



January  
29, 2019

## Economy News

### CPEC debt concerns to recede: Fitch Solutions

Economy | **Positive**

Debt concerns relating to the China-Pakistan Economic Corridor (CPEC) projects will begin to recede on the back of improving transparency while political risks have been diminished, says Fitch Solutions. | [Click for more info.](#)

### IMF softens many demands: Asad Umar

Economy | **Positive**

Finance Minister Asad Umar and Prime Minister's Adviser on Commerce, Industry and Investment Abdul Razak Dawood on Monday held meetings with business and trader communities on Monday, pledged solution to their problems, but ruled out any immediate relief to masses. | [Click for more info.](#)

### FTA with United States difficult, says Dawood

Economy | **Neutral**

Adviser to the Prime Minister on Commerce, Textile, and Industry Abdul Razak Dawood said on Monday that though Pakistan is helping America in restoring peace in Afghanistan, a free trade agreement (FTA) with the US is very difficult. | [Click for more info.](#)

### ECC meeting to be held tomorrow

Economy | **Neutral**

Finance Minister Asad Umar has called the meeting of Economic Coordination Committee tomorrow (Tuesday) to discuss on a two-point agenda. Report related to net hydel power profit would be presented in the meeting and the matter pertaining to the budget of National Telecommunication Corporation would also be discussed on the occasion. | [Click for more info.](#)

### MPS on Thursday

Economy | **Neutral**

The State Bank of Pakistan (SBP) will announce monetary policy for next two months on Thursday. The meeting of the monetary policy committee will be held on Thursday, January 31, 2019 in Islamabad for deliberations on the economic indicators to take a decision on key policy rate. In the previous meeting the committee increased the policy rate by 150 basis points to 10 percent due to multiple challenges. | [Click for more info.](#)

## Oil & Gas

### Setting up of OMCs: Petroleum Division revising criteria

OMCs | **Positive**

The Petroleum Division has imposed a moratorium on applications for establishment of new OMCs by local investors with effect from January 9, 2019, till the new criterion is approved by the ECC of the Cabinet and OGRA is advised not to accept any new applications from local investors except foreign investors for issuance of licence in the intervening period. | [Click for more info.](#)

## Banks

### Repatriation of profit down 37 percent in H1

Economy | **Positive**

The repatriation of profit and dividend by the foreign investors registered a straight decline of 37 percent during the first half of current fiscal year (FY19). The State Bank of Pakistan (SBP) Monday revealed that foreign investors repatriated some \$759.5 million on account of profit and dividend during July-Dec of FY19 compared to \$1.202 billion in the corresponding period of last fiscal year, depicting a decline of \$442.5 million. | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,367.7	29,462.8	95.2	0.3%
KSE100	40,264.8	40,420.1	155.3	0.4%
KSE30	19,346.6	19,406.5	60.0	0.3%
KMI30	66,987.9	67,385.3	397.3	0.6%

### Top Five Gainers

	Open	Close	Chg.	%
INDU	1,207.2	1,226.4	19.2	1.6%
SIEM	810.0	826.0	16.0	2.0%
SHEL	265.2	278.4	13.2	5.0%
PSMC	245.7	258.0	12.3	5.0%
NRL	230.1	241.6	11.5	5.0%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PIAA	6.5	7.3	0.8	15.24
TRG	26.5	26.8	0.4	7.94
FFL	34.7	33.8	-0.8	6.03
UNITY	23.0	24.1	1.1	4.96
PIBTL	12.0	12.2	0.2	4.81

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.16	-0.03	0.13
F-Corp.	3.56	-0.74	2.82
O/S Pak	1.31	-1.48	-0.17
Net	5.04	-2.25	2.79
<b>LIPI</b>			
Indv.	28.75	-29.38	-0.63
Cos.	1.94	-1.67	0.27
Banks	0.42	-1.43	-1.01
NBFC	0.28	-0.73	-0.45
M-Funds	2.27	-3.08	-0.82
Other	0.35	-1.18	-0.84
Broker	9.09	-8.32	0.77
Insur.	1.67	-1.77	-0.09
<b>Net</b>	<b>44.77</b>	<b>-47.56</b>	<b>-2.79</b>

Source: NCCPL

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	52.13	0.3%
Brent oil	USD/bbl.	60.05	0.2%
Gold	USD/t oz.	1303.73	0.0%
Silver	USD/t oz.	15.73	-0.1%
Coal	USD/ton	90.65	-0.9%
Steel Scrap (LME)	USD/ton	286.00	0.0%
Steel Rebar (LME)	USD/ton	447.00	0.0%
USD/PKR	Interbank	138.92	-0.1%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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**Development loan, advances for 2017-18: rates of mark-up chargeable notified**

**Banks | Neutral**

A notification issued by Budget Wing of Finance Division stated that final rates of mark-up chargeable have been fixed by the federal government on; (i) cash development loans to the provincial governments; (ii) loans to local bodies, financial and non-financial institutions and other corporations; (iii) and capital outlays of the federal government in the commercial departments. | [Click for more info.](#)

## Miscellaneous

**6,000 housing units to be constructed in three cities: minister**

**Cement, Steel | Positive**

The Punjab Minister for Housing Mian Mehmood-ur-Rasheed has said that the present government will fulfill all the commitments made with the nation in accordance with vision of Prime Minister Imran Khan. The initiative of construction of inexpensive housing project in three cities of the province is one of the steps towards fulfillment of commitment. | [Click for more info.](#)

**FBR's tax policy for real estate sector unfair: CCP**

**Real Estate | Negative**

The Competition Commission of Pakistan (CCP) has termed the Federal Board of Revenue's tax policy for real estate sector as unfair and recommended formulation of tax policy in consultation with the stakeholders to maximize its effectiveness and assist in widening the tax net. | [Click for more info.](#)

**Pakistan-Uzbekistan: steps under way to promote banking, air services: envoy**

**Economy | Positive**

Direct and basic hurdles have been removed to promote bilateral trade between Pakistan and Uzbekistan while steps are under way to promote banking and air services in addition to ensuring safe transit of trade consignments through Afghanistan. | [Click for more info.](#)

**PM Imran Khan orders steps to keep Torkham border operational round the clock**

**Economy | Positive**

Prime Minister Imran Khan has directed officials to make necessary arrangements for keeping the Torkham border crossing between Pakistan and Afghanistan operational round the clock in a bid to boost bilateral ties between the two countries. | [Click for more info.](#)

## Political News

**PML-N bill demands two more provinces in Punjab**

The Pakistan Muslim League-Nawaz (PML-N) on Monday submitted a constitutional amendment bill in the National Assembly for the creation of Bahawalpur and South Punjab provinces. | [Click for more info.](#)

**Opposition senators call for abolishing travel blacklist**

The Senate held a debate on a report submitted by Senate's Standing Committee for Law and Justice regarding travel blacklist. | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	40,420.1	155.31	0.4%
INDIA - SENSEX	35,656.7	-368.84	-1.0%
HK - Hang Seng	27,577.0	7.77	0.0%
CHINA - Shanghai	2,597.0	0.00	0.0%
Taiwan - TWII	10,013.3	12.12	0.3%
INDONESIA - IDX	6,458.7	-24.13	-0.4%
PHILP - PSEI	8,053.9	0.72	0.0%
KSA - Tadawul	8,623.9	114.50	1.4%
US - Dow 30	24,528.2	-208.98	-0.8%
US - S&P 500	2,643.9	-20.91	-0.8%

Source: Investing.com

### Board Meetings

Scrip	Day	Agenda	Time
PCAL	TUESDAY	HYA/c - Dec-31 - FY'19	10:00 AM
FFL	TUESDAY	Ann A/c - Dec-31 - CY'18	10:45 AM
ARPL	TUESDAY	IQA/c - Dec-31 - MY'19	11:00 AM
JDWS	TUESDAY	IQA/c - Dec-31 - MY'19	11:00 AM
ALNRS	TUESDAY	IQA/c - Dec-31 - MY'19	11:30 AM
SLL	TUESDAY	Ann A/c - Dec-31 - CY'18	12:00 PM
KPUS	TUESDAY	IQA/c - Dec-31 - MY'19	2:30 PM
HWQS	TUESDAY	IQA/c - Dec-31 - MY'19	4:00 PM
INIL	WEDNESDAY	HYA/c - Dec-31 - FY'19	10:00 AM
AGSML	WEDNESDAY	IQA/c - Dec-31 - MY'19	11:00 AM
ATLH	WEDNESDAY	IIIQA/c - Dec-31 - MY'19	11:00 AM
BAFS	WEDNESDAY	IQA/c - Dec-31 - MY'19	11:00 AM
MRNS	WEDNESDAY	IQA/c - Dec-31 - MY'19	11:00 AM
PRL	WEDNESDAY	HYA/c - Dec-31 - FY'19	11:00 AM
EXIDE	WEDNESDAY	IIIQA/c - Dec-31 - MY'19	11:30 AM
FFBL	WEDNESDAY	Ann A/c - Dec-31 - CY'18	11:30 AM
BAHL	WEDNESDAY	Ann A/c - Dec-31 - CY'18	12:00 PM
FRSM	WEDNESDAY	IQA/c - Dec-31 - MY'19	12:00 PM
FFC	THURSDAY	Ann A/c - Dec-31 - CY'18	9:30 AM
COLG	THURSDAY	HYA/c - Dec-31 - FY'19	10:00 AM
EPCL	THURSDAY	Ann A/c - Dec-31 - CY'18	10:00 AM
HSM	THURSDAY	Ann A/c - Sep-31 - MY'18	10:00 AM
MUBT	THURSDAY	Ann A/c - Jun-31 - FY'18	11:00 AM
LUCK	THURSDAY	HYA/c - Dec-31 - FY'19	11:30 AM
EPQL	FRIDAY	Ann A/c - Dec-31 - CY'18	10:00 AM

Source: PSX Announcement



## International News

### **Saudi Arabia hopes to lure over 425 bln in investments**

Saudi Arabia on Monday launched an ambitious programme which it hopes will attract \$427 billion in investments in the industrial and logistics sectors, as the OPEC kingpin bids to reduce dependence on oil. | [Click for more info.](#)

### **Oil prices edge up on U.S. sanctions against Venezuela**

Oil prices crept higher on Tuesday after the U.S. government slapped sanctions on Venezuela's state-owned oil firm PdVSA in a move aimed at severely curbing the OPEC member's crude exports to the United States. | [Click for more info.](#)

### **Asia Stocks Fall as Earnings Fade, Trade in Focus: Markets Wrap**

Asian stocks declined Tuesday after their U.S. counterparts retreated on concerns the trade war with China is hitting corporate profits. | [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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