

April 18,
2019

Economy News

Senate committee seeks details of IMF package

Economy | Neutral

Senate Standing Committee on Finance summoned Finance Minister Asad Umar in its next session for briefing on surge in inflation and conditions laid down by International Monetary Fund for its programme to Pakistan. The committee also called Minister of State for Revenue Hammad Azhar for briefing on implementation of second supplementary finance bill. (ET) | [Click for more info.](#)

Govt formulating policies to deal with budget, current account deficit: ADB

Economy | Positive

While indicating \$11.129 billion committed loans remained un-disbursed so far, the Asian Development Bank (ADB) on Wednesday stated that Pakistan's new government was formulating policies to deal with vulnerabilities of budget deficit and current account deficit in order to restore its economic growth. (The News) | [Click for more info.](#)

Cabinet splits on amnesty or crackdown

Economy | Negative

The federal cabinet failed to develop a consensus on the Tax Amnesty Scheme in its second meeting on Wednesday with Prime Minister Imran Khan in the chair. In a tweet, Information and Broadcasting Minister Chaudhry Fawad Hussain said the matter was pending for the next cabinet meeting, as some provisions [of the scheme] needed fine-tuning. (The News) | [Click for more info.](#)

Investment in premium prize bonds surges by 29 percent

Economy | Positive

Investment in premium prize bonds has sharply increased by 29 percent after the government seized the issuance of unregistered instrument to stop expansion of the black economy. The investment in premium prize bonds of Rs40,000 denomination increased to Rs5.96 billion by end of February 2019, as compared with Rs4.62 billion in the same month of the last year. (The News) | [Click for more info.](#)

PM to sign MoUs during China visit

Economy | Neutral

"The visit is to attend the 2nd Belt and Road Forum in Beijing, which will be inaugurated by President Xi Jinping, and the prime minister will deliver a keynote speech in the opening ceremony of the Forum and participate in the Leaders' Round Table," announced the Foreign Office. (The News) | [Click for more info.](#)

March exports up 4.76 percent MoM

Economy | Positive

Pakistan's exports in March 2019 were recorded at \$1.98 billion against \$1.89 billion in February 2019, showing an increase of 4.76 percent but witnessed a decline of 11.13 percent as compared with exports worth \$2.23 billion in March 2018. (BR) | [Click for more info.](#)

ECC decides to phase out supplementary grants

Economy | Neutral

The government will gradually wean various departments and ministries off supplementary grants through effective budgeting of their financial needs to ease fiscal deficit pressure, finance minister said on Wednesday. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,387.2	26,877.2	-510.0	-1.9%
KSE100	37,382.0	36,752.6	-629.4	-1.7%
KSE30	17,694.9	17,407.6	-287.2	-1.6%
KMI30	61,036.3	60,283.7	-752.6	-1.2%

Top Five Gainers

	Open	Close	Chg.	%
OTSU	142.1	147.0	4.9	3.4%
CLOV	136.4	140.7	4.3	3.1%
NRL	157.1	160.8	3.7	2.3%
POL	437.4	440.9	3.5	0.8%
HINO	408.5	411.7	3.3	0.8%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BOP	13.5	12.5	-1.0	51.48
UNITYR1	1.5	1.0	-0.6	23.35
MLCF	31.6	31.0	-0.6	6.79
TRIBL	1.8	1.9	0.2	5.69
LOTCEM	14.7	14.9	0.2	5.59

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.00	-0.06	-0.05
F-Corp.	4.11	-2.88	1.23
O/S Pak	1.40	-1.85	-0.45
Net	5.51	-4.78	0.73
LIPI			
Indv.	25.67	-26.24	-0.57
Cos.	4.60	-1.32	3.28
Banks	2.40	-1.03	1.37
NBFC	0.01	0.00	0.00
M-Funds	2.48	-6.45	-3.97
Other	0.48	-0.76	-0.28
Broker	7.34	-8.80	-1.46
Insur.	1.99	-1.09	0.90
Net	44.96	-45.69	-0.73

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	63.66	-0.2%
Brent oil	USD/bbl.	71.41	-0.3%
Gold	USD/t oz.	1271.74	-0.2%
Silver	USD/t oz.	14.94	-0.3%
Coal	USD/ton	69.40	0.4%
Steel Scrap (LME)	USD/ton	313.00	0.6%
Steel Rebar (LME)	USD/ton	481.00	-0.2%
USD/PKR	Interbank	141.52	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Power

NTDC sees trouble-free power supply

Power | Positive

Major technical constraints in the 220/500kV system have almost been removed, enabling the National Transmission and Despatch Company (NTDC) to ensure a trouble-free power transmission to the 120kV network of the electricity distribution companies (Discos). (Dawn) | [Click for more info.](#)

Cement

Anti-dumping duty in South Africa hits Pakistani cement exports: PSABF chief

Cement | Neutral

Chairman Pakistan-South Africa Business Forum (PSABF) Mohammad Rafiq Memon has said that Pakistan's cement exports to South Africa have terribly suffered during the last couple of years because of the anti-dumping duty imposed by the South African government shrinking cement export to around US\$100 to US\$150 million which was around US\$700 million prior to imposition of anti-dumping duty. (BR) | [Click for more info.](#)

Mega low-cost housing scheme launched

Cement | Positive

Terming it an ambitious and difficult target, Prime Minister Imran Khan on Wednesday launched Naya Pakistan Housing Scheme, envisaging provision of low-cost housing units to the masses and new job opportunities. (BR) | [Click for more info.](#)

Banks

Govt. mulls shifting of deposits to SBP

Banks | Negative

The government is examining a proposal to introduce the Treasury Single Account (TSA) to shift deposits of various government departments and organizations with the State Bank of Pakistan (SBP). "While the proposal to introduce TSA is being examined by the Government of Pakistan in consultation with the SBP as part of its agenda to reform public financial management, however, no decision has yet been made to implement the TSA," a press release issued by the SBP said on Wednesday. (Dawn) | [Click for more info.](#)

Miscellaneous

PPMA announces cut in prices of 395 essential drugs

Pharmaceutical | Negative

In order to provide due economic relief to masses, Pakistan Pharmaceutical Manufacturers' Association (PPMA) Wednesday announced reduction in the prices of 395 essential medicines whose prices had been reduced by the Drug Regulatory Authority of Pakistan (DRAP) but not implemented by the pharmaceutical industry. It also announced to slash prices of 464 medicines voluntarily by 10 to 15 percent. (BR) | [Click for more info.](#)

LSM shrinks 1.72 percent in July-February

Economy | Negative

Large Scale Manufacturing (LSM) sector shrank 1.72 percent in the first eight months of the fiscal year 2018/19, though it showed a visible improvement by squeezing negative growth, Pakistan Bureau of Statistics (PBS) data showed. (The News) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	39,275.6	369.80	0.95%
KSA - Tadawul	9,238.1	98.50	1.08%
Taiwan - TWII	10,997.3	69.41	0.64%
INDONESIA - IDX	6,481.5	46.39	0.72%
CHINA - Shanghai	3,263.1	9.52	0.29%
PHILP - PSEi	7,835.2	8.69	0.11%
US - Dow 30	26,449.5	-3.12	-0.01%
HK - Hang Seng	30,124.7	-5.19	-0.02%
US - S&P 500	2,900.5	-6.61	-0.23%
PAK (KSE-100)	36,752.6	-629.38	-1.68%

Source: Investing.com

Board Meetings

Scrip	Day	Agenda	Time
INIL	THURSDAY	3Q. A/c Mar-31, FY'19	10:00 AM
BWHL	THURSDAY	3Q. A/c Mar-31, FY'19	11:00 AM
DCR	THURSDAY	3Q. A/c Mar-31, FY'19	11:00 AM
FCCL	THURSDAY	3Q. A/c Mar-31, FY'19	11:00 AM
DINT	THURSDAY	3Q. A/c Mar-31, FY'19	11:30 AM
BIPLS	THURSDAY	1Q. A/c Mar-31, CY'19	12:00 PM
TRIPF	THURSDAY	1Q. A/c Mar-31, CY'19	2:30 PM
SEARL	THURSDAY	3Q. A/c Mar-31, FY'19	3:30 PM
EFERT	FRIDAY	1Q. A/c Mar-31, CY'19	9:30 AM
LOTCHEM	FRIDAY	1Q. A/c Mar-31, CY'19	10:00 AM
MARI	FRIDAY	3Q. A/c Mar-31, FY'19	10:00 AM
CPPL	FRIDAY	3Q. A/c Mar-31, FY'19	10:30 AM
ICIBL	FRIDAY	3Q. A/c Mar-31, FY'19	10:30 AM
AWWAL	FRIDAY	3Q. A/c Mar-31, FY'19	11:00 AM
GHNL	FRIDAY	3Q. A/c Mar-31, FY'19	11:30 AM
NRSL	FRIDAY	3Q. A/c Mar-31, FY'19	11:30 AM
GHNI	FRIDAY	3Q. A/c Mar-31, FY'19	3:00 PM
HMB	FRIDAY	1Q. A/c Mar-31, CY'19	3:00 PM
PSO	FRIDAY	3Q. A/c Mar-31, FY'19	3:00 PM
GASF	FRIDAY	3Q. A/c Mar-31, FY'19	4:00 PM
GATI	FRIDAY	3Q. A/c Mar-31, FY'19	4:30 PM
FANM	SATURDAY	3Q. A/c Mar-31, FY'19	11:30 AM
SNGP	SATURDAY	Multiple Periods	2:00 PM
HTL	SATURDAY	3Q. A/c Mar-31, FY'19	2:30 PM

Source: PSX Announcement



Government mulling using indigenous coal, iron ore to run PSM

Economy | Neutral

The federal government is considering using Thar coal and iron ore of Balochistan and Chinniot (Punjab) to run Pakistan Steel Mills (PSM) aimed at making its products internationally competitive, well-informed sources in Ministry of Industries and Production (Mol&P) told. (BR) | [Click for more info.](#)

Pakistan not to ink FTA with Iran: Razak

Economy | Neutral

Pakistan will not ink the Free Trade Agreement (FTA) with Iran, rather it will first prefer to make Preferential Trade agreement (PTA), which is already effective since long and giving the required dividends, Adviser to the Prime Minister on Commerce. (The News) | [Click for more info.](#)

Gold price down by Rs 550 per tola

Economy | Neutral

According to Karachi Sarafa Association, the per tola price of 24 karat gold decreased by Rs 550 on Wednesday and traded at Rs 70,000 per tola as compared with the last closing of Rs 71,550. (The Nation) | [Click for more info.](#)

Political News

Implementation of terms: Taliban relying more on China than Pakistan: former envoy

Former Ambassador of Pakistan to Afghanistan Rustom Shah Mohmand has said that Taliban are relying more on China than Pakistan as former is one of the world's biggest economies and can stand up to the United States to defend its position in an effective and meaningful manner. (BR) | [Click for more info.](#)

International News

Asian Stocks Mixed; Treasuries Tick Higher: Markets Wrap

Asian stocks were mixed Thursday after the latest batch of corporate earnings did little to boost their U.S. counterparts. Treasuries inched higher. (Bloomberg) | [Click for more info.](#)

Oil prices extend losses despite surprise drop in U.S. inventories

Oil prices edged down on Thursday despite a surprise decline in U.S. inventories, with international benchmark Brent retreating from a five-month high touched in the previous session. (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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