

March 19,  
2019

## Economy News

**PSX, Qatar Financial Centre sign deal**

**Economy | Positive**

Pakistan Stock Exchange (PSX) and Qatar Financial Centre (QFC) signed a memorandum of understanding (MoU) on the sidelines of the Pakistan-Qatar Trade and Investment Conference on Monday. | [Click for more info.](#)

**Pakistan, IMF agree on policy direction**

**Economy | Positive**

Pakistan and International Monetary Fund (IMF) have generally reached an agreement over the bailout program to meet the financing gap, but timing and pace of stabilisation policies are under discussion, SBP Governor said on Monday. | [Click for more info.](#)

**IMF team to be invited for talks next month**

**Economy | Positive**

Pakistan and the IMF have inched closer towards inviting the Fund's mission next month for evolving consensus on staff level agreement as Islamabad is willing to replace from 'managed' exchange rate to market based flexible exchange rate in order to secure multibillion bailout package. | [Click for more info.](#)

**WB's eight-point reform agenda: 'Control population to prosper'**

**Economy | Neutral**

While comparing defence spending of India and Pakistan, the World Bank (WB) on Monday highlighted eight-point reform agenda for entering in the bracket of upper middle income countries with size of economy jacking up to \$2 trillion in the next 28 years till 2047. | [Click for more info.](#)

**Economy to slow further in 'calibrated moderation', says SBP governor**

**Economy | Negative**

The economy is set for a "calibrated moderation" as the country seeks a bailout package from the International Monetary Fund (IMF) to avoid a hard landing, State Bank of Pakistan (SBP) Governor Tariq Bajwa said on Monday. | [Click for more info.](#)

## Oil & Gas

**10 LPG air-mix plants to be set up in Balochistan**

**Economy | Positive**

Sui Southern Gas Company Ltd (SSGC) is in the process of floating tenders to set up 10 liquefied petroleum gas (LPG) air-mix plants in selected areas of Balochistan to facilitate consumers where natural gas supply does not exist. | [Click for more info.](#)

**FBR faces Rs35bln in revenue shortfall from diesel, petrol in July-Dec**

**Economy | Negative**

The Federal Board of Revenue (FBR) has estimated a revenue shortfall of Rs35 billion in the first six months of the current fiscal year of 2018/19 alone due to reduction of sales tax rates on petrol and diesel, official data showed on Monday. | [Click for more info.](#)

**CCP terms CAA-OMCs agreement "anti-competitive"**

**OMCs | Negative**

An inquiry report of the Competition Commission of Pakistan (CCP) has termed an agreement between the Civil Aviation Authority and three oil marketing companies (OMCs) signed in 1994 for refuelling aircraft at the Jinnah International Airport Karachi "anti-competitive". | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,174.0	28,398.8	224.8	0.8%
KSE100	38,307.0	38,852.0	545.0	1.4%
KSE30	18,151.2	18,415.7	264.5	1.5%
KMI30	62,724.9	63,601.0	876.1	1.4%

### Top Five Gainers

	Open	Close	Chg.	%
BATA	1,677.2	1,730.0	52.8	3.2%
INDU	1,298.6	1,314.0	15.4	1.2%
SRVI	756.1	770.0	13.9	1.8%
HINO	437.5	450.0	12.5	2.9%
PKGS	334.0	345.4	11.4	3.4%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	5.7	5.8	0.1	15.35
BOP	13.9	14.0	0.1	9.68
PAEL	23.3	24.5	1.2	5.86
PIBTL	9.8	10.1	0.2	4.27
TRG	22.9	24.1	1.1	3.48

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.03	-0.01	0.02
F-Corp.	3.28	-2.95	0.33
O/S Pak	1.00	-1.61	-0.61
Net	4.32	-4.58	-0.26
<b>LIPI</b>			
Indv.	27.48	-26.43	1.06
Cos.	1.01	-1.14	-0.13
Banks	2.54	-0.96	1.58
NBFC	0.00	-0.03	-0.03
M-Funds	2.95	-2.14	0.81
Other	0.40	-1.50	-1.10
Broker	7.06	-7.58	-0.52
Insur.	1.42	-2.83	-1.41
<b>Net</b>	<b>42.87</b>	<b>-42.61</b>	<b>0.26</b>

Source: NCCPL

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	59.07	0.0%
Brent oil	USD/bbl.	67.55	0.0%
Gold	USD/t oz.	1306.14	0.2%
Silver	USD/t oz.	15.37	0.1%
Coal	USD/ton	78.40	0.1%
Steel Scrap (LME)	USD/ton	78.25	0.0%
Steel Rebar (LME)	USD/ton	326.50	0.0%
USD/PKR	Interbank	139.54	0.1%

Source: Bloomberg/SBP

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

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## Finance ministry takes Port Qasim Authority to task on LNG terminal delay Gas | **Negative**

Ministry of finance has dismayed over the delay in the development of third liquefied natural gas (LNG) terminal and held the Port Qasim Authority (PQA) responsible for the holdup, sources said Monday. | [Click for more info.](#)

## Textile

### Textile exports stagnant despite rupee depreciation, cut in energy prices

Textile | **Negative**

Pakistan's textile exports had not increased despite the fact that the government had depreciated the currency and reduced the prices of electricity and gas. | [Click for more info.](#)

## Miscellaneous

### PM takes sympathetic view of PIA's woes

PIAA | **Negative**

The government is likely to freeze outstanding dues of Pakistan International Airlines (PIA) payable to Civil Aviation Authority (CAA) of over 95 billion as of December 31, 2018 alongside the late payment penalty. | [Click for more info.](#)

### Import of engineering goods: Controversial SRO 827(2001) to be amended Economy | **Neutral**

The federal government is to amend controversial SRO 827(2001) about import of engineering goods aimed at removing anomalous clause 4 of the SRO as its purpose was to provide a price preference and not to out rightly discourage Public Sector Agencies (PSAs) to procure foreign goods. | [Click for more info.](#)

### Singaporean firm keen to invest in Pakistan's shipping industry

Economy | **Positive**

A Singapore-based business group has expressed interest to invest \$2 billion in the Pakistani shipping sector, which will help generate 3,000 to 4,000 jobs in the country. Pakistan currently owns only nine merchant ships, three tankers, and six bulk carriers, and pays \$4 billion in freight to foreign ships. | [Click for more info.](#)

## Political News

### Proliferation of Pakistani N-programme a threat for US

The US Secretary of State, Mike Pompeo, has said that there are five big issues that threaten the American security and one of them is proliferation of Pakistan's nuclear programme. | [Click for more info.](#)

### Masood Azhar, other issues: China to maintain close contact with Pakistan, India

Chinese State Councilor and Foreign Minister Wang Yi has said the position of the Chinese side on Masood Azhar issue is already very clear and he will not repeat it. | [Click for more info.](#)

## International News

### Oil prices hover near 2019 highs as OPEC supply cuts support

Oil prices hovered just below 2019 highs early on Tuesday, supported by ongoing supply cuts led by producer club OPEC. U.S. sanctions against oil producers Iran and Venezuela are also boosting crude prices, although traders say the market looks capped by rising American output. | [Click for more info.](#)

### Asian Stocks Head Lower at Open; Dollar Steadies: Markets Wrap

Asian equities fell at the open Tuesday as traders awaited central bank meetings amid expectations of dovish signals to monetary policy. The dollar was steady after recent declines. | [Click for more info.](#)

## World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	38,852.0	545.00	1.42%
INDIA - SENSEX	38,095.1	70.75	0.19%
HK - Hang Seng	29,409.0	396.75	1.37%
CHINA - Shanghai	3,096.4	74.67	2.47%
Taiwan - TWII	10,512.7	73.46	0.70%
INDONESIA - IDX	6,509.5	48.26	0.75%
PHILP - PSEi	7,873.0	74.74	0.96%
KSA - Tadawul	8,653.2	89.72	1.05%
US - Dow 30	25,914.1	65.23	0.25%
US - S&P 500	2,832.9	10.46	0.37%

Source: Investing.com

## Board Meetings

Script	Day	Agenda	Time
PGCL	TUESDAY	Ann. A/c Dec-31, CY'18	10:00 AM
JSCL	WEDNESDAY	Ann. A/c Dec-31, CY'18	12:15 PM
EFUL	THURSDAY	Ann. A/c Dec-31, CY'18	10:00 AM
LPL	THURSDAY	Ann. A/c Dec-31, CY'18	11:00 AM
PKGK	THURSDAY	Ann. A/c Dec-31, CY'18	12 NOON
EFUG	THURSDAY	Ann. A/c Dec-31, CY'18	12:30 PM

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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