



February
13, 2019

Economy News

IMF asks Pakistan to take steps to achieve fiscal consolidation

Economy | **Negative**

The IMF has asked Pakistan to take 'decisive steps' to achieve fiscal consolidation and debt sustainability, putting the large volume of circular debt in a downward path, adopting a market-based flexible exchange regime and strengthening the independence of the central bank in line with best international practices. (The News) | [Click for more info.](#)

Pakistan, India hope to reap investment from Saudi prince's visit

Economy | **Positive**

Saudi Arabia's Crown Prince Mohammed bin Salman is expected to announce investments in energy and infrastructure during a visit to India and Pakistan in coming days as part of his efforts to wean the Saudi economy off oil exports. (BR) | [Click for more info.](#)

Trade deficit in services narrows 29pc to \$1.95bn in Jul-Dec

Economy | **Positive**

Trade deficit in services sharply narrowed 29.1 percent to \$1.946 billion during the first half of the current fiscal year of 2018/19 as imports fell in double-digit in the period under review, official data showed. (The News) | [Click for more info.](#)

Only 35pc of PSDP funds released in eight months

Economy | **Neutral**

The Public Sector Development Programme (PSDP) rupees component releases were very slow during first three quarters as only 35 percent of the funds have been released during the first eight months of the fiscal 2018-19. (The Nation) | [Click for more info.](#)

Oil & Gas

Government decides to import additional LNG

Gas | **Positive**

The government has decided to import additional 200 mmcf/d gas to meet the demand of power and other sectors during 2019-20. (BR) | [Click for more info.](#)

PM directs countrywide crackdown against gas theft

Gas | **Positive**

Prime Minister Imran Khan on Tuesday ordered countrywide crackdown against gas theft, saying that gas worth Rs50 billion was being stolen annually while the government was giving a subsidy of Rs100 billion to 91pc gas consumers. (PT) | [Click for more info.](#)

Power

Threshold for subsidized power consumers to be reduced

Power | **Neutral**

The federal government is to further reduce the threshold for subsidized consumers" of electricity besides fixing prices at par with the market, well informed sources in Power Division told. (BR) | [Click for more info.](#)

China's foreign ministry rejects report about cancellation of hydropower projects by Pakistan, Nepal

Power | **Neutral**

A Chinese foreign ministry's spokesperson Tuesday rejected a report about the cancellation of hydropower projects by Pakistan and Nepal with China and stated the information about the projects mentioned in the report was false and inconsistent with the facts. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,299.3	29,408.1	108.9	0.4%
KSE100	40,326.5	40,596.3	269.8	0.7%
KSE30	19,292.0	19,451.2	159.2	0.8%
KMI30	67,385.4	68,353.0	967.6	1.4%

Top Five Gainers

	Open	Close	Chg.	%
SHEZ	470.5	490.0	19.5	4.1%
MARI	1,279.5	1,298.8	19.4	1.5%
LUCK	478.3	496.5	18.2	3.8%
COLG	1,950.0	1,965.0	15.0	0.8%
POL	462.2	473.2	11.0	2.4%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
ANL	14.8	14.7	-0.2	27.63
KEL	6.2	6.5	0.3	12.70
UNITY	23.2	22.4	-0.8	8.37
DGKC	91.6	96.1	4.5	6.83
PAEL	26.2	26.5	0.3	6.67

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.01	-0.01	0.00
F-Corp.	7.75	-3.95	3.80
O/S Pak	1.59	-1.83	-0.24
Net	9.35	-5.79	3.56
LIPI			
Indv.	38.62	-39.25	-0.63
Cos.	2.11	-4.28	-2.17
Banks	0.81	-1.27	-0.46
NBFC	0.00	-0.47	-0.47
M-Funds	4.51	-3.17	1.34
Other	0.39	-0.64	-0.26
Broker	11.29	-11.37	-0.08
Insur.	1.25	-2.08	-0.83
Net	58.97	-62.53	-3.56

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	53.58	0.9%
Brent oil	USD/bbl.	62.88	0.7%
Gold	USD/t oz.	1312.30	0.1%
Silver	USD/t oz.	15.73	0.1%
Coal	USD/ton	83.30	-1.4%
Steel Scrap (LME)	USD/ton	332.00	0.0%
Steel Rebar (LME)	USD/ton	482.00	0.3%
USD/PKR	Interbank	139.02	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Textile

Textile sector gets Rs14bn in seven months under PM's export package

Textile | Positive

The textile industry received Rs14 billion during the first seven months of the current fiscal year under the prime minister's exports enhancement package. (PT) | [Click for more info.](#)

Miscellaneous

ECC approves Rs5.6 billion bailout package for PIA

PIA | Positive

The Economic Coordination Committee of the Cabinet on Tuesday accorded approval for additional guarantees to PIA of Rs 5.6 billion for repair and maintenance of engines and acquisition of related spare parts for operationalizing grounded planes. (The News) | [Click for more info.](#)

Year ended December 31: PTCL Group revenue up 8 percent YoY

PTC | Positive

Pakistan Telecommunication Company Limited (PTCL) Group revenue for the year 2018 has grown year-on-year by 8 percent to Rs 126.2 billion compared to Rs 117.02 billion during the same period of 2017. The financial results for the year ended December 31, 2018 were announced at its Board of Directors meeting, which were later shared with media here Tuesday. (BR) | [Click for more info.](#)

25 percent RD abolished on export of waste & scrap of copper, other items Cable & Elect. Goods | Positive

The Federal Board of Revenue (FBR) has abolished 25 percent regulatory duty on the export of waste and scrap of copper and other specified items produced from material imported under the duties and tax remission for export (DTRE) scheme and manufacturing bonds scheme. The FBR has amended SRO 645(1)/2018, dated the 24th May 2018 through an SRO 192(1)/2019 here on Tuesday. (BR) | [Click for more info.](#)

Additional duty on import of 22 items abolished

Textile & Leather | Positive

The Federal Board of Revenue (FBR) has abolished additional customs duty on the import of 22 items including synthetic organic tanning substances from March 31, 2018. The FBR has amended S.R.O.630(1)/2018 through an S.R.O.191(1)/2019 issued here on Tuesday. (BR) | [Click for more info.](#)

RD on import of over 43 items rationalized

Economy | Positive

The Federal Board of Revenue (FBR) has rationalised regulatory duty on imports of over 43 items including abolition of RD on the import of input materials used for manufacturing of auto parts by local vendors. The FBR has amended SRO 1255(I)/2018 through an SRO 190(1)/2019 issued here on Tuesday under which RD has been abolished or reduced on different items of Pakistan Customs Tariff (PCT) headings. RD has also been abolished on the import of certain items under SRO 190(1)/2019. (BR) | [Click for more info.](#)

PDWP okays five uplift schemes worth Rs 6521.714 million

Economy | Positive

The Punjab Provincial Development Working Party has approved five development schemes of various sectors with an estimated cost of Rs. 6521.714 million. These schemes were approved in the 16th meeting of Provincial Development Working Party (PDWP) of current fiscal year 2018-19. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	40,596.3	269.75	0.7%
INDIA - SENSEX	36,153.6	-241.41	-0.7%
HK - Hang Seng	28,228.0	56.67	0.2%
CHINA - Shanghai	2,670.5	-1.36	-0.1%
Taiwan - TWII	10,102.3	12.12	0.3%
INDONESIA - IDX	6,426.3	-68.68	-1.1%
PHILP - PSEI	8,033.9	24.02	0.3%
KSA - Tadawul	8,600.3	56.93	0.7%
US - Dow 30	25,425.8	372.65	1.5%
US - S&P 500	2,744.7	34.93	1.3%

Source: Investing.com

Board Meetings

Scrip	Day	Agenda	Time
SSGC	WEDNESDAY	√c-Mar-30 - FY17	11:00 AM
BCL	WEDNESDAY	√c-Dec - 31-FY18	11:30 AM
ABL	WEDNESDAY	A/c-Dec-31 - CY18	12:00 PM
DOL	WEDNESDAY	√c-Dec - 31-FY18	2:30 PM
CHCC	WEDNESDAY	√c-Dec - 31-FY18	3:00 PM
LOTCHEM	THURSDAY	A/c-Dec-31 - CY18	10:00 AM
CPPL	THURSDAY	√c-Dec - 31-FY18	11:00 AM
GTYR	THURSDAY	√c-Dec - 31-FY18	11:00 AM
GIL	THURSDAY	√c-Dec - 31-FY18	11:00 AM
WAHN	THURSDAY	√c-Dec - 31-FY18	11:00 AM
MTL	THURSDAY	√c-Dec - 31-FY18	11:30 AM
ORM	THURSDAY	√c-Dec - 31-FY18	11:30 AM
SPEL	THURSDAY	√c-Dec - 31-FY18	04:30 PM
BWHL	FRIDAY	√c-Dec - 31-FY18	11:00 AM
ALTN	FRIDAY	√c-Dec - 31-FY18	2:30 PM
AATM	FRIDAY	√c-Dec - 31-FY18	3:00 PM
GATI	FRIDAY	HYA/c-Dec - 31-FY18	4:30 PM
PSO	SATURDAY	HYA/c-Dec - 31-FY18	9:00 AM
GHNL	SATURDAY	HYA/c-Dec - 31-FY18	11:00 AM
GHNI	SATURDAY	HYA/c-Dec - 31-FY18	2:00 PM
SITC	SATURDAY	HYA/c-Dec - 31-FY18	4:00 PM

Source: PSX Announcement



Political News

PML-N submits bill in NA for creation of Hazara province

Following the submission of a constitutional amendment bill seeking the creation of Bahawalpur and south Punjab provinces, the PML-N on Tuesday submitted another bill to the National Assembly Secretariat for the creation of Hazara province. (Dawn) | [Click for more info.](#)

International News

Asia Stocks Rise on Trade Hopes; Kiwi Dollar Gains: Markets Wrap

Asian stocks rose, tracking a strong American equity session, boosted by optimism over U.S.-China trade talks. Treasuries extended declines and the dollar stabilized after snapping eight days of gains. The New Zealand dollar surged. (Bloomberg) | [Click for more info.](#)

Oil prices rise 1 percent amid OPEC supply cuts, U.S. sanctions on Venezuela

Oil prices rose by around 1 percent on Wednesday as producer club OPEC said it had deeply cut supply in January and as U.S. sanctions hit Venezuela's oil exports. (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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