



June 13,
2019

Economy News

\$5 bn deposits from KSA, UAE

Economy | Neutral

Pakistan has secured special permission of the IMF for converting \$5 billion deposits obtained from friendly countries including Saudi Arabia and UAE for utilizing it as budgetary support in the next fiscal year 2019-20. (The News) | [Click for more info.](#)

Foreign loans, grants worth \$20bn expected in FY2020

Economy | Neutral

Pakistan is expecting almost \$20 billion in shape of loans and grants from multilateral donors as well as foreign countries during the next fiscal year, which would lend a much-needed support to the country's anemic external account. A latest budget document showed that the projected foreign inflows are more than double over \$9.2 billion mobilized from China, UAE and Saudi Arabia during the current 2018/19 fiscal year. (The News) | [Click for more info.](#)

Public debt surges 16pc to Rs28 trillion in 10 months

Economy | Negative

Pakistan's public debt surged by 16 percent or Rs3.867 trillion in 10 months of the current fiscal year, the central bank's data showed on Wednesday, as financing of hefty budget deficit and rupee devaluation accumulated much of this debt. Total public debt stood at Rs28.079 trillion at the end of April 2019. It had amounted to Rs24.212 till end June last year. (The News) | [Click for more info.](#)

Power

Nepra set to raise power tariff by Rs1.5 per unit today

Power | Positive, Economy | Negative

In another blow to the masses, National Electric Power Regulatory Authority (Nepra) is all set to announce an increase in power tariff by Rs1.5 per unit with huge impact of over Rs190 billion today (Thursday). (The News) | [Click for more info.](#)

Autos

Passenger car sales down 4.11 percent in 11 months

Autos | Negative

Passenger car sales dropped 4.11 percent to 192,863 units in the first 11 months of FY19 (July 18-May 19) from 201,134 units sold during the corresponding period last year. According to data released by Pakistan Automotive Manufacturers Association (PAMA) on Wednesday, the cars sales in May 2019 remained at 15,428 units, down 9.65 percent month on month to 17,076 units in April 2019 and 15.33 percent year on year to 18,223 units in May 2018. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	25,442.9	25,597.3	154.4	0.6%
KSE100	34,659.9	34,937.9	278.1	0.8%
KSE30	16,313.9	16,507.7	193.7	1.2%
KMI30	54,860.2	55,536.8	676.6	1.2%

Top Five Gainers

	Open	Close	Chg.	%
PSMC	274.9	288.6	13.7	5.0%
SITC	276.2	287.3	11.2	4.0%
SEARL	147.6	155.0	7.4	5.0%
PAKT	2,594.1	2,600.0	5.9	0.2%
FEROZ	117.2	123.1	5.9	5.0%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BOP	10.0	9.8	-0.2	18.50
MLCF	22.1	23.0	1.0	9.96
KEL	4.3	4.3	0.0	7.49
EPCL	26.8	27.4	0.5	6.72
TRG	15.0	15.8	0.8	6.41

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	-0.01	-0.01
F-Corporates	4.03	-4.33	-0.30
O/S Pakistanies	1.28	-1.20	0.08
Net	5.31	-5.54	-0.24
LIPI			
Individuals	29.48	-27.29	2.19
Companies	0.95	-0.96	-0.01
Comm. Banks	0.62	-0.84	-0.22
NBFC	0.00	-0.01	-0.01
Mutual Funds	1.87	-3.18	-1.31
Other	0.16	-0.78	-0.62
Brokers Proprietary	7.68	-6.98	0.70
Insurance	1.26	-1.76	-0.50
Net	42.02	-41.78	0.24

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	51.12	0.0%
Brent oil	USD/bbl.	60.10	0.2%
Gold	USD/t oz.	1337.18	0.3%
Silver	USD/t oz.	14.80	0.2%
Coal	USD/ton	63.70	-3.0%
Steel Scrap (LME)	USD/ton	302.00	0.7%
Steel Rebar (LME)	USD/ton	479.00	0.6%
USD/PKR	Interbank	151.71	-0.1%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Textile

17pc GST to ruin export industry, claims APTMA

Textile | **Negative**

The imposed General Sales Tax (GST) of 17 percent in the budget 2019-20 will force the export industry not to function as it will create the huge liquidity crisis. Though the government has done away with zero rating for export industry that includes textile, surgical, carpet, sports and leather sectors and imposed sales tax of 17 percent, but APTMA will hold its meeting today (Thursday) and will make its formal response to the budgetary measures. (The News) | [Click for more info.](#)

Miscellaneous

Real estate deals: purchase of property only through banking channel

Real Estate | **Neutral**

In order to ensure documentation of real estate transactions and also to ascertain the actual value of a transaction of purchase of asset, persons purchasing immovable property of fair market value greater than Rs 5 million and Rs 1 million or more in the case of any other asset, would now be required to make payment for the said purchase through a crossed banking instrument so that transaction can be clearly identified from one bank account to another. (BR) | [Click for more info.](#)

PSX appoints acting CEO

PSX | **Neutral**

The board of directors of the Pakistan Stock Exchange has appointed Mr Muhammad Rafique Umer as the acting chief executive officer of the PSX. (Dawn) | [Click for more info.](#)

Political News

PM, aides discuss terms of reference for probe into rise in debt

Prime Minister Imran Khan on Wednesday presided over a meeting to finalise terms of reference (ToR) of a high-powered commission he had announced in his late-night televised address to the nation to probe into a massive rise in foreign debts and misuse of loans, if any, during the last decade. (Dawn) | [Click for more info.](#)

International News

Asia Stocks to Track U.S. Drop; Treasuries Gain: Markets Wrap

Asian stocks faced more pressure Thursday after U.S. equities slipped amid ongoing trade tensions. Treasuries climbed as slower-than forecast inflation bolstered the case for Federal Reserve interest-rate cuts. (Bloomberg) | [Click for more info.](#)

Oil steadies after big plunge on high inventories, lower demand forecasts

Oil prices steadied on Thursday, after slumping as much as 4% in the previous session to nearly five-month lows on the back of a further buildup in U.S. crude stockpiles and worries about lower demand growth. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	34,937.9	278.08	0.80%
KSA - Tadawul	9,084.8	95.03	1.06%
Taiwan - TWII	10,615.7	7.90	0.07%
US - S&P 500	2,879.8	-5.88	-0.20%
PHILP - PSEi	8,031.0	-14.41	-0.18%
CHINA - Shanghai	2,909.4	-16.34	-0.56%
INDONESIA - IDX	6,276.2	-29.82	-0.47%
US - Dow 30	26,004.8	-43.68	-0.17%
INDIA - SENSEX	39,756.8	-193.65	-0.48%
HK - Hang Seng	27,308.5	-480.88	-1.73%

Source: Bloomberg

Board Meetings

Scrip	Day	Agenda	Time
BAFS	THURSDAY	Acquisit. of 97.16%Shrs	11:00 AM

Source: PSX Announcement



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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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