
INDEX	44,901	45,522	620	1.38%
WEEK HIGH	45,615	46,001	386	0.85%
WEEK LOW	43,788	44,736	948	2.16%
VOLUME (MN)	1,260	1,164	-97	-7.67%
VALUE US\$ (MN)	461	429	-32	-7.04%
AVERAGE	44,940	45,550	610	1.36%
MKT CAP (PKR)	1.91	1.93	0.03	1.35%
FIPI NET (US\$ MN)	3.04	-0.12	-0.10	N/A

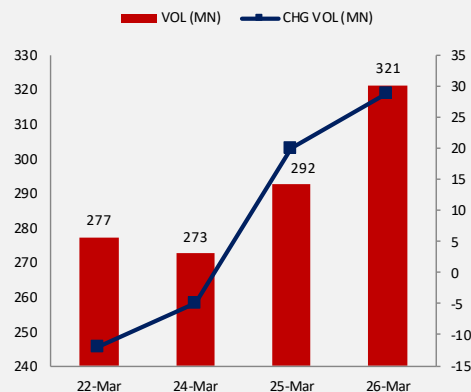
Source: PSX

### KSE-100 INDEX



Data Source: PSX

### KSE-100 INDEX VOLUME



Data Source: PSX

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REP-055



## SBP develops Digital Bank Regulatory Framework Draft for Public Consultation

**Banks | Positive**

The proposed Framework entails Guidelines for Licensing, and Supplementary Regulations for Digital Banks. It sets out different types of digital bank licenses, constitution models, minimum eligibility criteria and competencies for sponsors; directors; and CEOs. This indigenous regulatory framework is designed to enable the industry exploit market demand and opportunities without compromising the safety and soundness of the financial system. Moreover, it also provides for investor-friendly, first-of-its-kind flexible requirements in Pakistan. | [Click for more info.](#)

## Commercial Banks' deposits soar to Rs.17.25 trillion in Feb'21

**Banks | Positive**

The total deposits held by Commercial Banks have shown a robust growth of 16% YoY to Rs 17.25 trillion in February 2021. While, on monthly basis, commercial banks' deposits inched up by 1% MoM. The YoY increase in deposits can be attributed to higher Remittances which reached an unprecedented level of \$18.7 billion, marking a growth of 24.1% YoY during Jul-Feb FY21, while lack of cash-based business activity due to COVID-19 may have also resulted in an increase in bank deposits. | [Click for more info.](#)

## HASCOL: Losses soar due to higher inventory and impairment on financial assets

**HASCOL | Negative**

Hascol Petroleum Limited (HASCOL)'s net losses during 9MCY20, amplified by 46% YoY to clock in at Rs.20.9 billion compared to Rs.14.35 billion incurred in the same period last year. Contrary to this, the loss per share of the company shrank from Rs.38.04/sh to Rs.21.15/sh due to number of shares adjustment. | [Click for more info.](#)

## Avanceon signs 3-year licensee agreement with Dover Fueling Solutions

**AVN | Positive**

Avanceon Limited is pleased to announce that it has signed a new three-year licensee agreement with Dover Fueling Solutions ("DFS"), a part of Dover Corporation. DFS delivers advanced fuel dispensing equipment, electronic systems and payment, fleet systems, automatic tank gauging and wetstock management. Avanceon will provide DFS' wetstock management services in Pakistan, with the view to expanding into UAE, Saudi Arabia, and Qatar markets. | [Click for more info.](#)

## Fatima Fertilizer witnesses 10% YoY increase in profits during CY20

**FATIMA | Positive**

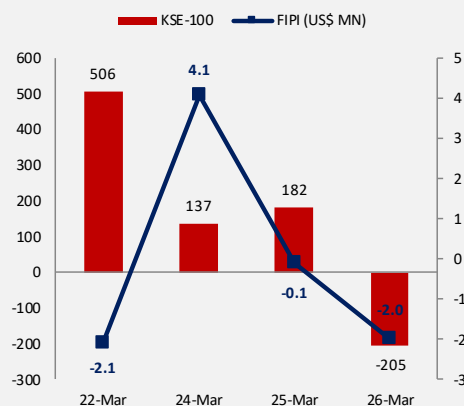
After the challenging start of the year, Fatima Fertilizer Company Limited (FATIMA) has wrapped CY20 with a 10% YoY increase in net profits to Rs.13.27 billion (EPS: Rs.5.75/sh), compared to the profits of Rs.12 billion (EPS: 5.75/sh) reported in CY19. | [Click for more info.](#)

## HINOON's EPS clocks in at Rs.41.58/sh, up by 47% YoY in CY20

**HINOON | Positive**

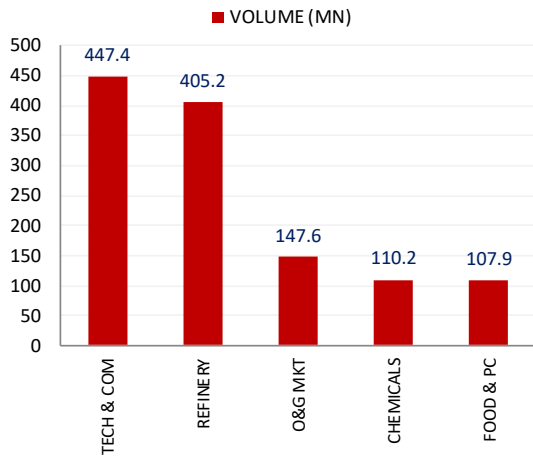
Hignoon Laboratories Limited (HINOON) has announced its financial results for CY20 yesterday wherein the company reported net profits of Rs.1.47 billion which was 47% higher than the profits of Rs.1 billion reported in CY19. The earning per share of the company also jumped from Rs.28.9/sh to Rs.42.58/sh. | [Click for more info.](#)

### KSE-100 RETURN & FIPI FLOWS

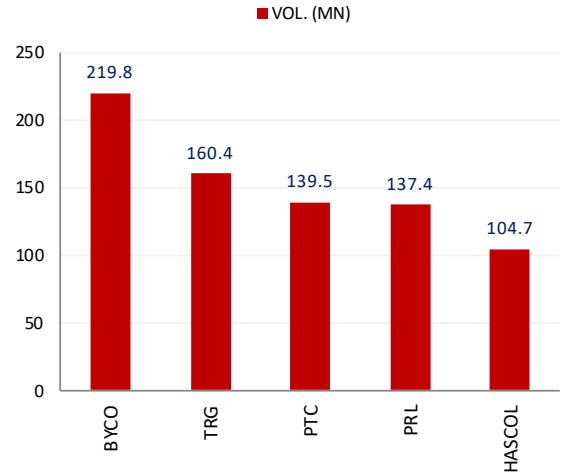




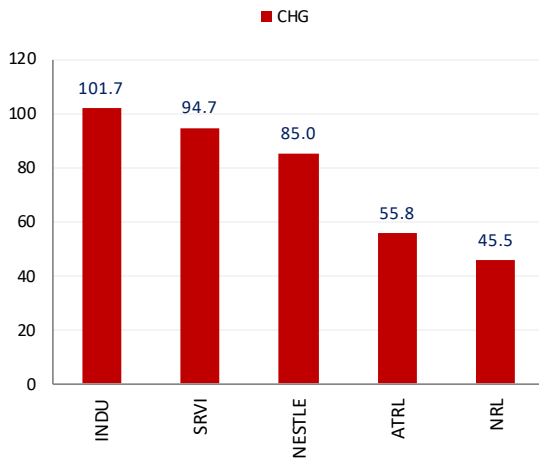
## TOP 5 SECTORS OF THE WEEK



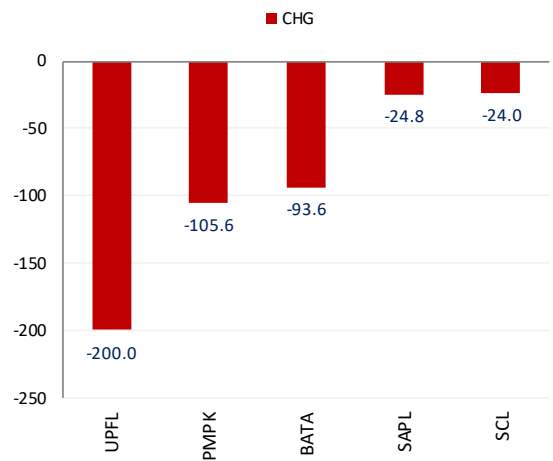
## TOP 5 VOLUME LEADERS OF THE WEEK



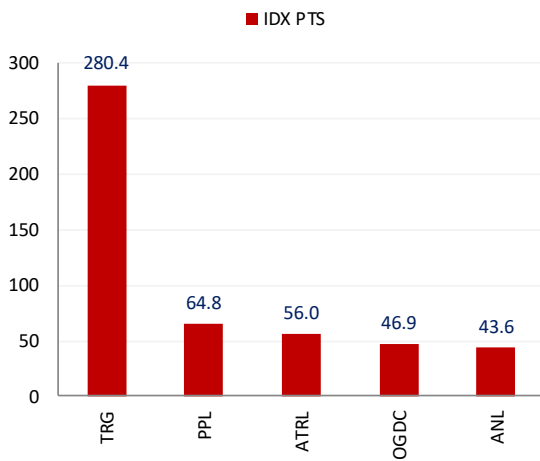
## TOP 5 PRICE GAINERS OF THE WEEK



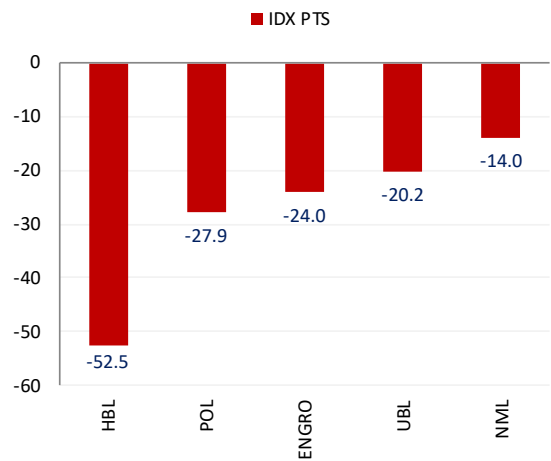
## TOP 5 PRICE LOSERS OF THE WEEK



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



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

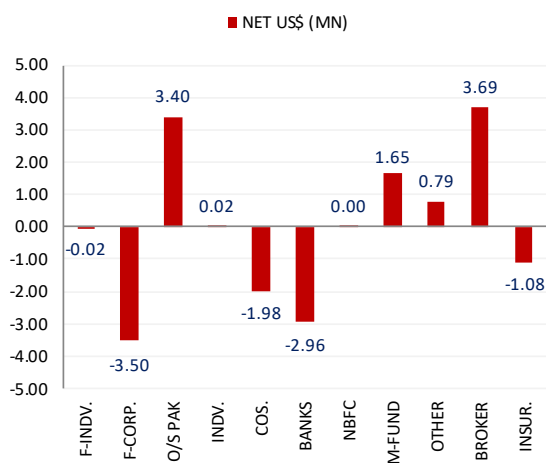




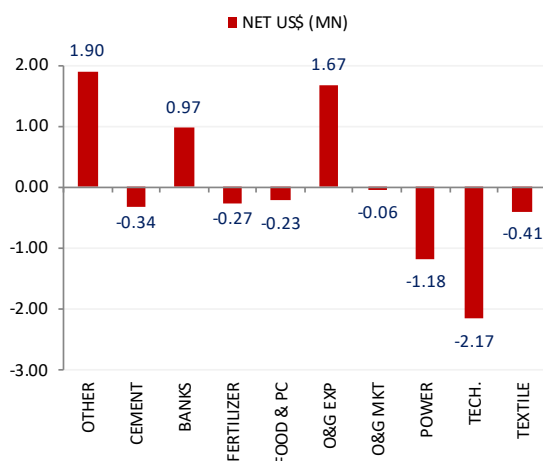
## Foreign & Local Portfolio Investments

SECTOR	F-INDV	F-CORP	O/S PAK	NET US\$	INDV.	COS.	BANKS	NBFC	M-FUND	OTHER	BROKER	INSUR
OTHER	0.04	-1.76	3.62	<b>1.90</b>	-8.56	4.23	-2.88	-0.01	4.89	0.19	2.17	-1.94
CEMENT	0.00	0.00	-0.34	<b>-0.34</b>	-0.58	0.30	-0.15	0.01	-0.47	-0.02	0.31	0.93
BANKS	0.00	0.37	0.59	<b>0.97</b>	4.12	-4.02	0.42	0.00	-0.57	0.36	-0.50	-0.76
FERTILIZER	0.00	-0.72	0.45	<b>-0.27</b>	0.97	-0.56	-0.04	0.00	-0.88	0.26	0.76	-0.24
FOOD & PC	-0.02	-0.11	-0.10	<b>-0.23</b>	1.62	-0.67	-0.11	-0.01	-0.58	-0.09	-0.03	0.09
O&G EXP	0.01	1.75	-0.08	<b>1.67</b>	-0.78	-0.57	-0.04	0.00	0.07	-0.38	0.47	-0.45
O&G MKT	-0.11	0.14	-0.10	<b>-0.06</b>	0.08	-0.02	0.02	0.01	0.21	-0.02	-0.01	-0.22
POWER	0.00	-0.76	-0.42	<b>-1.18</b>	0.77	0.92	-0.38	0.00	-0.29	0.02	0.08	0.06
TECH.	0.04	-1.95	-0.26	<b>-2.17</b>	2.29	-1.64	-0.06	-0.01	-0.62	0.67	0.36	1.19
TEXTILE	0.02	-0.46	0.04	<b>-0.41</b>	0.10	0.04	0.26	0.00	-0.13	-0.20	0.08	0.26
<b>NET US\$</b>	<b>-0.02</b>	<b>-3.50</b>	<b>3.40</b>	<b>-0.12</b>	<b>0.02</b>	<b>-1.98</b>	<b>-2.96</b>	<b>0.00</b>	<b>1.65</b>	<b>0.79</b>	<b>3.69</b>	<b>-1.08</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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