



June 18,  
2019

## Economy News

**FATF challenge: Qureshi speaks to Pompeo**

**Economy | Neutral**

Foreign Minister Shah Mehmood Qureshi held a telephonic conversation with the United States Secretary of State Mike Pompeo on Monday and updated him on the steps taken by Pakistan in compliance with Financial Action Task Force (FATF), as the global watchdog on money laundering and terrorist financing is meeting in Orlando, United States, from June 16-21, 2019. (BR) | [Click for more info.](#)

**Qatar to invest \$22bn in Pakistan: report**

**Economy | Positive**

Qatari Emir Sheikh Tamim bin Hamad Al-Thani will visit Pakistan on June 23 (Sunday), a private media house reported on Monday. According to details, Qatar has also announced to invest \$22 billion in different sectors of Pakistan. (PT) | [Click for more info.](#)

**SBP guards market-based exchange rate system to fight off external finance risks**

**Economy | Neutral**

The State Bank of Pakistan (SBP) on Monday defended the market-based exchange rate system that it said staved off external finance risks in the past couple of months, reiterating its resolve to intervene in the market to check 'excessive volatility' and 'disorderly conditions'. (The News) | [Click for more info.](#)

**SBP governor says prior actions taken to secure IMF loan**

**Economy | Positive**

Pakistan has fulfilled all the commitments made with the IMF for a \$6 billion loan programme and the Fund's executive board would take a decision on bailout package during a meeting scheduled next month, the central bank's governor said on Monday, exuding confidence over the country's return to the stability track. (The News) | [Click for more info.](#)

## Oil & Gas

**Consumers brace for inflationary pressure**

**Gas | Neutral**

A fresh wave of food inflation coupled with increase in compressed natural gas (CNG) prices has increased inflationary pressures on consumers. Moreover, the aftershocks from the persistent decline in rupee's value are also likely to take their toll consumer's buying power in the coming months. (Dawn) | [Click for more info.](#)

## Power

**Govt to pull plug on loss-making Gencos**

**Power | Negative**

Finance Adviser Hafeez Shaikh on Monday directed the ministry of energy to close state-owned power generation companies that are running into losses. (The News) | [Click for more info.](#)

## Cement

**Reon Energy's solar project commences at FCCL Jhang**

**FCCL | Positive**

Pakistan - Reon Energy Limited Monday announced the Commissioning of its latest 12.5 MW captive solar power project at Fauji Cement Company Limited (FCCL) in Jhang Bahatar, Punjab. The proposed move is a key step in commercializing a unit in order to achieve a lower cost of electricity. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	25,939.7	25,657.5	-282.2	-1.1%
KSE100	35,573.0	35,168.8	-404.1	-1.1%
KSE30	16,803.8	16,594.5	-209.3	-1.2%
KMI30	57,064.6	56,304.6	-760.0	-1.3%

### Top Five Gainers

	Open	Close	Chg.	%
JLICL	262.4	270.0	7.6	2.9%
DLL	188.0	193.4	5.4	2.9%
OTSU	170.6	175.9	5.3	3.1%
PGCL	99.8	104.2	4.4	4.4%
WYETH	746.2	750.5	4.3	0.6%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
MLCF	25.3	26.4	1.1	13.82
TRG	17.7	17.8	0.0	11.38
JSCL	8.7	9.7	1.0	10.43
DOL	17.1	17.4	0.3	7.16
FCCL	16.9	16.5	-0.4	5.25

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	1.58	-6.83	-5.25
O/S Pakistanies	4.50	-1.38	3.12
<b>Net</b>	6.08	-8.21	-2.13
<b>LIPI</b>			
Individuals	26.00	-23.32	2.69
Companies	0.91	-4.76	-3.85
Comm. Banks	1.80	-0.47	1.33
NBFC	0.15	-0.15	0.00
Mutual Funds	2.25	-2.38	-0.13
Other	3.79	-1.05	2.75
Brokers Proprietary	7.63	-7.81	-0.19
Insurance	1.05	-1.51	-0.46
<b>Net</b>	43.59	-41.46	2.13

Source: NCCPL

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	51.85	-0.2%
Brent oil	USD/bbl.	60.83	-0.2%
Gold	USD/t oz.	1341.70	0.2%
Silver	USD/t oz.	14.86	0.1%
Coal	USD/ton	62.00	-1.3%
Steel Scrap (LME)	USD/ton	295.00	0.0%
Steel Rebar (LME)	USD/ton	472.00	0.0%
USD/PKR	Interbank	157.05	2.0%

Source: Bloomberg/SBP

**News Source:** Local / Int'l Newspapers and websites

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## Miscellaneous

**Zero-rated sectors; Senate body asks ministry to find out solution of 17 percent GST**

**Textile | Neutral**

Senate Standing Committee on Commerce and Textile on Monday recommended the Finance Ministry to sit with the concerned Ministry and five zero rated sectors and find out implementable solution of 17 percent general sales tax(GST) as these industries are unable to bear the brunt of huge tax straight away. (BR) | [Click for more info.](#)

**PSM sell-off: Proposals sought**

**Economy | Neutral**

A meeting of the Cabinet Committee on Privatization (CCOP) has directed the Ministry of Industries and Production as well as Privatization Commission to submit proposals in the next meeting for privatization of Pakistan Steel Mills (PSM). (BR) | [Click for more info.](#)

**Banks provide necessary information to FBR**

**Economy | Neutral**

The Federal Board of Revenue (FBR) announced Monday that all banks have cooperated with the FBR and provided necessary information of the account holders to the tax authorities. (BR) | [Click for more info.](#)

## Political News

**Don't issue production orders, PM tells NA Speaker**

Prime Minister Imran Khan has asked the Speaker of National Assembly not to issue production orders as convicted persons should not come from jail to address the parliament. (The News) | [Click for more info.](#)

**Opp holds talks to fine-tune joint front against PTI govt**

An all parties' conference (APC) will likely be held by the end of June, leaders of the opposition parties agreed following a meeting of Jamiat Ulema-e-Islam-Fazl (JUI-F) chief Maulana Fazlur Rehman, Pakistan Muslim League-Nawaz (PML-N) President Shehbaz Sharif and Pakistan People's Party (PPP) Chairman Bilawal Bhutto Zardari, reports said. (Daily Times) | [Click for more info.](#)

## International News

**Asian Stocks Drift Higher; Treasuries, Dollar Flat: Markets Wrap**

Asian stocks saw muted gains Tuesday as markets entered a holding pattern ahead of this week's key Federal Reserve decision. The dollar and Treasuries were little changed. (Bloomberg) | [Click for more info.](#)

**Oil prices hold steady amid Mideast tensions, weak economic data**

Oil prices steadied on Tuesday, caught between rising tensions in the Middle East and signs that economic growth is being hit by trade tensions between the United States and China. (Reuters) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	27,227.2	108.81	0.40%
KSA - Tadawul	8,975.6	88.79	1.00%
US - Dow 30	26,112.5	22.92	0.09%
Taiwan - TWII	10,530.5	5.87	0.06%
CHINA - Shanghai	2,887.6	5.65	0.20%
US - S&P 500	2,889.7	2.69	0.09%
INDONESIA - IDX	6,190.5	-59.74	-0.96%
PHILP - PSEI	7,909.0	-81.21	-1.02%
PAK (KSE-100)	35,168.8	-404.13	-1.14%
INDIA - SENSEX	38,960.8	-491.28	-1.25%

Source: Bloomberg

### Board Meetings

Script	Day	Agenda	Time
MUBT	THURSDAY	HY A/C - 31Dec19	10:00 AM
EXIDE	SATURDAY	ANN A/C - 31Mar19	12:00 NOON

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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