



December
20, 2019

Economy News

IMF approves \$452.4 million 2nd tranche

Economy | Positive

Pakistan's economic reform program is on track. Decisive policy implementation by the Pakistani authorities is helping to preserve economic stability aiming to put the economy on the path of sustainable growth. (BR) | [Click for more info.](#)

Pak forex figures \$ 17.65505bn

Economy | Positive

Total liquid foreign reserves of the country stand at dollars \$17.65505 billion, said State Bank of Pakistan (SBP). A SBP's weekly statement issued here on Thursday said that on December 13, the foreign reserves held by the State Bank amounted to \$10,892.9 million and the net foreign reserves with Commercial banks were \$ 6,762.6 million. (BR) | [Click for more info.](#)

Economic indicators positive now: SBP governor

Economy | Neutral

Governor State Bank of Pakistan (SBP) Dr Reza Baqir on Thursday said that economic indicators have become positive, and with mobilisation of national resources more relief will be provided to the private sector in future. He said that imports had been reduced while exports had recorded a modest increase and the SBP was optimistic that with the confidence of private sector more facilities would be given to the sector. (Mettis) | [Click for more info.](#)

Harmonised GST law: CCI approval must to get \$400m World Bank loan

Economy | Neutral

The World Bank's (WB) Country Director Illango Patchamuthu said that Pakistan would have to get approval of Council of Common Interest (CCI) on harmonised GST law with single rate on both goods and services for obtaining \$400 million loan. (The News) | [Click for more info.](#)

FATF conditions: MoF proposes AML/CFT rules for National Savings

Economy | Neutral

In a bid to meet the Finance Action Task Force (FATF) conditions, the Ministry of Finance (MoF) has proposed draft rules regarding Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) for National Savings, which holds Rs4 trillion deposits of four million Pakistanis. (PT) | [Click for more info.](#)

Current Account deficit posts a massive 73pc fall

Economy | Positive

Pakistan's Current Account deficit narrowed to \$1.8 billion in first five months (Jul-Nov) of the year 2019-20 as compared to deficit of \$ 6.7 billion in same period, a year ago, showing a massive decline of 73 percent, State Bank of Pakistan reported on Thursday. On year-on-year basis, the current account deficit also witnessed a huge fall of 72.64 percent to \$319 million in November 2019 compared to \$1.166 billion in same month of the previous year. (BR) | [Click for more info.](#)

Oil & Gas

SNGPL's gas disconnection notice to general industry

SNGP, Economy | Negative

In the wake of increasing gas consumption of domestic sector due to the current cold wave in the country, Sui Northern Gas has decided to temporarily discontinue gas supply to general industries and CNG Sector. According to SNGPL Spokesperson, gas supply to zero rated industries will not be affected by the decision. (BR) | [Click for more info.](#)

	Open	Close	Chg.	%
KSE All	29,536.1	28,866.7	-669.4	-2.3%
KSE100	41,603.7	40,655.4	-948.3	-2.3%
KSE30	19,010.0	18,587.1	-422.9	-2.2%
KMI30	67,135.0	65,409.3	-1725.7	-2.6%

	Open	Close	Chg.	%
SHFA	310.0	325.5	15.5	5.0%
SHEZ	500.0	505.5	5.5	1.1%
JDMT	71.3	74.8	3.5	4.9%
MTL	696.4	699.5	3.1	0.4%
SHJS	86.0	89.0	3.0	3.5%

	Open	Close	Chg.	Vol.
UNITY	15.2	14.7	-0.5	26.40
HASCOLR1	12.2	11.2	-1.0	13.22
FFL	16.3	15.3	-1.0	12.57
EPCL	33.8	33.1	-0.6	11.30
TRG	25.2	24.1	-1.2	8.79

FIPI	Buy	Sell	Net
F-Individuals	0.07	-0.07	0.00
F-Corporates	7.00	-6.35	0.66
O/S Pakistanies	3.32	-2.41	0.91
Net	10.39	-8.82	1.57

LIPI			
Individuals	53.49	-54.38	-0.89
Companies	2.79	-1.60	1.19
Comm. Banks	6.48	-3.59	2.89
NBFC	0.03	-0.45	-0.43
Mutual Funds	4.84	-7.29	-2.46
Other	0.33	-1.68	-1.34
Brokers Proprietary	18.18	-18.39	-0.21
Insurance	3.32	-3.64	-0.32
Net	89.45	-91.02	-1.57

	Unit	Close	% chg.
Crude oil	USD/bbl.	61.18	0.4%
Brent oil	USD/bbl.	66.54	0.6%
Gold	USD/t oz.	1478.80	0.2%
Silver	USD/t oz.	17.06	0.3%
Coal	USD/ton	83.00	0.9%
Steel Scrap (LME)	USD/ton	295.00	-0.3%
Steel Rebar (LME)	USD/ton	444.00	-0.4%
USD/PKR	Interbank	155.05	0.0%

News Source: Local / Int'l Newspapers and websites

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سرپاہ کاری سمجھداری کے ساتھ



LPG distributors to observe strike on January 2

LPG | **Negative**

The Liquefied Petroleum Gas (LPG) Distributors Association has announced a shutter down strike against the unnecessary crackdown of police officials and administration on LPG distributors on January 2, 2020. He also said that due to this unnecessary crackdown price of LPG increased by Rs 20 per kg. (BR) | [Click for more info.](#)

Power

CCPA proposes an increase of PKR 1.7397/KWH under fuel price adjustment for October 2019

IPPs, Power | **Positive**

Central Power Purchasing Agency (CPPA) has proposed an increase of Rs 1.7397/KWH over the reference fuel charges of Rs 3.7579/KWH under fuel price adjustment for the month of October 2019 for Ex-WAPDA Discos. (Mettis) | [Click for more info.](#)

Rental power: Pakistani team in Istanbul to finalize deal with govt, Karkey

Power, Economy | **Neutral**

A high-level government team is in Istanbul (Turkey) on a "secret mission" to finalise agreement with Turkish government and M/s Karkey Karadeniz Elektrik Uretin to be presented to International Centre for Settlement of Investment Disputes (ICSID) on January 20, 2020. (BR) | [Click for more info.](#)

Miscellaneous

REAP plans to send trade teams to S Arabia, Australia

MFL, Economy | **Positive**

Rice Exporters Association of Pakistan (REAP) is planning to take trade delegations to Saudi Arabia and Australia during the next calendar year in a bid to boost Pakistani rice exports to the two nations. (BR) | [Click for more info.](#)

Real estate regulation & development ordinance approved

Real Estate | **Neutral**

The federal cabinet has approved in principle the Real Estate Regulation and Development Ordinance 2019 subject to clearance by the Cabinet Committee for Disposal of Legislative Cases (CCLC) to effectively manage the affairs of housing sector. (BR) | [Click for more info.](#)

Pakistan weighs carbon emissions market with a link to China

Economy | **Neutral**

Pakistan is looking at how to set up a carbon emissions market and has had discussions about how to link up the program with China, Bloomberg reported on Thursday. (The News) | [Click for more info.](#)

Vietnamese CC terms cooperation in textile, seafood & pharma sectors positive

Textile, Pharma, Economy | **Positive**

Vietnamese Commercial Counselor Nguyen Hong Tien, who is leading a 15-member Vietnamese trade delegation, has said that a large number of companies, investors and tourist firms of his country want to explore Pakistan. (BR) | [Click for more info.](#)

US-based Thrive Capital seeks entry into Pakistan's startup ecosystem

Economy | **Positive**

American Venture Capital (VC) firm Thrive Capital has expressed the desire to invest in the Pakistani startup ecosystem in a meeting with Adviser to Prime Minister on Finance and Revenue Dr Abdul Hafeez Sheikh. (BR) | [Click for more info.](#)

	Last	Chg.	Chg. %
US - Dow 30	28,377.0	137.68	0.49%
INDIA - SENSEX	41,673.9	115.35	0.28%
KSA - Tadawul	8,291.4	37.96	0.46%
US - S&P 500	3,205.4	14.23	0.45%
CHINA - Shanghai	3,017.1	0.03	0.00%
INDONESIA - IDX	6,249.9	-37.32	-0.59%
PHILP - PSEi	7,653.9	-79.73	-1.03%
HK - Hang Seng	27,800.5	-83.72	-0.30%
Taiwan - TWII	12,018.9	-103.55	-0.85%
PAK (KSE-100)	40,655.4	-948.34	-2.28%

Scrip	Day	Agenda	Time
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
DBCI	FRIDAY	ANNUAL A/C - 30JUN'19	11:00 AM



SCRA position marks a decline of Rs 1.07 billion over the week

Capital Market, Economy | Neutral

Foreign Investors continued to be the net buyers for the ninth consecutive week, indicating that their confidence on the local market has increased as the total purchase of securities during the week via Special Convertible Rupee Account (SCRA) outstripped total sale by around Rs. 5.7 million as on December 13, 2019. (Mettis) | [Click for more info.](#)

Hyderabad Nizam case: UK High Court orders Pakistan to pay £6m in legal cost

Economy | Negative

A High Court judge has ordered the Government of Pakistan to pay nearly £6 million in legal costs after the Pakistani representative told the court that it will not be appealing against the London High Court's decision which ruled in favour of Nizam of Hyderabad's descendants granting them right over £35 million funds. (The News) | [Click for more info.](#)

Incorporation of corporate restructuring co; Minimum amount of paid-up capital fixed at Rs500m

Capital Market, Economy | Neutral

The Securities and Exchange Commission of Pakistan (SECP) on Thursday announced that minimum amount of paid-up capital for incorporation of a corporate restructuring company has been fixed at Rs 500 million. In this regard, the SECP has issued SRO 1566(I)/2019 here on Thursday. (BR) | [Click for more info.](#)

Political News

Musharraf case: Govt to move Supreme Judicial Council against judge Waqar Seth

The government has decided to move Supreme Judicial Council against judge Waqar Ahmed Seth over his controversial observation in the detailed judgment of the high treason case sentencing former military dictator Pervez Musharraf to death. (The News) | [Click for more info.](#)

Announcement proved army's assertion: ISPR

Director General Inter-Services Public Relations (ISPR) Maj Gen Asif Ghafoor said on Thursday that detailed verdict in the case against Musharraf transgresses humanity, religion and moral value. Addressing a press conference after the detailed verdict in the high treason case against Gen Pervez Musharraf (ret'd) was issued, DG ISPR Gen Ghafoor said that the reservations of the armed forces have "proven true." (BR) | [Click for more info.](#)

International News

Asia stocks digest meaty gains, sterling starved for love

Asian shares snoozed near 18-month highs on Friday as trade thinned in the run-up to Christmas and investors seemed content to digest the chunky gains already made so far this month. (Reuters) | [Click for more info.](#)

Oil prices hold near three-month highs on U.S.-China trade deal progress

Oil prices held steady near three-month highs on Friday on the back of easing Sino-U.S. trade tensions that have weighed on demand as well as the global economic growth outlook. (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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