



May 30,
2021

Benchmark index adds 1,211 weekly on healthy sentiments

During the trading session, KSE-100 followed an upwards trend adding 335.54 points to register close at 47,126.29 points. SBP maintained status quo on the policy rate at 7%, affirming healthy GDP growth forecasts along with key strategic policies to lead quick economic recovery, while providing forward guidance with an accommodative stance towards bringing economy to full capacity. Total value of imports surged by 13.5% YoY to USD 42.31bn in 10MFY21, in contrast, Prime minister in a statement provided motives and key directives to promote industrialization and exports of the country. Going forward, we believe bourse to witness an influx of turnover and volatility in the coming week.

During the week, market tracked on strong investors' sentiments setting all-time high turnover record of 2.22bn shares taking the weekly average turnover to 1.24bn shares. KSE-100 index registered high intra-day volatility in four bullish and one bearish session, cumulatively adding 1,211 points WoW. Technology and communication sector rose in popularity amongst investors, which pulled in large volumes in various penny stocks and drove sectors turnover to a weekly high of 3.35bn shares. Pakistan's provisional GDP growth of 3.94% boosted investors' confidence from the start of the week, coupled with within range inflation forecast. Positive sentiments were also supported by news flows that government may be formulating a populist budget proposal to keep personal income taxes and power tariffs unchanged.

Among market participants' foreigners remained net buyer during the week amounting to USD 2.1mn, primarily contributed by corporates amounting to USD 6.99mn. Whereas local investors remained net seller amounting to USD 2.1mn, mainly contributed individuals (USD 10.27mn), m-funds (USD 7.31mn) and insurance (USD 3.49mn). While broker remained net buyer with the amount of USD 10.79mn.

News of the week:

Govt taking steps to give incentives to investors for promotion of industrialization: PM

Economy | Neutral

Prime Minister Imran Khan says the government is taking all-out steps to incentivize investors for promotion of industrialization and exports in the country. He was addressing the ceremony of a commercial launch of Rashakai prioritized Special Economic Zone near Nowshera on Friday. | [Click for more info.](#)

Pakistan's economy turns around despite perils of COVID-19: Finance Ministry

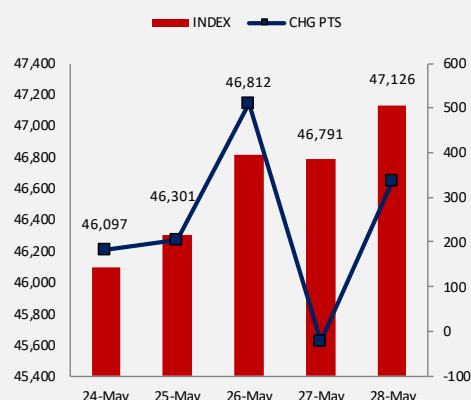
Economy | Positive

Despite the third wave of COVID-19, Pakistan has ended up achieving 3.94 percent GDP growth in FY2021, higher than the target after more than 15 years mainly in the backdrop of timely and appropriately formulated policy measures taken by the government. This growth indicates that economic recovery has not only started but based on the major macroeconomic indicators, Pakistan is on the path of sustainable growth. The confidence of investors has been restored due to pro-business policies and major structural imbalances are in check, said the Finance Ministry in its monthly Economic Outlook. | [Click for more info.](#)

KSE-100	L-WEEK	C-WEEK	CHNG	% CHNG
INDEX	45,915	47,126	1,211	2.64%
WEEK HIGH	46,034	47,248	1,214	2.64%
WEEK LOW	45,175	45,915	740	1.64%
VOLUME (MN)	1,387	1,459	72	5.21%
VALUE US\$ (MN)	466	587	121	26.03%
AVERAGE	45,790	46,625	836	1.82%
MKT CAP (PKR)	1.96	2.02	0.05	2.63%
FIPI NET (US\$ MN)	-49.35	2.11	-47.24	N/A

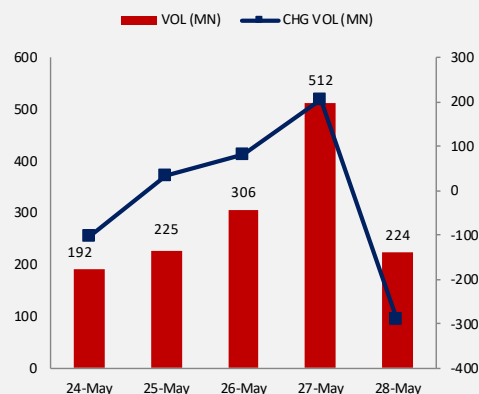
Source: PSX

KSE-100 INDEX



Data Source: PSX

KSE-100 INDEX VOLUME



Data Source: PSX

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REP-055



Machineries' import swells by 2x YoY in April'21

Economy | Neutral

The total value of imports during 10MFY21 stood at 42.31billion posted an upsurge of 13.49% compared to the same period last year. In the month of April'21 alone, total imports to Pakistan recorder at \$4.97bn, depicting a considerable increase of 58% YoY when compared to the import payments of April'20. | [Click for more info.](#)

Corporates call for restoration of exemption on inter-corporate dividends

Economy | Neutral

Industries and business groups across the country have demanded the government to restore exemption on inter-corporate dividends as it is leading to double taxation, discouraging companies to freely go for expansion or setting up other units, said industry sources. | [Click for more info.](#)

Finance Minister reviews progress on privatization of NPPMCL

Economy | Neutral

Finance Minister, Shaukat Tarin says he supports adopting all measures that can boost industrial development, generate employment and help in the extension of businesses. Chairing a meeting of the representatives of the Beverage Industry of Pakistan through video link, he said any decision regarding taxation and relief to any industry will be taken after a careful analysis of all the facts. | [Click for more info.](#)

Textile exports reach \$11.7bn during 10MFY21: SBP

Textiles | Positive

The country's total exports have posted a growth of 6.54 percent to around \$21billion during the first ten months (July-April) of the current fiscal year as compared \$19.7billion in the corresponding period of FY2019-20. | [Click for more info.](#)

PPL allowed continuing production from Sui mining lease for another one year

PPL | Positive

Pakistan Petroleum Limited (PPL) has been allowed to continue production from the Sui mining lease for a further period of one year with effect from 1st June 2021. The aforementioned announcement was made by the company via notification to Exchange. | [Click for more info.](#)

SECP Approves Framework for Direct Listing of Companies at PSX

PSX | Positive

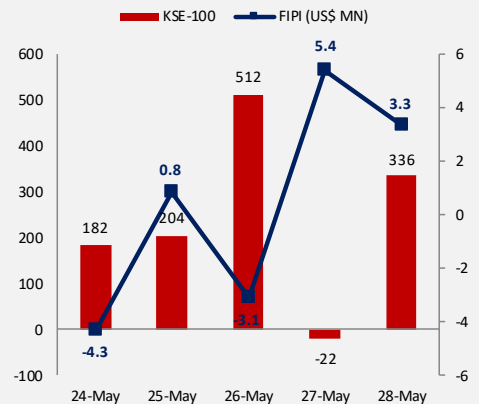
In continuation of its efforts for creating an enabling eco-system to improve capital formation in the country, the Securities and Exchange Commission of Pakistan (SECP), in coordination with Pakistan Stock Exchange (PSX), has approved a framework for Direct Listing of companies at PSX. | [Click for more info.](#)

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PSX | Positive

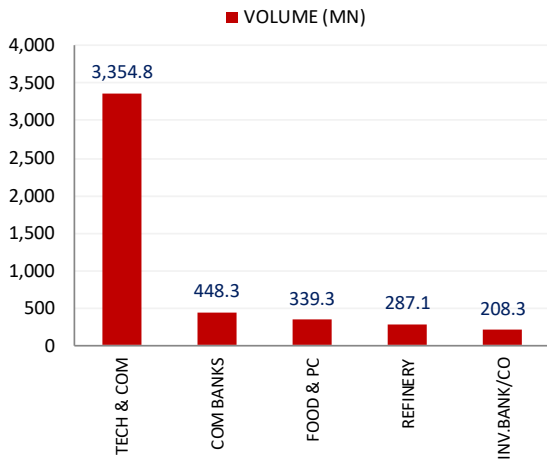
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KSE-100 RETURN & FIPI FLOWS

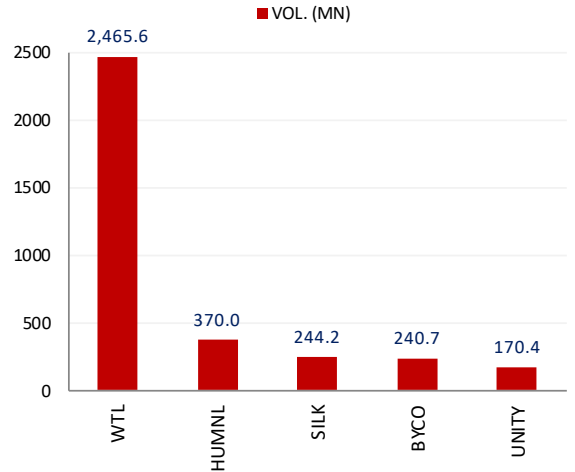




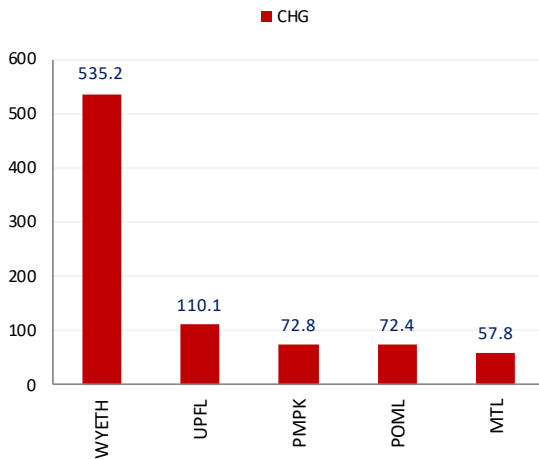
TOP 5 SECTORS OF THE WEEK



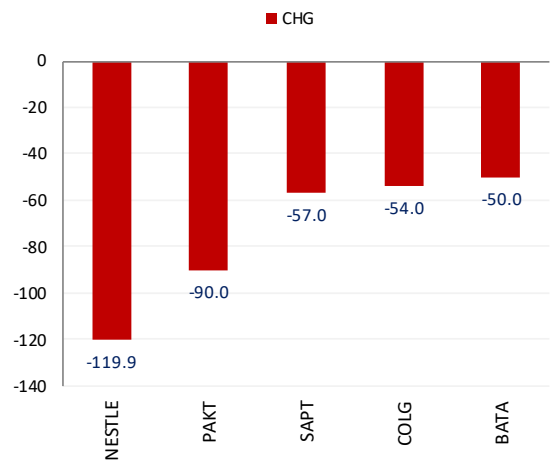
TOP 5 VOLUME LEADERS OF THE WEEK



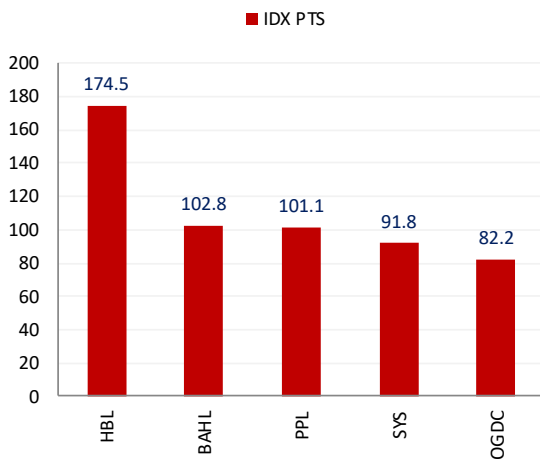
TOP 5 PRICE GAINERS OF THE WEEK



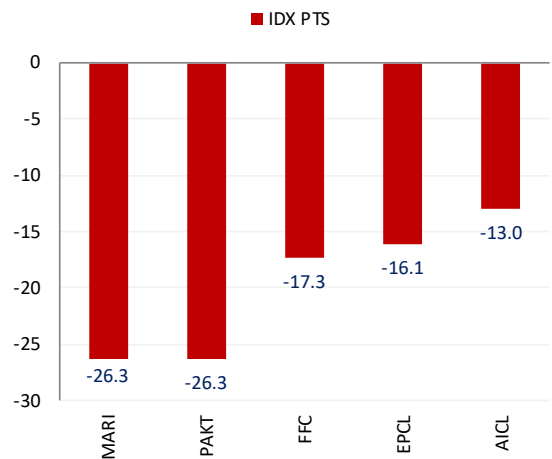
TOP 5 PRICE LOSERS OF THE WEEK



TOP 5 PARTICIPANTS OF THE WEEK (+ive)



TOP 5 PARTICIPANTS OF THE WEEK (-ive)

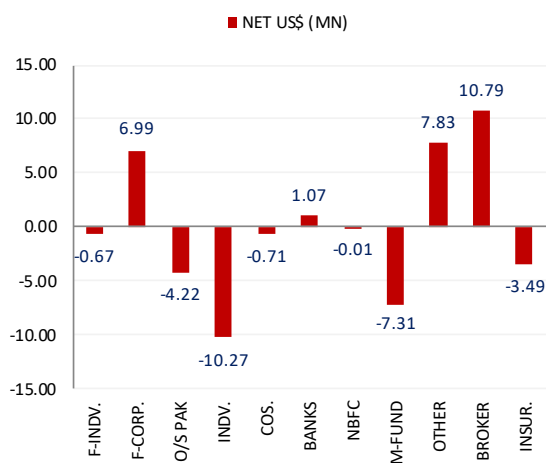




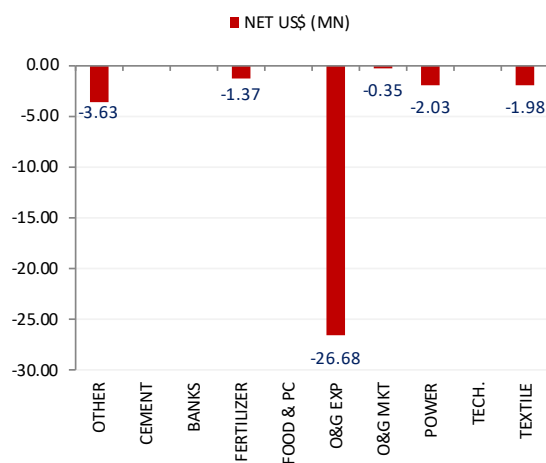
Foreign & Local Portfolio Investments

SECTOR	F-INDV	F-CORP	O/S PAK	NET US\$	INDV.	COS.	BANKS	NBFC	M-FUND	OTHER	BROKER	INSUR
OTHER	-0.72	-3.18	0.27	-3.63	-0.63	0.05	3.95	-0.02	-3.87	1.01	-3.42	6.55
CEMENT	0.00	24.40	-0.53	23.87	-8.16	-4.28	-6.91	0.00	0.20	0.16	0.44	-5.32
BANKS	-0.02	4.63	-1.30	3.32	1.20	-3.03	-0.27	-0.02	-2.16	5.79	1.31	-6.12
FERTILIZER	0.05	-1.16	-0.26	-1.37	1.29	0.45	-0.43	0.00	-0.39	0.12	0.14	0.20
FOOD & PC	0.00	0.05	1.74	1.79	-1.25	0.34	-0.54	0.00	-2.95	-0.10	2.50	0.23
O&G EXP	0.00	-27.21	0.53	-26.68	6.85	3.64	3.37	0.02	9.25	0.84	4.61	-1.90
O&G MKT	0.00	-0.43	0.08	-0.35	1.81	0.11	1.28	0.00	-2.36	-1.93	1.69	-0.25
POWER	0.00	-1.64	-0.39	-2.03	2.79	-0.03	1.03	0.03	-4.09	1.62	0.67	0.00
TECH.	0.02	11.81	-2.65	9.18	-13.61	0.26	0.41	-0.02	-1.43	0.29	3.02	1.90
TEXTILE	0.00	-0.29	-1.69	-1.98	-0.56	1.79	-0.81	0.00	0.50	0.02	-0.17	1.22
NET US\$	-0.67	6.99	-4.22	2.10	-10.27	-0.71	1.07	-0.01	-7.31	7.83	10.79	-3.49

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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