



December  
18, 2019

## Economy News

### Foreign investment jumps 78pc on telecom inflows

#### Economy, Telecom | Positive

Foreign direct investment (FDI) in to the country jumped by 78 per cent in the first five months of current fiscal year mainly on account of large inflows in the telecommunication sector. Latest data released by the State Bank of Pakistan (SBP) showed the country received \$850 million in FDI during July-November period against \$477.3m in the same period last fiscal year. (Dawn) | [Click for more info.](#)

### Trade deficit declines 33pc in 5 months

#### Economy | Positive

The country's trade deficit during first five months of the 2019-20 has recorded a decline of 33 percent as compared to the first five months of the 2018-19, said Pakistan Bureau of Statistics (PBS). (BR) | [Click for more info.](#)

### Investment in digital businesses: Pakistan formally invites China

#### Economy | Neutral

Pakistan on Tuesday formally invited China to invest in the country's digital businesses including manufacturing of mobile phone handsets and other digital equipments for promotion and growth of the sector. (BR) | [Click for more info.](#)

## Oil & Gas

### Ogra seeks up to 221pc hike in gas tariff from Jan 1

#### SNGP, SSGC | Positive

The Oil and Gas Regulatory Authority (Ogra) has asked the government to increase prices for gas consumers by up to 221 per cent with effect from January 1, 2020 to generate about Rs40 billion in additional funds required by the two gas utilities. In two separate judgments forwarded to the government, the regulator determined about 13pc (Rs82 per unit) increase in average prescribed price to Rs707 per unit for Sui Northern Gas Pipelines Ltd (SNGPL). (Dawn) | [Click for more info.](#)

## Autos

### Auto makers raise prices

#### PSMC | Positive

Despite decreasing cost of imported parts on account of strengthening of the rupee and steep fall in sales during the first five months of this fiscal year, the auto assemblers on Tuesday gave car and bike buyers a fresh shock by jacking up prices. (Dawn) | [Click for more info.](#)

## Fertilizer

### Urea prices feared to rise Rs600/bag on gas tariff hike

#### Fertilizer | Neutral

Urea prices are feared to shoot by 30 percent or approximately Rs600 per 50 kilograms as a result of recent hike in gas tariffs increasing likelihood of further decline in nutrient sales for the current winter crops, industry officials said on Tuesday. (The News) | [Click for more info.](#)

## Banks

### Banks to register all FCY loans

#### Banks | Neutral

The State Bank of Pakistan (SBP) on Tuesday authorised banks to register all foreign currency (FCY) loans irrespective of the amount. The move will facilitate the corporate entities for raising foreign currency loans from abroad besides improving the business environment in the country, the central bank said. (Dawn) | [Click for more info.](#)

	Open	Close	Chg.	%
KSE All	29,871.9	29,820.5	-51.4	-0.2%
KSE100	41,644.9	41,768.7	123.8	0.3%
KSE30	18,969.0	19,086.3	117.3	0.6%
KMI30	66,811.6	67,656.5	844.9	1.3%

	Open	Close	Chg.	%
RMPL	7,300.0	7,396.0	96.0	1.3%
COLG	2,300.0	2,350.0	50.0	2.2%
THALL	360.4	375.0	14.6	4.1%
SHFA	281.2	295.2	14.1	5.0%
KHTC	278.0	291.8	13.9	5.0%

	Open	Close	Chg.	Vol.
FFL	15.9	16.8	0.9	40.59
HASCOLR1	13.7	12.9	-0.8	35.64
UNITY	15.8	15.5	-0.3	26.21
JSCL	13.0	13.0	0.0	20.17
TRG	24.5	25.1	0.6	17.08

FIPI	Buy	Sell	Net
F-Individuals	0.01	-0.01	0.00
F-Corporates	30.87	-28.79	2.08
O/S Pakistanies	5.27	-4.61	0.66
<b>Net</b>	36.14	-33.41	2.73
<b>LIPI</b>			
Individuals	86.82	-85.25	1.57
Companies	4.70	-5.51	-0.81
Comm. Banks	9.65	-11.22	-1.57
NBFC	0.81	-0.75	0.06
Mutual Funds	8.47	-9.56	-1.09
Other	0.67	-1.18	-0.51
Brokers Proprietary	27.79	-30.81	-3.02
Insurance	6.21	-3.58	2.63
<b>Net</b>	145.14	-147.87	-2.73

	Unit	Close	% chg.
Crude oil	USD/bbl.	60.56	-0.6%
Brent oil	USD/bbl.	65.79	-0.5%
Gold	USD/t oz.	1476.46	0.0%
Silver	USD/t oz.	17.00	-0.1%
Coal	USD/ton	82.20	0.6%
Steel Scrap (LME)	USD/ton	297.00	0.0%
Steel Rebar (LME)	USD/ton	445.00	-0.2%
USD/PKR	Interbank	155.17	0.0%

News Source: Local / Int'l Newspapers and websites

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## Miscellaneous

### ICI Pakistan strengthens its partnership with AstraZeneca

ICI | **Positive**

ICI Pakistan Limited and AstraZeneca UK Limited confirmed the renewal of their longstanding relationship in the cardiovascular and oncology segment. ICI Pakistan is a longstanding distributor of AstraZeneca's high quality life-saving medicines. (BR) | [Click for more info.](#)

### Slight increase in textile exports

Textile | **Positive**

The exports of textile and clothing grew by 4.68 per cent year-on-year to \$5.76 billion during the first five months of 2019-20, showed data released by the Pakistan Bureau of Statistics on Tuesday. The overall improvement in current account after a gap of five years was mainly contributed by increase in exports of textile and clothing and decline in import of oil and food products. In November, textile and clothing export proceeds were recorded at \$1.17bn, higher by 7.03pc, from \$1.09bn over the corresponding month last year. (Dawn) | [Click for more info.](#)

### AIB to finance development projects in Pakistan

Economy | **Neutral**

Asian Infrastructure Investment Bank (AIIB) on Tuesday expressed interest in financing scores of development projects in line with the government priorities. Liqun said AIIB is providing its support for policy reforms and project financing in the key priority areas such as energy, road, social sector, water and irrigation and urban services. (The News) | [Click for more info.](#)

### LTU Karachi collects Rs510 billion in July-November

Economy | **Neutral**

The main tax department of the Federal Board of Revenue (FBR) posted 16 percent growth in revenue collection to Rs510 billion in the first five months of the current fiscal year of 2019/20 as the government revoked zero-rated sales tax facility and other concessions, sources said on Tuesday. (The News) | [Click for more info.](#)

## Political News

### High treason case: Pervez Musharraf must hang, says court

The special court on Tuesday awarded death sentence to former president General (R) Pervez Musharraf in the high treason case under Article 6 of the Constitution. (The News) | [Click for more info.](#)

### Musharraf's verdict received with 'pain, anguish by armed forces': DG ISPR

The Armed Forces of Pakistan have shown resentment over the special court's verdict of granting death sentence to former president Pervez Musharraf in high treason case, a statement issued by DG ISPR Major General Asif Ghafoor stated on Tuesday. (BR) | [Click for more info.](#)

## International News

### Asian Stocks Take Breather After Rally; Bonds Flat: Markets Wrap

Asian stocks were mixed Wednesday as investors took a breather after the partial U.S.-China trade deal that sent global equities to record highs. Treasuries were flat. (Bloomberg) | [Click for more info.](#)

### Oil dips after U.S. stock build, but demand hopes support

Oil retreated on Wednesday after rising more than 1% in the previous session as U.S. industry data showed a surprise build in crude stocks, but hopes for firmer demand next year checked a deeper fall in prices. (Reuters) | [Click for more info.](#)

	Last	Chg.	Chg. %
INDIA - SENSEX	41,352.2	413.45	1.01%
HK - Hang Seng	27,843.7	335.62	1.22%
Taiwan - TWII	12,097.0	157.24	1.32%
PAK (KSE-100)	41,768.7	123.78	0.30%
KSA - Tadawul	8,197.4	58.40	0.72%
CHINA - Shanghai	3,022.4	38.03	1.27%
INDONESIA - IDX	6,244.4	32.76	0.53%
US - Dow 30	28,267.2	31.27	0.11%
PHILP - PSEi	7,730.5	28.85	0.37%
US - S&P 500	3,192.5	1.07	0.03%

Scrip	Day	Agenda	Time
HABSM	WEDNESDAY	ANNUAL A/C - 30SEP'19	12:00 PM
DNCC	THURSDAY	1Q A/C - 30SEP19	3:30 PM
NONS	MONDAY	ANNUAL A/C - 30SEP'19	11:30 AM
SHSML	MONDAY	ANNUAL A/C - 30SEP'19	11:30 AM
DWSM	MONDAY	ANNUAL A/C - 30SEP'19	3:30 PM



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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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