

## Economy News

### EFF second review; IMF remains closely engaged with Pakistan govt: Rice Economy | Neutral

The Inter-national Monetary Fund (IMF) and Pakistani authorities remain closely engaged to bring the second review of the Extended Fund Facility (EFF) to a positive conclusion, while taking into account the new conditions the Fund is facing in Pakistan, and to ensure the programme delivers on its objectives. (BR) | [Click for more info.](#)

### World Bank projects —1pc GDP growth for Pakistan in 2020-21

#### Economy | Neutral

Contrary to the positive projection of GDP growth rate of 2.3 percent by Pakistan's economic managers, the World Bank (WB) has projected negative - 1 percent GDP growth for Pakistan in upcoming fiscal year 2020-21. (The News) | [Click for more info.](#)

### World Bank warns Pakistan's growing pension bill threatens its development priorities

#### Economy | Neutral

The World Bank (WB) has warned the government of Pakistan that its pension schemes have growing fiscal costs, which, if not constrained, threaten other development priorities of the country. (The News) | [Click for more info.](#)

### World Bank may loan \$200m to lessen virus impact on Pakistan's education

#### Economy | Positive

The World Bank has initiated preparation of a programme to strengthen federal and provincial governments' institutions, policies and coordination for reducing the impact of external shocks on the education system, and increasing access to quality education in disadvantaged districts of the country, according to reliable sources. It is likely that the bank will provide financing of \$200 million for the programme. It will focus on response, recovery and resilience for better coordination and innovative alternatives for out-of-school children. (Dawn) | [Click for more info.](#)

### Diamer Bhasha dam; Rs32.9bn technical supplementary grant approved

#### Economy | Positive

The federal government has approved an amount of Rs 32.9 billion as technical supplementary grant for Diamer Bhasha dam through adjustments in PSDP allocations of FY 2019-20 weeks after an agreement of Rs 442 billion was signed between Wapda and a Joint Venture of Power China and FWO. (BR) | [Click for more info.](#)

### PTI govt approves CPEC's \$7.2b strategic project

#### Economy | Positive

Pakistan Railways' Mainline-I Project – the lone strategic project of the China Pakistan Economic Corridor (CPEC) – cleared its first hurdle on Saturday when the government approved it at a cost of \$7.2 billion, setting the stage for negotiations with China and International Monetary Fund (IMF). In the fourth bid, the Central Development Working Party (CDWP) has recommended US\$7.2 billion Mainline-I (ML-1) project to the Executive Committee of National Economic Council (EcneC) for further approval, announced the Ministry of Planning. (ET) | [Click for more info.](#)

### Pak external financing requirement to jump to \$29.3 bn

#### Economy | Negative

Amid decreasing non-debt creating dollar inflows in upcoming budget, Pakistan's gross external financing requirement is expected to jump up from \$25 billion in outgoing fiscal to at least \$29.3 billion in next financial year 2020-21, it is learnt. (The News) | [Click for more info.](#)

## Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	24,469.6	24,614.0	144.5	0.6%
KSE100	34,119.4	34,350.4	231.0	0.7%
KSE30	14,915.4	15,000.9	85.5	0.6%
KMI30	54,646.3	55,175.1	528.8	1.0%

## Top Five Gainers

	Open	Close	Chg.	%
SAPL	828.0	858.0	30.0	3.6%
ABOT	535.3	559.9	24.7	4.6%
SRVI	695.1	719.3	24.2	3.5%
FEROZ	311.3	334.7	23.3	7.5%
MARI	1,222.3	1,243.6	21.3	1.7%

## Top Five Volume Leaders

	Open	Close	Chg.	Vol.
MLCF	25.3	25.9	0.6	6.65
JSCL	12.8	12.8	-0.1	5.21
TRG	27.2	27.3	0.1	4.35
UNITY	12.8	13.0	0.2	3.83
MACFL	17.5	18.1	0.6	3.66

## Portfolio Investments—Net Position

FIFI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	1.23	-2.35	-1.12
O/S Pakistanies	1.23	-1.54	-0.31
<b>Net</b>	<b>2.47</b>	<b>-3.90</b>	<b>-1.43</b>
<b>Lipi</b>			
Individuals	20.26	-21.39	-1.13
Companies	1.41	-1.74	-0.33
Comm. Banks	1.64	-0.94	0.70
NBFC	0.02	-0.01	0.01
Mutual Funds	2.74	-1.11	1.63
Other	0.50	-0.48	0.02
Brokers Proprietary	4.08	-3.42	0.66
Insurance	0.72	-0.85	-0.13
<b>Net</b>	<b>31.38</b>	<b>-29.95</b>	<b>1.43</b>

## Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	39.55	5.7%
Brent oil	USD/bbl.	42.30	5.8%
Gold	USD/t oz.	1685.06	-1.7%
Silver	USD/t oz.	17.42	-1.7%
Coal	USD/ton	59.65	-0.3%
Steel Scrap (LME)	USD/ton	262.00	-0.6%
Steel Rebar (LME)	USD/ton	420.00	0.0%
USD/PKR	Interbank	163.48	-0.1%

News Source: Local / Int'l Newspapers and websites

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## Economic losses evaluated

### Economy | Neutral

Dr Abdul Hafeez Shaikh, has asked the international development partners and the government agencies to continue evaluating the losses suffered by the Pakistan economy due to the Covid-19 pandemic to help the government come up with a swift and robust policy response. Ministry of Planning Development and Reforms has informed the adviser that Pakistan economy suffered losses of around Rs 2.5 trillion due to corona with the contraction of Gross Domestic Products (GDP) from projected at Rs 44 trillion before corona to Rs 41.5 trillion after corona, sources said and added that second round would be even more difficult with expected decline in remittances and slow recovery in growth, decline in exports. (BR) | [Click for more info.](#)

## Pakistan saw highest inflation in the world during 2020: SBP

### Economy | Neutral

For Pakistan's residents, fiscal year 2020 was the worst year as they witnessed highest inflation in the world forcing policy makers to increase interest rate. (Dawn) | [Click for more info.](#)

## Companies; Finance Bill 2020 may address min tax on turnover

### Economy | Neutral

Finance Bill 2020 is expected to address the issue of applicability of higher rate of minimum tax on turnover for companies as compared to the corporate income tax also charged from companies. (BR) | [Click for more info.](#)

## Oil & Gas

### Petrol pricing likely to be deregulated

### Oil | Neutral

Amid continuously aggravating petroleum shortage across the country, the government has decided in principle to "completely deregulate" petrol pricing and marketing and do away with uniform pricing mechanism. (Dawn) | [Click for more info.](#)

## On POL products: PTI govt mulls Rs20 per litre GST

### Oil | Neutral

In what could be a major revenue spinner, the federal government may fix Rs20 per litre General Sales Tax (GST) rate for petroleum products in new budget aimed at protecting its revenues amid sliding oil prices in international market. If the proposal gets the nod of Prime Minister Imran Khan, the consumers will pay minimum Rs50 per litre tax on account of Rs20 GST and Rs30 per litre petroleum levy, in addition to paying other charges like dealers and distribution companies' margins. (ET) | [Click for more info.](#)

## Regulator orders OMCs to slash HOBC price

### OMCs | Neutral

The Oil and Gas Regulatory Authority (Ogra) has found that oil marketing companies (OMCs) are taking undue advantage of deregulation of high octane blending component (HOBC) fuel by charging higher prices. In a letter written to Pakistan State Oil (PSO) managing director, Ogra said though the HOBC price was deregulated, the fuel was being sold at a higher rate compared to the actual cost. (ET) | [Click for more info.](#)

## Power

### Sub-committee formed to negotiate 'overpayments' to IPPs

### IPPs | Neutral

The government has constituted a sub-committee for negotiation with independent power producers for recovery of a gigantic Rs5 trillion 'overpayment' to them and renegotiating formula of their profits. (The News) | [Click for more info.](#)

## World Indices

	Last	Chg.	Chg. %
US - Dow 30	27,111.0	829.16	3.15%
HK - Hang Seng	24,770.4	404.11	1.66%
INDIA - SENSEX	34,287.2	306.54	0.90%
PAK (KSE-100)	34,327.0	207.56	0.61%
Taiwan - TWII	11,479.4	86.17	0.76%
US - S&P 500	3,193.9	81.58	2.62%
PHILIP - PSEi	6,465.1	77.00	1.21%
KSA - Tadawul	7,267.9	60.08	0.83%
INDONESIA - IDX	4,947.8	31.08	0.63%
CHINA - Shanghai	2,930.8	11.55	0.40%

## Board Meetings

Scrip	Day	Agenda	Time
SLYT	TUESDAY	3QA/C 31-MAR-20	11:30 AM
SHNI	WEDNESDAY	1QA/C 31-MAR-20	10:00 AM
SHJS	THURSDAY	HYA/C 31-MAR-20	3:15 PM
HIRAT	THURSDAY	3QA/C 31-MAR-20	11:30 AM

Source: PSX

## Govt urged to utilize LNG in power sector

### Power | Neutral

Pakistan may take advantage of low spot prices and boost Liquefied Natural Gas (LNG) imports to meet the country's growing energy demand, said noted businessman and Associated Group chairman Iqbal Z Ahmed while talking to Business Recorder. Iqbal urged the government to ensure utilization of LNG in the power sector. He said SNGPL and SSGC can secure additional customers by providing LNG to the export industry as well as the CNG sector. (BR) | [Click for more info.](#)

## Textile

### RLNG/electricity for textile sector

### Textile | Positive

The government has reportedly agreed on provision of Rs. 20 billion as subsidy on RLNG/electricity for textile sector in the federal budget 2020-12, to be unveiled on June 12. This consensus was evolved at a meeting between the textile industry and the government's economic team, which is giving final touches to the budget proposals for FY 2020-21. According to sources, restoration of zero-rating or reduction of sales tax rate to 5% across the value chain was shot down after Chairperson FBR expressed her opposition. (BR) | [Click for more info.](#)

### FBR to release Rs5m in refunds next week

### Textile | Positive

The Federal Board of Revenue (FBR) is working to release income tax refunds of up to Rs5 million to businessmen next week and plans to release such refunds of up to Rs50 million in the next phase to help businesses cope with the coronavirus pandemic. (ET) | [Click for more info.](#)

## Miscellaneous

### GSP-Plus facility to continue till 2023, Senate told

### Economy | Positive

Adviser to Prime Minister on Commerce Abdul Razak Dawood on Friday informed the Senate that European Union (EU) extended its Generalised Scheme of Preferences (GSP)-Plus facility to Pakistan until 2023. (ET) | [Click for more info.](#)

### Steel makers demand immediate release of 50pc refunds

### Steel | Neutral

The National Steel Advisory Council (NSAC) has urged the Federal Board of Revenue (FBR) to pay 50 percent of the sales tax refunds immediately to ease the liquidity crunch and carry out audits of all firms within a maximum of three months to release the balance funds. (The News) | [Click for more info.](#)

### Budget 2020-21: Hotel industry, airlines, poultry sector to be incentivized

### Economy | Neutral

While presenting next budget 2020-21 without net revenue measures, the government is considering different options to provide incentives to severely impacted sectors like hotel industry, airlines and poultry sector after outbreak of COVID-19 pandemic. (The News) | [Click for more info.](#)

### PM decides to send sugar case to NAB

### Sugar | Neutral

Prime Minister Imran Khan has approved recommendations of forensic commission to take action against those named in the report and decided to forward the entire matter of Rs 29 billion sugar subsidy to the National Accountability Bureau. (BR) | [Click for more info.](#)



**Budget 2020-21: Govt to enhance tax on tobacco products to generate Rs.140bln**

### Tobacco | Neutral

The government is likely to increase the tax on tobacco products in a bid to generate revenue of around Rs.140 billion in next fiscal year 2020-21 against projected collection of Rs116 billion in current fiscal year. Imposing a tax on cigarette pack is one of the options, which can help increase government revenues from the tobacco sector, officials said. (Pakobserver) | [Click for more info.](#)

## Political News

### PM rules out possibility of another lockdown

Ruling out the possibility of lockdown, Prime Minister Imran Khan stated on Friday that the country can not afford it but lockdown could be enforced in hotspot areas. (BR) | [Click for more info.](#)

## International News

### Asian Stocks Open Higher; Dollar Extends Slide: Markets Wrap

Asian stocks started the week with gains after Friday's U.S. jobs report smashed expectations and bolstered hope of a quick economic rebound. The dollar extended its recent slump. (Bloomberg) | [Click for more info.](#)

### Oil's OPEC+ Boost Eases With Compliance Concerns Lingering

Oil climbed in London following a sixth weekly increase after OPEC and its allies agreed to extend production curbs, although skepticism the cartel would be able to ensure full compliance tempered the gains. (Bloomberg) | [Click for more info.](#)

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**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 FCFF based DCF methodology.

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