

May 6,
2020

Economy News

Cabinet approves easing lockdown after May 9

Capital Market, Economy | Positive

The federal cabinet on Tuesday approved easing lockdown restrictions in the country gradually after May 9 to open earning facilities to workers and daily wage earners provided strict implementation of the coronavirus-related preventive measures suggested by the government is ensured. The National Coordination Committee (NCC) will meet on Wednesday (today) in which the Centre and provinces will decide which businesses and industries will be reopened during the easing of restrictions. (Dawn) | [Click for more info.](#)

Decision on lockdown today: Imran wants curbs eased

Economy | Neutral

The cabinet Tuesday deliberated on a proposal about easing lockdown and restrictions across country from May 9. However, a final decision in this regard will be taken in the National Command and Operation Centre meeting on Wednesday (today). (The News) | [Click for more info.](#)

ADB to give \$305m for social protection, health

Economy | Positive

The ADB will provide USD 200 million for social protection for the poor and vulnerable, and USD 105 million for public health emergency preparedness. (BR) | [Click for more info.](#)

Reduction in CGT rates for two years under study

Economy | Neutral

Keeping in view current stock market situation, the Securities and Exchange Commission of Pakistan (SECP) and Federal Board of Revenue (FBR) are working on a key budget proposal for reducing capital gains tax (CGT) rates for two years on disposal of listed securities in budget (2020-21). (BR) | [Click for more info.](#)

Rs20bn Sukuk; Book building to begin on 15th

Economy | Positive

The book building of Rs 200 billion Sukuk meant to partially clear energy sector circular debt will commence from May 15, 2020, a senior official of Power Division told. (BR) | [Click for more info.](#)

Pakistan to lose Rs628bn by June, says govt report

Economy | Negative

Due to an adverse impact of coronavirus on the economy, Pakistan will record a loss of over Rs628 billion by the end of the current financial year, said a report prepared by the sub-committee of the National Coordination Committee (NCC) for COVID-19. (PT) | [Click for more info.](#)

April exports decline 47.24pc on MoM

Economy | Negative

The country's exports on month-on-month (MoM) basis have witnessed a 47.24 percent decline, from \$1.814 billion to \$957 million, during April 2020 against March 2020, the Pakistan Bureau of Statistic (PBS) said. (BR) | [Click for more info.](#)

Oil & Gas

Sales of OMCs down by 35pc YoY

Oil | Negative

The sales of Oil Marketing Companies (OMCs) for the month of April 2020 stood at 1.07 million tons, down by 35 percent on year-on-year basis as compared to 1.65 million tons in the same month in 2019. However, the OMCs sales increased by 3 percent on month-on-month basis as compared to 1.03 million tons in March 2020. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	23,920.3	24,028.1	107.8	0.5%
KSE100	33,916.6	33,992.8	76.1	0.2%
KSE30	14,956.3	15,007.9	51.6	0.3%
KMI30	55,034.6	55,561.7	527.0	1.0%

Top Five Gainers

	Open	Close	Chg.	%
UPFL	9,850.0	10,577.0	727.0	7.4%
NESTLE	5,700.0	5,829.1	129.1	2.3%
PMPK	1,802.0	1,924.0	122.0	6.8%
BHAT	703.3	754.0	50.7	7.2%
SAPT	763.3	805.5	42.3	5.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
HASCOL	14.9	15.6	0.7	33.83
UNITY	11.9	12.6	0.7	25.45
FCCL	17.0	17.0	0.0	17.86
MLCF	27.4	26.8	-0.6	17.09
PAEL	24.0	24.3	0.3	13.09

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	1.01	-4.12	-3.11
O/S Pakistanies	4.11	-3.11	1.00
Net	5.12	-7.23	-2.11
LIPI			
Individuals	53.97	-48.21	5.76
Companies	4.91	-2.84	2.07
Comm. Banks	0.82	-0.94	-0.12
NBFC	0.17	-0.02	0.14
Mutual Funds	2.37	-6.84	-4.46
Other	0.89	-0.35	0.54
Brokers Proprietary	10.10	-10.17	-0.07
Insurance	1.07	-2.82	-1.75
Net	74.31	-72.21	2.11

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	24.56	20.5%
Brent oil	USD/bbl.	30.97	13.9%
Gold	USD/t oz.	1705.92	0.2%
Silver	USD/t oz.	14.96	1.3%
Coal	USD/ton	52.25	2.5%
Steel Scrap (LME)	USD/ton	245.50	1.0%
Steel Rebar (LME)	USD/ton	402.00	0.6%
USD/PKR	Interbank	159.79	0.6%

News Source: Local / Int'l Newspapers and websites

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REP-055



HSD shipments; Govt likely to take step to avoid default

Oil | Neutral

Finance Division is likely to transfer Rs 11.7 billion in NBP account to remit to Kuwait to avoid international default. The Government of Pakistan has been utilizing a credit facility extended by Kuwait Petroleum Corporation (KPC) against the supply of diesel oil (HSD) under the term contract with PSO since 2000. (BR) | [Click for more info.](#)

OGDC stops search for shale oil, gas reserves

OGDC | Neutral

Mystery shrouds the exploration of shale oil and gas reserves in the country as drilling has been suspended by Oil and Gas Development Company (OGDC). Earlier, OGDC had entered into a joint venture with Italy's Eni and ExxonMobil of the US and undertook offshore drilling near the Karachi coast. However, the effort failed to bear fruit and did not find any hydrocarbon reserves. (ET) | [Click for more info.](#)

Power

ECC takes up power sector debt restructuring today

Power | Neutral

The Economic Coordination Committee (ECC) of the Cabinet will meet on Wednesday (today) to consider a heavy agenda including more than Rs1.1 trillion worth of restructuring of the power sector debt. A total of 15 subjects are expected for discussion. The most crucial topics are three issues of the Power Division, including conversion of more than Rs800bn Power Holding Company's debt to public debt in 2-3 years under requirement of the International Monetary Fund Programme. (Dawn) | [Click for more info.](#)

Miscellaneous

Honda hikes car prices by up to Rs120,000

HCAR | Positive

Honda Atlas Cars Pakistan has hiked prices of its vehicle in the range of Rs60,000-120,000 as costs rise amid a lockdown in the country and an economy reeling from impact of the Covid-19 pandemic. (ET) | [Click for more info.](#)

Textile sector seeks zero-rated facility

Textile | Neutral

Textile exporters – who earned 60% of total export earnings in Pakistan – have proposed to the government to restore zero-rated sales tax regime for the five major export-oriented sectors – textile, carpet, leather, sports and surgical goods – in the budget for 2020-21. (ET) | [Click for more info.](#)

Cabinet approves export of rice, hand sanitizers

MATCO, Economy | Positive

The federal cabinet on Tuesday allowed the export of rice and locally manufactured hand sanitizers, as Federal Minister for Information and Broadcasting Shibli Faraz criticized the opposition Pakistan Muslim League-Nawaz (PML-N) and Pakistan People's Party (PPP) for playing politics over the coronavirus situation. (PT) | [Click for more info.](#)

FBR may relax CNIC condition

Economy | Positive

The Federal Board of Revenue (FBR) may propose relaxation in the Computerized National Identity Card (CNIC) condition for goods purchase worth Rs50,000 in the next budget as Pakistan's largest business chamber says the government's failure to implement the condition has created doubts about its abilities. (ET) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	23,868.7	254.86	1.08%
US - Dow 30	23,883.1	133.33	0.56%
KSA - Tadawul	6,710.5	114.54	1.74%
PHILP - PSEi	5,671.7	99.58	1.79%
PAK (KSE-100)	33,992.8	76.11	0.22%
Taiwan - TWII	10,774.6	54.13	0.50%
US - S&P 500	2,868.4	25.70	0.90%
INDONESIA - IDX	4,630.1	24.64	0.54%
CHINA - Shanghai	2,747.2	-24.99	-0.90%
INDIA - SENSEX	31,453.5	-261.84	-0.83%

Source: Bloomberg

Board Meetings

Scrip	Day	Agenda	Time
NCML	WEDNESDAY	3Q A/C 31-MAR-20	10:00 AM
SHNI	WEDNESDAY	ANN A/C 31-DEC-20	10:00 AM
IDRT	THURSDAY	3Q A/C 31-MAR-20	11:30 AM
PAKT	THURSDAY	1Q A/C 31-MAR-20	2:00 PM
DNCC	THURSDAY	3Q A/C 31-MAR-20	3:30 PM
EWIC	MONDAY	1Q A/C 31-MAR-20	12:30 PM
SIEM	TUESDAY	HY A/C 31-MAR-20	12:00 PM
UPFL	TUESDAY	1Q A/C 31-MAR-20	2:30 PM
FABL	WEDNESDAY	1Q A/C 31-MAR-20	11:00 AM
MIRKS	WEDNESDAY	HY A/C 31-MAR-20	12:30 PM

Source: PSX



Political News

Ban on Youm-e-Ali processions; SHC issues notices to Home Dept, IGP

Sindh High Court on Tuesday issued notices to provincial Home Department and Inspector General of Police in a plea, challenging the home department's notification that restricted Youm-e-Ali processions in view of Corona virus pandemic. (BR) | [Click for more info.](#)

International News

Oil, stocks poised to gain in Asia on economic growth hopes

Global stocks and crude prices were set to extend gains in Asia on Wednesday on confidence that government steps to restart economies will bring back growth and demand for oil. (Reuters) | [Click for more info.](#)

Asia Stocks Open Mixed; China Traders to Return: Markets Wrap

Stocks in Asia began the session mixed, with investors weighing optimism that more economies are moving toward easing lockdowns against cautionary comments from Federal Reserve officials. Oil extended its rebound. (Bloomberg) | [Click for more info.](#)



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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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