

Cheaper LNG deal signed with Qatar (The News)

Pakistan has signed a new LNG deal for 10 years at 10.20 percent of Brent with price opening clause after four years. Under the contract, Qatar will provide Pakistan three million tons LNG for 10 years. The new accord on LNG with Qatar was done under GtoG (government-to-government) mode which will be effective from January 1, 2022 and to this effect a signing ceremony was held here on Friday at the PM's House. Prime Minister Imran Khan also witnessed the signing of the contract, which will help save \$317 million a year and \$3 billion in 10 years' time if compared with the deal done by the PML-N government with Qatar at 13.37 percent of Brent for 15 years with price opening provision after 10 years. There is a provision in the agreement under which if Pakistan wants additional cargoes in the winter season in the current calendar year, it can import at a price of 10.20 percent of Brent. The SAPM on petroleum said Pakistan has managed the deal at 10.20 percent of Brent which is the lowest publicly disclosed price. Under the new agreement, the costly two cargoes available at 13.37 percent of Brent will be replaced with new vessels from Qatar at 10.20 percent of Brent and in 2023 one more cargo will be added per month, and in 2024 the fourth one LNG vessel will be added per month and this is how in three years time the number of LNG cargoes will increase up to four per month. Under earlier agreement with PML-N government, he said, Pakistan was to open L/C availing \$175 million a year but under the new deal the country will now spend \$85 billion on L/C per annum.

ECO freight train to resume operations after nine years (Dawn)

After a gap of nine years or so, the Istanbul-Islamabad freight train is likely to resume operations on March 4, connecting goods train business of three countries —Turkey, Iran and Pakistan. "We have been informed by the quarters concerned that the container train would start its journey from Istanbul (Turkey) for Islamabad (Pakistan) via Zahidan on March 4. Though the schedule will be reconfirmed in a day or two, so far March 4 is the final date of departure of the train from Istanbul," said a senior official of the Pakistan Railways while speaking to Dawn on Sunday. "In Pakistan, ministries of foreign affairs and railways are coordinating with the Economic Cooperation Organisation (ECO) Secretariat that is also in contact with the respective departments/ministries of Turkey and Iran," he added. Since the train will complete the one-side trip in 12 days, it is expected to reach the Islamabad dryport on March 16. "Pakistan Railways also plans to resume this train operation from 19th, as it is currently booking cargo for Iran and Turkey," the official added.

FBR exceeds eight-month revenue collection target by Rs18 bn (The News)

The Federal Board of Revenue (FBR) has exceeded its collection by Rs18 billion in the first eight months (July-Feb) period as the tax machinery fetched revenues of Rs2,916 billion against the desired target of Rs2,898 billion. The FBR has released the provisional revenue collection figures for the first eight months of current fiscal year. According to the provisional information, the FBR has collected net revenue of Rs2,916 billion during Jul-Feb period, which has exceeded the target of Rs2,898 billion. This represents a growth of about 6pc over the collection of Rs2,750 billion during the same period last year. The net collection for the month of February was Rs343 billion against a required target of Rs325 billion, representing an increase of 8pc over last February and 106pc of the target. When finalized after book adjustments, the collection figures are likely to improve further. On the other hand, the gross collections increased from Rs2,823 billion during this period last year to Rs3,068 billion, showing an increase of nearly 9pc. The amount of refunds disbursed was Rs152 billion compared to Rs79 billion paid last year, showing an increase of 97pc. This is reflective of FBR's resolve to fast-track refunds to prevent liquidity shortages in the industry

No change in petrol prices as PM Imran turns down Ogra's proposed hike (Dawn)

Prime Minister Imran Khan has turned down a proposal by the Oil and Gas Regulatory Authority for an increase in fuel prices, Special Assistant to Prime Minister on Political Communication Shahbaz Gill said on Sunday. In a [tweet](#), he shared a picture of Ogra's proposed prices and said: "Ogra proposed to increase the price of petroleum products from about Rs6-7 per litre. Prime Minister Imran Khan did not accept this proposal. There has been no increase in the prices of petroleum products. Despite the continuous rise in the prices of petroleum products in the world market, the prime minister did not allow it." According to the document shared by Gill, the Ogra had made the following suggestions: Petrol: Rs118.12 after an increase of Rs6.22, High speed diesel: Rs122.90 after an increase of Rs6.82, Kerosene: Rs86.56 after an increase of Rs 6.37, Light diesel oil: Rs79.23 after an increase of Rs5.78. The prices would have been effective from March 1. For the next 15 days, the prices of petroleum products will remain the same.

Neelum Jhelum Power Plant goes into operation (BR)

Subsequent to successful completion of the annual maintenance, Neelum Jhelum Hydropower Plant (NJHP) resumed electricity generation, as it was synchronized with the National Grid last night. National Power Control Center (NPCC) had allowed shut down to National Transmission and Dispatch Company (NTDC) on February 28 onwards for maintenance of its 525 KV Rawat and Naukar Transmission Lines during the low flow season to minimize the generation losses. Accordingly taking advantage of this shutdown, NJHP Company also planned annual maintenance of its Power House Complex generating units besides maintenance of water regulation related sensitive mechanical and electrical equipment and instruments at Dam site. NTDC and NJHP Company successfully completed the annual maintenance of the transmission lines and the plant within stipulated time. Thereafter, NJHP went into operation last night.

17 wind IPPs deviate from signed MoUs (The News)

In a blow to the efforts of the PTI government to slice down the tariffs of 47 IPPs, as many as 17 wind IPPs have almost not only deviated from the MoUs signed on August 12-14 in 2020 but also from the Master Agreements and refused to sign the amended PPAs as the foreign lenders of said IPPs want power plants installed under the CPEC umbrella to first sign the revised contracts, then they will ink. The foreign lenders of 17 wind IPPs established under the power policy 2002 want the government to brief them first about the reform programme in the power sector and steps to make the power sector of Pakistan sustainable and secondly want the Government of Pakistan to also get the discount in tariff from the IPPs set up under CPEC, a senior official privy to the latest development told The News.

The official said that authorities have told them that the reforms package in the power sector that has been shared with the World Bank will also be shared with foreign lenders and they are ready to brief them on this front. This development has put in hot waters the Pakistani authorities, who wanted to decorate their cap with feather of success having discounted tariff in the shape of Rs770 billion in the next 20 years, but with resistance from 18 wind IPPs in signing the amended PPAs (power purchase agreements), the dividends will plummet to Rs660 billion in next two decades if the existing exchange rate of one US dollar against Rs160 is kept in view.

FBR rakes in Rs20.4 billion on withholding tax in seven months (The News)

The Federal Board of Revenue (FBR) pulled in Rs20.4 billion on account of withholding tax on sale of goods and services during the seven-month period, showing a 13 percent growth year on year, as consumer demand is fast returning to the pre-pandemic level, latest official data showed. The collection of withholding income tax on sale of goods and services increased during the first seven months (July – January) of fiscal year 2020/21 owing to higher demand after resumption of economic activities. The collection of withholding income tax increased from Rs18 billion in the same period of the last fiscal year, according to official data of Large Taxpayers Office (LTO) Karachi. The sources said domestic demand increased after ease in restriction related to the coronavirus. Economic activities have demonstrated v-shaped recovery since the easing of lockdown. Though normal economic life is yet to bring into a normal mode, the government is trying to keep economic cycle unaffected of the infection management measures following the disastrous fallout of shutdown last year.

Foreign investment in 7MFY21 down by 78pc: ministry (Dawn)

Amid 78pc decline in total foreign investment, the Ministry of Finance on Friday raised expectations about economic recovery during the current fiscal year based on improved signs in first seven months. In its Monthly Economic Update & Outlook, the ministry reported that total foreign investment in July-January period amounted to \$755 million against \$3.438bn of comparable period last year, showing a decline of about 78pc. "Prospects of economic growth are showing visible signs of improvement during July-January period 2020-21 which strengthen expectations about economic recovery," said the outlook. It claimed credit for the timely measures against the pandemic in terms of fiscal stimulus, easing mobility restrictions, timely arrangement of vaccination, together with accommodative monetary policy allowed economic activities continue in the difficult time. "Thus, it is observed that overall economic recovery is on its way and may accelerate in the coming months". The report said the recent developments in inflation showed negative trends. It expected that due to much-needed structural measures, the downward trend of prices of these items will be permanent.

Govt borrows \$2.7bn to repay foreign loans in Jul-Jan (The News)

Government borrowed \$2.7 billion from multiple external financing sources to repay maturing foreign commercial loans during the first seven months of the current fiscal year of 2020/21, according to the latest official data. The foreign commercial borrowing accounted for 41 percent of total external financing receipts of \$6.6 billion, which are 54 percent of annual budget estimates of \$12.2 billion for the entire fiscal year, according to the ministry of economic affairs' monthly bulletin of foreign economic assistance. In the corresponding period of fiscal year 2019/20, the external inflows were \$6.2 billion, which were around 48 percent of the annual budgeted amount of \$12.9 billion.

In July-January period, the government received \$1.6 billion, or 25 percent of total receipts, as program / budgetary support assistance to restructure Pakistan's economy. Of total receipts, \$897 million were for financing development projects, \$391 million as commodity financing, and \$1 billion was received as safe deposits from China. Monthly bulletin of foreign economic assistance presents the broader view of external inflows and outflows of foreign economic assistance received from multiple financing sources vis-à-vis their budgetary allocations for the entire fiscal year.

Equities

PSX Data					International Stock Markets (returns are USD based)						
26-Feb-21	Index	Change	CYTD	FYTD	26-Feb-21	Index	Change	CYTD	DY (%)	P/E(x)	P/B(x)
All Shares Index	31,436.15	(211.72)	2.1%	27.48%	KSE100	45,865	0.0%	6.0%	6.8	7.2	1.1
KSE100 Index	45,865.02	(100.60)	4.8%	33.24%	BSE-30	49,100	-5.3%	2.3%	1.1	28.9	3.5
KSE30 Index	19,173.08	(26.07)	5.5%	29.01%	SHANGHAI	3,678	-2.4%	1.8%	2.2	12.9	1.5
KMI30 Index	76,278.37	(113.36)	7.2%	38.70%	Vietnam	1,168	0.3%	6.1%	1.5	14.9	2.3
					Hang Seng	28,980	-3.7%	6.4%	2.9	12.9	1.2
KSEAll Market Cap	PKR bn	CYTD	USD bn	CYTD	Nikkei 225	28,966	-4.6%	2.3%	1.5	23.1	2.1
Market Cap	8,207	2.1%	51.91	3.3%	Straits Times	2,949	-1.8%	2.9%	3.8	15.4	1.0
FIPI (USD Million)	Buy Value	Sell Value	Net Value		Tadawul	9,195	0.0%	5.9%	2.8	19.8	2.0
Foreign Individuals	0.09	0.02	0.07		FTSE-100	6,483	-4.0%	2.3%	3.9	14.5	1.6
Foreign Corporates	8.73	9.65	(0.92)		Dow Jones	30,932	-1.5%	1.1%	3.9	20.4	4.4
Overseas Pakistani	12.23	10.80	1.43		NASDAQ	13,192	0.6%	2.4%	39.2	32.5	0.1
Total	21.06	20.48	0.58		S&P 500	3,811	-0.5%	1.5%	1.6	22.2	3.9

Fixed Income/Forex

10-Year Govt Bond Yields				Tbills/PIBs	Secondary Market Yields			Cut-off Yields	
Country	26-Feb-21	25-Feb-21	Change (bps)		26-Feb-21	25-Feb-21	Change (bps)	Current	Change (bps)
Pakistan	10.20%	10.20%	-	03-Month T.Bill	7.21%	7.21%	-	7.25%	7
Australia	1.90%	1.72%	18.0	06-Month T.Bill	7.51%	7.51%	-	7.55%	6
UK	0.82%	0.78%	4.0	12-Month T.Bill	7.80%	7.80%	-	7.80%	-
US	1.40%	1.46%	(6.0)	03-Year PIB	9.20%	9.21%	(1.00)	8.99%	49
Germany	-0.26%	-0.23%	(3.0)	05-Year PIB	9.85%	9.85%	-	9.59%	6
Japan	0.15%	0.16%	(1.0)	10-Year PIB	10.20%	10.20%	-	10.05%	6

Description	26-Feb-21	25-Feb-21	Change (bps)	PKR/US Dollar		KIBOR Rates		
				26-Feb-21	Open Mkt	Interbank	Tenor	Rate
Pak. Euro Bond (Yield)	7.08%	7.01%	7.1	Buy	158.95	160.35	03-Month	7.39%
Pak. Euro Bond (Price)	107.30	107.98	(0.7)	Sell	158.45	158.10	06-Month	7.65%

Commodities

Up Coming Board Meetings

Commodity	Current	Previous	Change	Company	Period	Date	Time	Place
Local (PKR)				Ashfaq Textile Mills Ltd.	1HFY21	1-Mar	9:00 AM	Faisalabad
Cement (bag)**	608.1	608.4	-0.05%	Nazir Cotton Mills Ltd.	1HFY21	1-Mar	10:00 AM	Lahore
Urea (bag)**	1,741	1,741	0.00%	Frontier Ceramics Ltd.	1HFY21	1-Mar	10:30 AM	Rawalpindi
Gold (10grms)	94,564	94,564	0.00%	Wyeth Pakistan Ltd.	CY20	1-Mar	10:45 AM	Karachi
Cotton (Maund)	12,200	12,000	1.67%	Ados Pakistan Ltd.	1HFY21	1-Mar	11:00 AM	Islamabad
International (US Dollar)				Abdullah Shah Ghazi Sugar Mills Ltd.	1QCY21	1-Mar	11:00 AM	Lahore
WTI (bbl)	62.56	63.53	-1.53%	Colony Textile Mills Ltd.	1HFY21	1-Mar	11:00 AM	Lahore
Brent (bbl)	65.53	66.13	-0.91%	Fazal Cloth Mills Ltd.	1HFY21	1-Mar	11:00 AM	Multan
Arabligh (bbl)	64.22	65.26	-1.59%	Siddiqsons Tin Plate Ltd.	1HFY21	1-Mar	11:00 AM	Karachi
Silver (oz)	26.67	27.43	-2.76%	Sunrays Textile Mills Ltd.	1HFY21	1-Mar	11:30 AM	Karachi
Coal Future (ton)	88.65	88.55	0.11%	Indus Dyeing & Manufacturing Co. Ltd.	1HFY21	1-Mar	12:00 PM	Karachi
Gold (oz)	1,734.04	1,770.56	-2.06%	Husein Industries Ltd.	1HFY21	1-Mar	12:00 PM	Karachi
Steel (ton)	752.91	755.70	-0.37%	Ravi Textile Mills Ltd.	1HFY21	1-Mar	2:00 PM	Lahore

** Price updated on weekly basis

Investor Watch

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