

March 15,
2019

Economy News

NA sub-committee told: Next budget under PSDP likely to remain same

Economy | Negative

National Assembly Standing Committee on Planning, Development and Reform was told that next development budget 2019-20 under Public Sector Development Programme (PSDP) is likely to remain roundabout same in size as compared to the current development budget. | [Click for more info.](#)

Government cuts growth projection to 4pc for FY2019

Economy | Negative

Government on Thursday revised down growth projection to four percent for the current fiscal year of 2018/19 from six percent as economic imbalances would take toll on the real GDP, but it hoped that it go up to 6.7 percent by the end of this regime's tenure. | [Click for more info.](#)

Foreign reserves increase to \$14.965 billion

Economy | Positive

The total liquid foreign reserves held by the country increased to \$14.965 billion on March 08, 2019. According to the current figures released by the central bank, the foreign reserves held by the State Bank of Pakistan increased by 6 million to \$8.122 billion during the week ending March 08, 2019. The net foreign reserves held by commercial banks stood at \$6.843 billion. | [Click for more info.](#)

Oil & Gas

Future LNG terminals; "Government not to provide any financial subsidy, off-take guarantee"

Gas | Negative

The Economic Coordination Committee (ECC) of the Cabinet has decided that the government will not provide any financial subsidy and off-take guarantee for future Liquefied Natural Gas (LNG) terminals. | [Click for more info.](#)

New IMO emission standards to increase woes of refineries

Economy | Neutral

International Maritime Organisation (IMO) will enforce new emissions standards requiring ships to use fuel oil with a sulphur content of less than 0.5 percent compared to the current 3.5 percent, which will impact sales of local refineries producing fuel oil with sulphur in range of 3.5 to 1.0 percent. | [Click for more info.](#)

Banks

Noor Investment sells 34.3m shares in Meezan Bank

MEBL | Negative

Noor Financial Investment, a Kuwait-based company, sold 34.3 million shares in Meezan Bank, reducing its stakes to 35.25 per cent, Meezan Bank CEO Irfan Siddiqui told Dawn on Thursday. | [Click for more info.](#)

Share of SME finance may go up 17pc by 2023

Banks | Positive

The State Bank of Pakistan (SBP) on Thursday said the share of small and medium enterprises (SME) finance in total private-sector credit will likely rise to 17 percent by 2023 due to SME finance policy along with a number of refinance facilities for small businesses. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,527.1	28,437.4	-89.7	-0.3%
KSE100	38,928.9	38,808.6	-120.3	-0.3%
KSE30	18,520.8	18,425.9	-94.9	-0.5%
KMI30	64,333.6	63,907.8	-425.8	-0.7%

Top Five Gainers

	Open	Close	Chg.	%
PMPK	3,590.9	3,687.5	96.6	2.7%
ARPL	587.3	611.2	24.0	4.1%
WYETH	1,125.0	1,143.0	18.0	1.6%
SAPL	855.0	870.0	15.0	1.8%
FEROZ	193.1	201.5	8.4	4.4%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BOP	14.4	14.4	0.0	18.46
UNITY	13.2	14.2	1.0	11.78
OGDC	145.0	142.9	-2.1	4.72
KEL	6.0	5.9	-0.1	4.07
LOTCEM	14.7	14.3	-0.4	2.88

Portfolio Investments – Net Position

	Buy	Sell	Net
FIPI			
F-Ind.	0.00	0.00	0.00
F-Corp.	0.93	-9.14	-8.21
O/S Pak	0.86	-0.89	-0.03
Net	1.79	-10.04	-8.24
LIPI			
Indv.	21.37	-19.16	2.21
Cos.	1.30	-1.00	0.30
Banks	0.76	-0.10	0.66
NBFC	0.00	0.00	0.00
M-Funds	3.76	-2.54	1.21
Other	0.26	-0.22	0.04
Broker	7.40	-5.87	1.54
Insur.	3.81	-1.51	2.30
Net	38.65	-30.41	8.24

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	58.56	-0.1%
Brent oil	USD/bbl.	67.22	0.0%
Gold	USD/t oz.	1294.41	-0.1%
Silver	USD/t oz.	15.21	0.1%
Coal	USD/ton	78.75	-0.1%
Steel Scrap (LME)	USD/ton	327.00	0.0%
Steel Rebar (LME)	USD/ton	481.00	0.0%
USD/PKR	Interbank	139.29	0.2%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Autos

Honda Atlas hikes prices of Civic variants by over 11%

HCAR | **Positive**

Following Indus Motor, Honda Atlas Cars has also hiked prices of its Civic variants by around 11.5% to pass on the impact of recently introduced federal excise duty (FED) on cars of over 1700cc capacity, coupled with rupee depreciation. Moreover, Pak Suzuki Motors has announced to pass on the impact of increased registration charges to non-tax filers on all new cars. | [Click for more info.](#)

Non-filers not exempted from income source probe

Economy | **Neutral**

Non-filers of tax returns are not exempted from probe into source of their income despite a recent lifting of ban on them to buy cars, sources said on Thursday. | [Click for more info.](#)

Car manufacturers paid Rs2bn to consumers in one year, NA told

Autos | **Negative**

The committee discussed in detail matters pertaining to charging of extra money from the consumers in the name of "own money" as well as late delivery of vehicles by the local manufacturers and assemblers. The Ministry of Industry and Production joint secretary said the committee has been receiving complaints regarding late delivery of vehicles and that it is considering various options to curb this practice. | [Click for more info.](#)

Food

Pakistan, FAO sign accord to promote livestock, dairy sectors

FFL, Food | **Positive**

The United Nations Food and Agriculture Organization (FAO) and the Ministry of National Food Security and Research on Thursday joined hands to take concrete measures against the reemergence of deadly "Rinderpest" virus to promote the livestock and dairy sectors of the country. | [Click for more info.](#)

Miscellaneous

Largest hosiery producer goes public

PSX | **Positive**

Interloop Limited (INLO), the first public offer of shares for the current year, managed to raise Rs5.025 billion in the book building process held for two days (Wednesday, Thursday) making it largest private sector Initial Public Offering (IPO) of the country. | [Click for more info.](#)

Import of AC, other products: Malaysian CG terms raise in RD 'a violation of FTA'

Economy | **Negative**

Consul General of Malaysia, Khairul Nazam Abd Rahman while expressing concern over the decision taken by Pakistan's Ministry of Commerce to increase Regulatory Duty on import of air conditioners and other such products, has said that the decision was notified through SRO which is a violation of Pakistan-Malaysia Free Trade Agreement (FTA) therefore it needs to be reviewed. | [Click for more info.](#)

Exporters receive Rs6.9bln in tax refunds last year

Textile | **Positive**

Exporters bagged nearly seven billion rupees on account of sales and customs rebates after the settlement of the cases related to stuck refunds last year, a senior tax official said on Thursday. | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	38,808.6	-120.32	-0.31%
INDIA - SENSEX	37,754.9	2.72	0.01%
HK - Hang Seng	28,851.4	43.94	0.15%
CHINA - Shanghai	2,990.7	-36.27	-1.20%
Taiwan - TWII	10,348.7	-24.67	-0.24%
INDONESIA - IDX	6,413.3	35.69	0.56%
PHILP - PSEi	7,750.4	-15.73	-0.20%
KSA - Tadawul	8,582.9	56.20	0.66%
US - Dow 30	25,709.9	7.05	0.03%
US - S&P 500	2,808.5	-2.44	-0.09%

Source: Investing.com

Board Meetings

Scrip	Day	Agenda	Time
GSKCH	MONDAY	A/c Dec-31, CY'18	12:30 PM
PAKOXY	MONDAY	A/c Dec-31, CY'18	2:00 PM
PGCL	TUESDAY	A/c Dec-31, CY'18	10:00 AM
JSLC	WEDNESDAY	Ann. A/c Dec-31, CY'18	12:15 PM

Source: PSX Announcement



LSM growth falls by 2.3pc in 7 months

Economy | Neutral

The large-scale manufacturing (LSM) index witnessed negative growth of 2.3 percent during seven months of current fiscal year indicating that economic activities have decelerated in the country. | [Click for more info.](#)

Political News

Pakistan, India resolve to make Kartarpur Corridor operational

Pakistan and India agreed on Thursday resolved to expedite work on making Kartarpur Corridor functional. | [Click for more info.](#)

Model town case: Team allowed to interrogate Nawaz in jail

Account-ability Court Thursday approved an application moved by Punjab Police to interrogate former Prime Minister Nawaz Sharif in jail in the Model Town case. | [Click for more info.](#)

International News

Asia Stocks Build on Week's Advance; Dollar Steady: Markets Wrap

Asian stocks were mostly higher Friday, building on this week's gains despite concerns over a delayed U.S.-China trade deal. Treasuries steadied and the dollar held gains. | [Click for more info.](#)

Oil prices stable amid sanctions and OPEC cuts, but economic concerns drag

Oil prices were steady on Friday amid support from ongoing supply cuts led by OPEC and U.S. sanctions on Venezuela and Iran, but weighed down by concerns that an economic slowdown will soon start denting growth in fuel demand. | [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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