



April 10,
2019

Economy News

IMF trims growth forecast to 2.9 percent in 2019, warns of macroeconomic challenges

Economy | Negative

The International Monetary Fund (IMF) on Tuesday trimmed Pakistan's growth forecast to 2.9 percent in 2019 and 2.8 percent in 2020 amid ongoing macroeconomic adjustment challenges, saying twin deficits warrant further structural reforms. The country's growth stalled in the current fiscal year as external account sector weakened, while revenue-expenditure gap continues to widen. (The News) | [Click for more info.](#)

Amnesty scheme matter referred to law ministry

Economy | Neutral

The federal cabinet on Tuesday decided to refer the amnesty scheme for legalisation of undisclosed assets and income to the Law Ministry for seeking its legal opinion on whether to launch the scheme through a presidential ordinance or in the form of a money bill. (BR) | [Click for more info.](#)

Government mulling over discontinuing low-yielding WHTs

Economy | Neutral

The government has been mulling over discontinuing a large number of low yielding withholding taxes in the next year's budget. According to the Medium Term Economic Framework released by the government on Tuesday, the withholding taxes become regressive if people who are not liable to income taxes and/or if firms treat them as consumption taxes and are generally passed them on to the consumers, badly impacting the progressivity of the tax. (BR) | [Click for more info.](#)

Medium-term economic framework launched without any homework: sources

Economy | Neutral

"Unlike the claims of Finance Minister Asad Umar regarding the preparation of the framework through Economic Advisory Council (EAC), the draft of the three-year plan was actually prepared by two consultants of the Asian Development Bank (ADB)," reliable sources informed Pakistan Today. (PT) | [Click for more info.](#)

Oil & Gas

Saudi Aramco Eyes First LNG Sale With Overture to Pakistan

Gas | Positive

The world's largest oil company is moving into the world of liquefied natural gas, offering to supply Pakistan with cargoes of the fuel even though it doesn't produce any, according to a Pakistan government official. Saudi Aramco Products Trading Co., the merchant arm of Saudi Aramco, has expressed interest in selling LNG cargoes on a spot or short-term basis to Pakistan, Nadeem Babar, head of Prime Minister Imran Khan's task force on energy reforms, said by phone. Aramco will send a delegation to Pakistan this week to discuss the proposal further, he said. (Bloomberg) | [Click for more info.](#)

Kekra in Pakistani waters among world's three highly prospective wells

OGDC, PPL | Positive

The Eni's Kekra well for oil and gas reserves in Pakistani waters is among three highly prospective wells in the world, international energy research agency Rystad Energy said in its report. According to a private media outlet, Rystad Energy, in its report on the prospective new discoveries of energy resources, said that the Kekra well in Pakistani waters has pre-drill prospective resource estimates of 1.5 billion barrels of oil or equivalent. (PT) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,110.5	27,237.0	126.5	0.5%
KSE100	36,921.9	37,130.0	208.1	0.6%
KSE30	17,473.3	17,577.6	104.3	0.6%
KMI30	60,253.4	60,664.9	411.4	0.7%

Top Five Gainers

	Open	Close	Chg.	%
ILTM	1,849.0	1,923.0	74.0	4.0%
SAPL	800.0	825.0	25.0	3.1%
BATA	1,601.0	1,620.0	19.0	1.2%
MUREB	770.0	785.0	15.0	1.9%
ARPL	478.5	491.8	13.2	2.8%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITYR1	3.6	2.8	-0.8	15.88
MLCF	34.3	32.7	-1.6	15.63
FCCL	18.5	17.8	-0.7	11.37
KEL	5.0	5.3	0.3	9.53
WTL	1.2	1.2	0.1	7.58

Portfolio Investments – Net Position

	Buy	Sell	Net
FIPI			
F-Ind.	0.00	0.00	0.00
F-Corp.	3.64	-3.44	0.20
O/S Pak	1.48	-1.29	0.19
Net	5.12	-4.73	0.39
LIPI			
Indv.	32.61	-29.60	3.01
Cos.	2.79	-3.55	-0.77
Banks	2.82	-2.06	0.76
NBFC	0.18	-0.52	-0.34
M-Funds	4.03	-6.94	-2.91
Other	0.53	-0.35	0.18
Broker	10.42	-10.14	0.28
Insur.	1.84	-2.44	-0.61
Net	55.22	-55.61	-0.39

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	64.09	0.2%
Brent oil	USD/bbl.	70.63	0.0%
Gold	USD/t oz.	1302.06	-0.2%
Silver	USD/t oz.	15.17	-0.3%
Coal	USD/ton	71.00	0.7%
Steel Scrap (LME)	USD/ton	316.00	0.3%
Steel Rebar (LME)	USD/ton	488.00	1.0%
USD/PKR	Interbank	141.52	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

Further hike in gas prices to shatter CNG sector: APCNGA

Economy | Negative

The All Pakistan CNG Association (APCNGA) on Tuesday said any further hike in the tariff of gas will leave CNG sector bankrupt. The provinces of Sindh and Khyber Pakhtunkhwa are self-sufficient in the production of natural gas, therefore, the distribution companies should not force CNG operators to buy imported LNG, it said. (The Nation) | [Click for more info.](#)

Power

Neelum Jhelum project crosses 1000MW generation mark

Power | Positive

Neelum Jhelum Hydropower Project on Tuesday achieved yet another landmark, as electricity generation from the project crossed 1000 megawatts (MW) mark. Neelum Jhelum Hydropower Project generated up to 1040 MW beyond its installed generation capacity of 969 MW, which reflected the efficiency standards of the power plant, said a statement. (The Nation) | [Click for more info.](#)

Govt to recover full cost of power, gas supplies

Power | Positive

Disclosing that Rs1.4 trillion public money stood parked outside the treasury single account, the government on Tuesday announced full cost recovery of power and gas supply through automatic price adjustment, bring provinces into fiscal discipline and launch a series of international bonds over the next couple of years. (Dawn) | [Click for more info.](#)

Autos

10th generation Honda Civic 2019 launched

HCAR | Positive

Honda Atlas Cars Pakistan Limited (HACPL) launched its Civic 2019 - 10th generation, which has been anticipated in Pakistan since quite a while. Honda Civic has become one of the sedans leading C-segment, being trusted and favored by a large volume of customers. (BR) | [Click for more info.](#)

Cement

Sluggish economy causes drop in cement prices

Cement | Negative

Industry officials argued that price downward trend has nothing to do with differences in opinion among cement manufacturers over the daily quota limit as well as increase in production capacities. Cement prices fell Rs20 to 25/bag to Rs520-560 in northern region. Cement prices decreased due to sluggish economic activities in the country instead of any quota issue. (The News) | [Click for more info.](#)

Food

Labelling curbs for FMCGs import delayed till June 30

UNITY, EFOODS, FFL | Positive

Caving in to the fast moving consumer goods (FMCGs) importers' demand, the Ministry of Commerce (MoC) has delayed implementation of SRO237, which requires to print details and ingredients of the food products in Urdu and English on consumer packaging besides halal certification, from the start of next fiscal year. The ministry on Tuesday through SRO438 temporarily allowed imports of FMCGs till June 30 without the above mentioned conditions. (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	38,939.2	238.69	0.62%
PAK (KSE-100)	37,130.0	208.06	0.56%
HK - HangSeng	30,157.5	80.34	0.27%
INDONESIA - IDX	6,484.4	58.61	0.91%
Taiwan - TWII	10,851.6	51.03	0.47%
PHILP - PSEi	7,915.6	42.45	0.54%
KSA - Tadawul	9,047.6	9.61	0.11%
CHINA - Shanghai	3,239.7	-5.15	-0.16%
US - S&P 500	2,878.2	-17.57	-0.61%
US - Dow 30	26,150.6	-190.44	-0.72%

Source: Investing.com

Board Meetings

Scrip	Day	Agenda	Time
NRL	THURSDAY	3Q. A/c Mar-31, FY'18	10:30 AM
ACPL	THURSDAY	3Q. A/c Mar-31, FY'18	12:00 PM
ATRL	THURSDAY	3Q. A/c Mar-31, FY'18	1:00 PM
POL	THURSDAY	3Q. A/c Mar-31, FY'18	3:00 PM
APL	THURSDAY	3Q. A/c Mar-31, FY'18	4:00 PM
SEPL	FRIDAY	3Q. A/c Mar-31, FY'18	10:00 AM

Source: PSX Announcement



Pharmaceutical

SBP report: Investors wary about delay in adjustment of drug prices

Pharmaceutical | **Negative**

The State Bank of Pakistan (SBP) has said that massive delay in adjustment of medicine prices has made foreign and domestic investors wary of investing in pharmaceutical sector. The pharmaceutical industry has extensive exposure to exchange rate risk and depreciation of the PKR has a direct impact on this industry. The profitability of the industry gets squeezed, as producers were not allowed a timely and commensurable increase in the prices of their products. (BR) | [Click for more info.](#)

Miscellaneous

Pakistan Cables completes the 2nd ACCC conductor installation

PCAL | **Positive**

Based on the initiative of Pakistan Cables Limited, Multan Electric Power Company (MEPCO) completed their ACCC conductor installation in Pakistan with the support of EPC Contractor NETRACON Technologies by upgrading the 132 kV "NGPS to Industrial Estate" transmission line. (Daily Times) | [Click for more info.](#)

Government decides to revive PSM within 18 months

Economy | **Neutral**

The federal government has decided to revive Pakistan Steel Mills (PSM) on Public Private Partnership (PPP) in two phases within 18 months through International Competitive Bidding (ICB) mode without trimming the present work force. (BR) | [Click for more info.](#)

French trade team evinces interest in investment

Economy | **Positive**

A 29-member first-ever largest and high powered French delegation visited the Lahore Chamber of Commerce & Industry on Tuesday and expressed deep interest in cooperation and business development. (BR) | [Click for more info.](#)

Sales tax collection drops to Rs500bln in nine months

Economy | **Negative**

The Federal Board of Revenue (FBR) managed to collect Rs500 billion from sales tax on imported goods in the first nine months of the current fiscal year of 2018/19, down 2.1 percent over the corresponding period a year earlier, as imports continued to slide on weak rupee and other regulatory measures. (The News) | [Click for more info.](#)

Political News

PM sees better chance of talks with India if BJP wins election

Prime Minister Imran Khan said he thinks there may be a better chance of peace talks with India if Prime Minister Narendra Modi's Hindu nationalist Bharatiya Janata Party (BJP) wins the general election due to begin there on Thursday. (BR) | [Click for more info.](#)

International News

Stocks Drop as Growth Woes Resurface; Dollar Gains: Markets Wrap

Asian stocks declined after renewed concern about a global economic slowdown and an escalation in trade tensions. Treasuries inched higher with the dollar. (Bloomberg) | [Click for more info.](#)

Oil rises amid OPEC supply cuts, U.S. sanctions

Oil prices edged back towards five-month highs on Wednesday, supported by ongoing supply cuts by producer club OPEC and U.S. sanctions against oil exporters Iran and Venezuela. (Reuters) | [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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