

December
13, 2019

Economy News

NA body opposes bill proposed to meet FATF conditions

Capital Market, Economy | Negative

The National Assembly's Standing Committee on Interior has opposed an amendment bill introduced mainly to meet the conditions set by the Financial Action Task Force (FATF). (PT) | [Click for more info.](#)

IMF EB meeting on 19th

Economy | Neutral

The International Monetary Fund (IMF) Executive Board meeting is scheduled for December 19 to consider the staff level report and approval of second tranche of about \$450 million under the \$6 billion Extended Fund Facility (EFF). According to the IMF's website, the board will meet on December 19 with the agenda "Pakistan-First Review under the Extended Fund Facility." (BR) | [Click for more info.](#)

American investors bullish on Pakistan's economic prospect

Economy | Positive

US businesses operating in Pakistan are bullish on economic prospect in the long run with nearly half of them having enlisted the country as a destination for near-term global investment, but majority of them termed high cost of doing business as the biggest challenge. (The News) | [Click for more info.](#)

32 state-owned abandoned properties worth billions identified for auction: PM told

Economy | Neutral

Prime Minister Imran Khan Thursday was informed that 32 federal government-owned abandoned properties worth billions of rupees had been identified in major cities for their onward auction to generate revenue and spend it on public welfare. (BR) | [Click for more info.](#)

Cost of tax exemptions soars past Rs1.8tr

Economy | Negative

The cost of tax exemptions to the national economy has almost doubled to more than Rs1.8 trillion from Rs972 billion as reported in the federal budget 2019-20. (Dawn) | [Click for more info.](#)

FY20 tax collection; Rs5.5trn target could be revised downward

Economy | Neutral

Chairman Federal Board of Revenue (FBR) Shabbar Zaidi has informed the Senate Standing Committee on Finance that revision in tax collection target of Rs 5.5 trillion for the current fiscal year is under consideration and the figure would be shared with the committee. (BR) | [Click for more info.](#)

Pak forex figures \$16.048bn

Economy | Positive

Total liquid foreign reserves of the country stand at \$16.048 billion, said the State Bank of Pakistan (SBP). SBP's weekly statement issued here on Thursday said that on December 9, the foreign reserves with the State Bank amounted to \$ 9,233.6 million and net foreign reserves held by commercial banks were \$ 6,814.5 million. (BR) | [Click for more info.](#)

Oil & Gas

OGDCL rejects Customs Intelligence claim of recovering Rs221.7m from company

OGDC | Neutral

The Oil and Gas Development Company (OGDCL) has rejected claim of the Customs Intelligence that it has recovered Rs221.7 million from the company, what the company termed it as a 'surprising and baseless' claim. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,937.5	29,041.8	104.3	0.4%
KSE100	40,531.4	40,514.2	-17.3	0.0%
KSE30	18,429.5	18,408.3	-21.2	-0.1%
KMI30	64,188.3	64,212.0	23.7	0.0%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	7,055.0	7,200.0	145.0	2.1%
NESTLE	7,950.0	8,080.0	130.0	1.6%
PAKT	2,500.0	2,625.0	125.0	5.0%
COLG	2,200.0	2,300.0	100.0	4.5%
ILTM	1,341.4	1,385.0	43.6	3.3%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITY	14.7	14.9	0.2	37.75
TRG	25.0	24.0	-1.0	12.90
FFL	15.8	15.6	-0.2	11.01
BOP	11.8	11.8	0.0	10.22
KEL	4.5	4.4	-0.1	7.39

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	4.02	-3.76	0.25
O/S Pakistanies	2.25	-4.43	-2.19
Net	6.27	-8.20	-1.94
LIPI			
Individuals	46.85	-45.42	1.43
Companies	1.36	-1.69	-0.32
Comm. Banks	2.81	-3.00	-0.18
NBFC	0.05	0.00	0.04
Mutual Funds	3.02	-3.45	-0.43
Other	0.62	-0.25	0.37
Brokers Proprietary	14.99	-16.44	-1.45
Insurance	3.28	-0.80	2.48
Net	73.00	-71.06	1.94

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	59.51	0.6%
Brent oil	USD/bbl.	64.66	0.7%
Gold	USD/t oz.	1469.01	-0.1%
Silver	USD/t oz.	16.92	-0.1%
Coal	USD/ton	81.90	-0.4%
Steel Scrap (LME)	USD/ton	294.50	1.2%
Steel Rebar (LME)	USD/ton	453.50	2.0%
USD/PKR	Interbank	155.13	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106



Power

KE plans to raise Rs25bln via sukuk

KEL | Positive

K-Electric, the country's only vertically-integrated power utility, aims to raise Rs25 billion through capital-boosting corporate Islamic bonds or sukuk, the company said on Thursday. (The News) | [Click for more info.](#)

SC orders energy ministry to pay Rs200b to WAPDA for dams construction

Power | Positive

The Supreme Court on Thursday directed the energy ministry to pay outstanding dues to the tune of Rs200 billion to the Water and Power Development Authority (Wapda) so that the construction of dams could be completed. (ET) | [Click for more info.](#)

CPPA refuses power purchase from new renewable energy plants

Power | Neutral

State-owned power purchasing agency has refused to procure electricity from new renewable energy plants as generation capacity has already turned into surplus, it emerged on Thursday. (The News) | [Click for more info.](#)

Cement

Punjab govt lifts ban on cement industry after 12 years

Cement | Positive

Provincial Minister for Industries & Trade Mian Aslam Iqbal has said that the Punjab government has lifted ban on cement industry after a gap of 12 years so that this sector could also flourish and contribute to the national economy. (BR) | [Click for more info.](#)

Miscellaneous

Honda Atlas Closes Manufacturing Plant for the Rest of December

HCAR | Negative

Honda Atlas has seen the biggest decline with a jaw-dropping 86% fall in sales for November 2019 as compared to November 2018. This has forced the company to observe NDPs for the rest of December with only 8 days worked so far. (PP) | [Click for more info.](#)

11 global companies show interest in PSM revival

Economy | Neutral

As many as eleven international companies have expressed their interest in the revival of Pakistan Steel Mills (PSM), sources in Privatization Division told Business Recorder. (BR) | [Click for more info.](#)

SBP allows importers up to 50pc advance payment facility

Economy | Neutral

The State Bank of Pakistan (SBP) allowed on Thursday banks to make advance payment up to 50 percent of the value of imports against letter of credit for manufacturing concerns. (BR) | [Click for more info.](#)

ECC approves Rs460mln in grant to control locust epidemic

Economy | Neutral

Economic Coordination Committee (ECC) of the cabinet on Thursday approved around Rs460 million in a technical supplementary grant to cope up with the emergency of desert locust threat in the country. | [Click for more info.](#)

Human Development Index 2019: Pakistan ranks lower than all South Asian countries

Economy | Neutral

Pakistan's ranking on the Human Development Index (HDI) 2019 fell one notch more and stood at 152nd position out of the total 189 countries. Most alarmingly, Pakistan's ranking was lower than all comparable regional countries of South Asia. | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	26,994.1	348.71	1.31%
US - Dow 30	28,132.1	220.75	0.79%
INDIA - SENSEX	40,581.7	169.14	0.42%
Taiwan - TWII	11,836.4	135.65	1.16%
US - S&P 500	3,168.6	26.94	0.86%
CHINA - Shanghai	2,915.7	-8.72	-0.30%
PAK (KSE-100)	40,514.2	-17.25	-0.04%
INDONESIA - IDX	6,139.4	-40.70	-0.66%
PHILIP - PSEi	7,741.1	-45.34	-0.58%
KSA - Tadawul	8,005.8	-127.95	-1.57%

Source: Bloomberg

Board Meetings

Scrip	Day	Agenda	Time
HABSM	Wednesday	Annual A/C - 30SEP19	12:00 AM
DNCC	Thursday	1QA/C - 30SEP19	3:30 PM

Source: PSX Announcement



Govt raises EOBI pension to Rs8,500

Economy | Neutral

The Pakistan Tehreek-e-Insaf (PTI) led federal government has increased the Employees Old-age Benefit Institution (EOBI) pension from Rs6,500 to Rs8,500, in what Prime Minister Imran Khan on Thursday called another step towards formation of a Islamic welfare state. (ET) | [Click for more info.](#)

Political News

Zardari released

Co-Chair-man Pakistan Peoples Party (PPP) Asif Ali Zardari was released on bail in the Park Lane and fake bank accounts cases on Thursday. (BR) | [Click for more info.](#)

Lawyers will observe strike today

Pakistan Bar Council said the lawyers will observe countrywide strike today (December 13) against partial and biased conduct of police and Lahore administration. (BR) | [Click for more info.](#)

International News

Stocks Hit Record High, Bond Yields Jump, Pound Up: Markets Wrap

Global stocks hit a record high for the first time since early 2018 and bond yields climbed after news that President Donald Trump signed off on a trade deal with China averting tariffs set for Sunday. (Bloomberg) | [Click for more info.](#)

Oil Rises to Three-Month High After Trump Approves Trade Deal

Oil rose to the highest level in almost three months after U.S. President Donald Trump signed off on a limited trade deal with China, improving the global demand outlook. (Bloomberg) | [Click for more info.](#)



Disclaimer

This report has been prepared by Aba Ali Habib Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Aba Ali Habib Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Aba Ali Habib Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents.

In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Aba Ali Habib Securities' Research Department and do not necessarily reflect those of the company or its directors. Aba Ali Habib as a firm may have business relationships, including investment- banking relationships, with the companies referred to in this report. Aba Ali Habib Securities or any of its officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the subject company, may have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company, may serve or may have served in the past as a director or officer of the subject company, may have received compensation from the subject company for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from the subject company for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the subject company.

All rights reserved by Aba Ali Habib Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Aba Ali Habib Securities. Action could be taken for unauthorized reproduction, distribution or publication.

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.

Analyst Certification ^{AC}

The research Analyst(s) hereby certify that the views about the company/companies and the security/securities discussed in this report accurately reflect his or her or their personal views and that s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst
zubair@abaalihabib.com

Ayesha Abid - Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

Zaheer Ahmed - Head of Equity Sales & Business Dev.
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Office (PSX Building)

Room # 419, 419 A & 421, 4th Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi
Contact: 021-32429665
Cell: [+92 3312766771](tel:+923312766771)



https://twitter.com/Aba_Ali_Habib



<https://www.facebook.com/aah162>



<https://www.linkedin.com/company/aba-ali-habib-securities/>