

Economy News

Steps afoot to come out of FATF grey list

Economy | Positive

Pakistan is committed to aligning itself with the global financial system and positioning the country as a reliable partner in countering global money laundering and terror financing challenges, which will help in getting out of the FATF grey list. It was told to the Senate Standing Committee on Finance, which met at the Parliament House on Monday. Senator Farooq Hamid Naek chaired the meeting. (ET) | [Click for more info.](#)

\$500m sought from WB for improving fiscal management

Economy | Positive

The government is seeking a loan of \$500 million from the World Bank for a programme aimed at enhancing the policy and institutional framework to improve fiscal management. The World Bank executive board is expected to approve the request of loan in early 2020. (Dawn) | [Click for more info.](#)

Pakistan's maiden tariff policy approved for export growth

Economy | Positive

Government on Tuesday approved the country's first-ever national tariff policy aimed at removing anomalies in import duties structure and use it as an instrument to catalyse industrial production and for export growth. (The News) | [Click for more info.](#)

First 4 months of FY20: Trade deficit narrows 33.52 percent to \$7.77 billion

Economy | Positive

The country's trade deficit during the first four months of the ongoing fiscal year 2019-20 has recorded a decline of 33.52 percent as compared to the first four months of the past fiscal year 2018-19. The trade deficit during July-October 2019-20 was recorded at \$7.776 billion against the deficit of \$11.696 billion during July-October 2018-19. (BR) | [Click for more info.](#)

Exports increased by 9.6pc in October: Hafeez Shaikh

Economy | Positive

Adviser to Prime Minister on Finance Dr Abdul Hafeez Shaikh said on Tuesday that exports of goods and services increased by 9.6 percent in October 2019. "To provide easy working capital & funds for expansion, government & SBP will give additional Rs300b in subsidised financing to exporters & Rs30 billion will be given in cash instead of promissory notes issued against tax refunds," he added. (The News) | [Click for more info.](#)

Merchandise imports slump 19pc in July-October

Economy | Positive

Merchandise imports sharply fell 19 percent year-on-year in the first four months of the current fiscal year as all the big-ticket products except machinery group posted double-digit decline in import, lending a significant support to the current account balance. (The News) | [Click for more info.](#)

Oil & Gas

Exploration of shale gas from next month: Babar

Gas, OGDC | Positive

Prime Minister's Special Assistant Nadeem Babar on Tuesday called for closure of the country's existing petroleum refineries for being obsolete and said the shale gas exploration in the country would begin next month. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,248.4	27,226.9	-21.5	-0.1%
KSE100	38,411.6	38,564.4	152.8	0.4%
KSE30	17,744.4	17,831.7	87.2	0.5%
KMI30	62,549.9	62,740.0	190.1	0.3%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	6,276.3	6,335.0	58.8	0.9%
COLG	1,999.0	2,040.0	41.0	2.1%
SAPL	735.0	770.0	35.0	4.8%
SFL	550.0	575.0	25.0	4.5%
HINOON	472.1	495.7	23.6	5.0%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	4.3	4.4	0.1	27.54
BOP	11.3	11.1	-0.2	25.03
DSL	6.0	5.5	-0.5	22.27
SNGP	73.4	77.1	3.7	15.11
PAEL	23.5	23.1	-0.4	14.42

Portfolio Investments – Net Position

FIFI	Buy	Sell	Net
F-Individuals	0.06	-0.12	-0.06
F-Corporates	5.17	-0.89	4.28
O/S Pakistanies	3.36	-3.62	-0.26
Net	8.59	-4.63	3.96

LIFI

Individuals	68.67	-66.94	1.72
Companies	2.26	-5.82	-3.56
Comm. Banks	2.33	-6.40	-4.07
NBFC	0.15	-0.23	-0.08
Mutual Funds	9.50	-5.62	3.89
Other	1.08	-0.92	0.17
Brokers Proprietary	24.82	-25.24	-0.42
Insurance	4.50	-6.10	-1.60
Net	113.31	-117.27	-3.96

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	55.29	0.1%
Brent oil	USD/bbl.	60.92	0.0%
Gold	USD/t oz.	1473.84	0.1%
Silver	USD/t oz.	17.15	0.0%
Coal	USD/ton	74.50	1.8%
Steel Scrap (LME)	USD/ton	262.00	0.4%
Steel Rebar (LME)	USD/ton	421.00	-0.5%
USD/PKR	Interbank	155.56	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Local gas production dwindles by 7pc annually

Gas | Neutral

Special Assistant to the Prime Minister on Petroleum, Nadeem Babar Tuesday said that local production of gas is dwindling by five to seven percent annually and gas deficit is met through import of liquefied natural gas (LNG). (BR) | [Click for more info.](#)

Power

Circular debt reduction plan submitted to ECC

Power | Neutral

Power Division has submitted circular debt reduction plan agreed with the International Monetary Fund (IMF) to the Economic Coordination Committee (ECC) of the Cabinet according to which circular debt will be reduced from Rs 465 billion (2018-19) to Rs 75 billion (2022-23). However, the circular debt appears to be in reverse gear as it has crossed Rs 800 billion minus the Rs 806 billion parked in the PHPL books. (BR) | [Click for more info.](#)

FY17-18; Gencos cost exchequer billions of rupees: Nepra

Power, Economy | Negative

The National Electric Power Regulatory Authority (Nepra), in its performance evaluation of government-owned power generation plants (Gencos) has recorded billions of rupees loss to the national exchequer due to dismal performance during 2016-17 and 2017-18. (BR) | [Click for more info.](#)

Sindh obtains formal licence to set up PGC

Power | Neutral

For the first time in the history, Sindh province has obtained formal licence from the National Electric Power Regulatory Authority (NEPRA) to setup its own "Provincial Grid Company" (PGC). (BR) | [Click for more info.](#)

Banks

SBP sets agri loan target at Rs1.35tr

Banks | Positive

After achieving a record-high disbursement of Rs1 trillion to the agriculture sector in the last fiscal year, the State Bank of Pakistan has set next fiscal year's target at Rs1.35tr. (Dawn) | [Click for more info.](#)

Miscellaneous

Arif Habib Corp increases its shareholding in ORIX Leasing to 12%

AHCL | Positive

Arif Habib Corporation Limited (AHCL) has, in pursuance of 110(3) of the Securities Act, 2015, acquired further 7,880,522 voting shares of ORIX Leasing Pakistan Limited (OLPL). On account of this transaction the combined shareholding of AHCL becomes 20,380,222 shares representing 12.2% of the total issued voting shares of OLPL, the notice said. (PT) | [Click for more info.](#)

Textile exports posts 4.10pc growth in four months, cross \$4,586 billion mark

Textile | Positive

Textile group exports from the country during first four months (July-October) of current financial year increased by 4.10% as compared the exports of the corresponding period of last year. Meanwhile, textile sector exports witnessed about 7.44% growth in month of October, as against the exports of same month of last year. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	27,093.8	412.71	1.55%
INDIA - SENSEX	40,469.7	185.51	0.46%
PAK (KSE-100)	38,564.4	152.81	0.40%
Taiwan - TWII	11,656.4	56.62	0.49%
KSA - Tadawul	8,045.3	44.99	0.56%
PHILIP - PSEI	7,912.1	31.20	0.40%
INDONESIA - IDX	6,152.1	29.47	0.48%
CHINA - Shanghai	2,934.0	24.79	0.85%
US - S&P 500	3,120.2	-1.85	-0.06%
US - Dow 30	27,934.0	-102.20	-0.36%

Source: Bloomberg

Board Meetings

Scrip	Day	Agenda	Time
PIAA	THURSDAY	MULTIPLE PERIOD A/C	1:00 PM
HSPI	FRIDAY	1QA/C -30SEP19	3:30 PM

Source: PSX Announcement

First-ever NTP approved by cabinet

Economy | Neutral

The federal cabinet in its meeting held on Tuesday approved the first-ever National Tariff Policy (NTP) developed by the Commerce Division after extensive consultations with the stakeholders and this marks a milestone in the national economic policy paradigm by recognizing the importance of employing import tariffs for industrial development and export growth.(BR) | [Click for more info.](#)

Pakistan wants China to finance ML-1 project in RMB

Economy | Neutral

Pakistan has proposed China to consider the financing of Main Line-I (ML-I), a rail project worth over \$9 billion, in Renminbi (RMB). (PT) | [Click for more info.](#)

'Economic terrorism' phrase being added to anti-terror law

Capital Market | Neutral

The transfer of Rs 50 million or above during one month from Pakistan to destinations aboard through any informal channel including hawala or hundi, would be considered as 'economic terrorism' in Pakistan. The government has introduced the Anti-Terrorism (Amendment) Bill, 2019, in the National Assembly containing the concept of 'economic terrorism.' (BR) | [Click for more info.](#)

Political News

No institution is perfect: SC judge

The apex court judge made this observation on Tuesday in a reference to Prime Minister Imran Khan's speech delivered on Monday in which he requested the country's top judge and his successor to revive public trust in the country's judicial system and to ensure uniform application of law. (ET) | [Click for more info.](#)

Dharna called off as goal achieved, claims Maulana Fazlur Rehman

The Jamiat Ulema-e-Islam-Fazl (JUI-F) chief, Maulana Fazlur Rehman, said on Tuesday that the days of the Pakistan Tehreek-e-Insaf (PTI) government were numbered, saying that his party succeeded in mobilising the people to send this government packing. (The News) | [Click for more info.](#)

High treason case: Special Court reserves verdict in Musharraf case

The Special Court will announce its judgment on November 28 in the high treason case against former military dictator General (retd) Pervez Musharraf for imposing emergency rule in 2007. (The News) | [Click for more info.](#)

International News

Stocks Drop With U.S. Yields on U.S.-China Tension: Markets Wrap

Asian stocks and American equity futures retreated after the U.S. Senate passed legislation supporting Hong Kong protesters, triggering a renewed warning of retaliation from China and potentially complicating U.S.-China trade talks. (Bloomberg) | [Click for more info.](#)

Oil Holds Near 2-Week Low as Supplies Swell, Trade Talks Stutter

Oil held losses near a two-week low on signs of swelling American crude inventories, while investors monitored developments on the U.S.-China trade war. (Bloomberg) | [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 FCFF based DCF methodology.

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