

March 20,
2019

Economy News

IMF's possible tax-to-GDP demand: Tough decisions await government in forthcoming budget: Pasha

Economy | Neutral

Former finance minister and prominent economist Dr Hafeez Pasha Tuesday said that the government will have to take tough decisions in the next financial year budget 2019-20 in case the International Monetary Fund (IMF) asks it to enhance the tax-to-GDP ratio. | [Click fore more info.](#)

ADB okays \$9 million to support KP urban sector projects

Economy | Neutral

Asian Development Bank (ADB) has approved \$9 million in project readiness financing (PRF) to support the preparation and design of urban sector projects in Khyber Pakhtunkhwa (KPK), which will support the Government of Pakistan in accelerating the delivery of critical infrastructure in the rapidly urbanizing province. | [Click fore more info.](#)

Govt approves Rs290bn national emergency agriculture programme

Economy | Positive

According to sources, the cabinet took several key decisions including the approval of a Rs290 billion National Agriculture Emergency Programme. The incumbent government had promised it would declare an agriculture emergency under its first 35 initiatives after coming into power in a bid to boost the profitability of farmers in the country. | [Click fore more info.](#)

Decline in trade deficit attributed to decrease in imports

Economy | Neutral

President Pakistan Businessmen and Intellectuals Forum (PBIF), Mian Zahid Hussain, has expressed that exports could not be increased as expected despite incentives being provided to this sector. Decrease of \$ 2.7 billion in the trade deficit is due to decrease in imports by \$ 2.4 billion. Exports till now could not increase even by \$ 2 billion, which is worth considering. | [Click fore more info.](#)

Oil & Gas

Govt to reimburse inflated gas bills amounting Rs2.5b

SNGP, SSGC | Negative

The federal cabinet has decided to reimburse Rs2.5 billion to the gas consumers who had to pay inflated bills, Information Minister Fawad Chaudhry said here on Tuesday. | [Click fore more info.](#)

Power

Power generation rises to 79,611Gwh

Power | Positive

Power generation rose four percent to 79,611 gigawatt-hours in the first eight months of the current fiscal year of 2018/19 as uses of coal and imported gas in electricity production scaled up during the period. | [Click fore more info.](#)

US sanctions: Pakistan links 100MW import from Iran with payment mechanism

Power | Neutral

Pakistan has linked the import of additional 100MW of electricity from Iran with carving out of payment mechanism in the presence of the US sanctions imposed on Tehran. | [Click fore more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,398.8	28,314.3	-84.5	-0.3%
KSE100	38,852.0	38,612.4	-239.6	-0.6%
KSE30	18,415.7	18,240.1	-175.6	-1.0%
KMI30	63,601.0	63,111.4	-489.7	-0.8%

Top Five Gainers

	Open	Close	Chg.	%
PMPK	3,790.0	3,975.0	185.0	4.9%
ILTM	1,717.2	1,799.0	81.8	4.8%
COLG	1,900.0	1,950.0	50.0	2.6%
PAKOXY	215.0	225.7	10.7	5.0%
SITC	321.9	330.0	8.1	2.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PAEL	24.5	25.2	0.7	15.63
BOP	14.0	14.0	0.0	6.25
TRG	24.1	23.9	-0.2	3.52
MLCF	40.5	38.9	-1.5	2.33
SNGP	72.8	72.1	-0.7	2.03

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.00	0.00	0.00
F-Corp.	3.81	-3.55	0.26
O/S Pak	1.02	-1.43	-0.41
Net	4.83	-4.99	-0.16
LIPI			
Indv.	19.06	-19.27	-0.21
Cos.	1.03	-1.26	-0.23
Banks	0.64	-2.15	-1.52
NBFC	0.01	-0.01	0.00
M-Funds	1.64	-1.75	-0.12
Other	0.27	-0.52	-0.25
Broker	6.96	-5.67	1.30
Insur.	1.62	-0.43	1.19
Net	31.22	-31.07	0.16

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	58.83	-0.3%
Brent oil	USD/bbl.	67.52	-0.1%
Gold	USD/t oz.	1304.83	-0.1%
Silver	USD/t oz.	15.34	-0.2%
Coal	USD/ton	77.95	-0.4%
Steel Scrap (LME)	USD/ton	324.00	-0.8%
Steel Rebar (LME)	USD/ton	479.00	0.6%
USD/PKR	Interbank	139.53	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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ECC meets to approve higher hydel profit for Azad Kashmir

Power | Neutral

The government is expected to pay Rs1.15 per unit water use charges to Azad Jammu & Kashmir – on a par with net hydel profit (NHP) to provinces – on hydropower generation and reduce its federal grants and transfers proportionately. | [Click fore more info.](#)

EPTL's coal-fired plant starts to generate power

Engro | Positive

A lignite coal power plant of Engro Powergen Thar Limited (EPTL) in Tharparker has finally started pumping 330MW of electricity generated by indigenous coal into the national grid. EPTL - the majority owned company of Engro Energy Limited, tested and energized the first unit of 330MW of the combined 660MW power plant - located in Thar Block II. | [Click fore more info.](#)

Banks

Standard Chartered allowed to facilitate Yuan clearing, settlement

SCBPL | Positive

The central bank on Tuesday allowed Standard Chartered Bank (SCB) Pakistan to set up Yuan clearing and settlement mechanism in the country to improve trade transactions in the Chinese currency with its third biggest trading partner. | [Click fore more info.](#)

Miscellaneous

Devise policies to promote auto sector, says Senate body

Autos | Positive

The government should devise policies for growth of the auto sector including formulation of standards for car parts, Senate Standing Committee on Industries said on Tuesday. During a visit to Toyota Motors plant, the committee observed that government functionaries need to facilitate the private sector while ensuring strict implementation of standards. | [Click fore more info.](#)

Pakistan Oxygen plans new ASU

PAKOXY | Positive

Pakistan Oxygen Ltd formally approved an investment plan of approximately Rs5.1 billion to set up 'the latest air separation unit (ASU) in its class in Pakistan'. | [Click fore more info.](#)

Clearance of food shipments ordered

Food | Positive

The Ministry of Commerce on Tuesday announced that the shipments of food products in the pipeline will be cleared without the requirements of labelling in Urdu. This order came in the wake of demands from many importers who were facing problems in getting their shipments cleared after issuance of SRO237 on Feb 19 making it mandatory for food products to have halal certification and labelling in Urdu. | [Click fore more info.](#)

WAPDA claims Mohmand dam's groundbreaking due next week

Cement, Steel | Positive

Lawmakers, on Tuesday, discussed the construction of Mohmand Dam and were informed that work would start next week and be completed before the flood season of 2024. | [Click fore more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	38,612.4	-239.58	-0.62%
INDIA - SENSEX	38,363.5	268.40	0.70%
HK - Hang Seng	29,466.3	57.27	0.19%
CHINA - Shanghai	3,091.0	-5.44	-0.18%
Taiwan - TWII	10,512.3	-0.38	0.00%
INDONESIA - IDX	6,480.3	-29.17	-0.45%
PHILP - PSEi	7,843.4	-29.61	-0.38%
KSA - Tadawul	8,659.0	5.79	0.07%
US - Dow 30	25,887.4	-26.72	-0.10%
US - S&P 500	2,832.6	-0.37	-0.01%

Source: Investing.com

Board Meetings

Scrip	Day	Agenda	Time
JSCL	WEDNESDAY	A/c Dec-31, CY'18	12:15 PM
EFUL	THURSDAY	A/c Dec-31, CY'18	10:00 AM
LPL	THURSDAY	A/c Dec-31, CY'18	11:00 AM
PKGP	THURSDAY	A/c Dec-31, CY'18	12 NOON
EFUG	THURSDAY	A/c Dec-31, CY'18	12:30 PM

Source: PSX Announcement



Political News

Pompeo accusations mere pressure tactics: Pakistan

Pakistan has plainly refuted all the allegations levelled against it by the US Secretary of State Mike Pompeo in a recent interview to a Midwestern radio station. | [Click fore more info.](#)

World should respect Pak stance on terrorism: China

China backed Pakistan on Tuesday applauding its recent counter-terrorism measures. "China commends Pakistan's recent strong counter-terrorism measures at home," Foreign Minister Wang Yi told reporters after meeting with his Pakistani counterpart Shah Mehmood Qureshi. | [Click fore more info.](#)

International News

Asian Stocks Mixed Before Fed; Treasuries Steady: Markets Wrap

Asian stocks traded mixed early Wednesday as investors held back from making big changes prior to the Federal Reserve's policy decision. Treasuries and the dollar steadied. | [Click fore more info.](#)

Oil beats retreat from four-month high on fears for U.S.-China trade progress

Oil prices fell on Wednesday, retreating from a four-month high, as concerns that trade talks between the United States and China have stalled, stoking fears over the outlook for global economic growth. | [Click fore 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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