



April 30,  
2019

## Economy News

**Talks on \$8 billion bailout: Government, IMF in final round**

**Economy | Positive**

Pakistan and the International Monetary Fund have launched the final round of talks over the \$8 billion bailout package for Islamabad, a deal that's expected to be signed next month. The round started on Monday in the capital and is expected to last till May 7. (BR) | [Click for more info.](#)

**Technical level talks with IMF begin**

**Economy | Positive**

Pakistan and the International Monetary Fund kicked off on Monday technical level talks to sort out details of the proposed bailout package over the next 10 days. The visiting IMF mission will stay in Islamabad to conclude the technical details by May 6, while the policy level understanding will be reached over the next three days, a source at the finance division told Dawn. The proposed bailout package is expected to be \$6-8 billion. (Dawn) | [Click for more info.](#)

**Pakistan's weaker growth pulls down regional economy: IMF**

**Economy | Neutral**

Pakistan's lukewarm economic growth has made the International Monetary Fund (IMF) to further trim regional growth forecast to 3.6 percent this year from an earlier projection of four percent. "Weaker growth in Pakistan is pulling down the regional aggregate growth rate this year, with large macroeconomic imbalances and ongoing policy adjustment challenges expected to slow Pakistan's growth from 5.2 percent in 2018 to 2.9 percent in 2019," the IMF said in a report on Monday. (The News) | [Click for more info.](#)

**Pakistan's debt worth \$27b to mature in two years: IMF**

**Economy | Negative**

The International Monetary Fund (IMF) has said that \$27 billion worth of Pakistan's external debt will mature in two years – the mounting repayment burden that carries serious implications for bailout package talks started on Monday. The technical teams of the IMF and Pakistan have locked into negotiations for 10 days amid authorities hoping to clinch a deal on May 10. The \$27 billion maturing external debt is equal to 27% of Pakistan's total external debt and liabilities as of end February, highlighting the gravity of challenges that the government of Prime Minister Imran Khan faces. (ET) | [Click for more info.](#)

**Pakistan for early convening of next TIFA round**

**Economy | Neutral**

Pakistan has sought an intensified engagement with the United States in the economic and trade cooperation, emphasising the need for early convening of next round of Trade and Investment Framework Agreement (TIFA). (BR) | [Click for more info.](#)

**Cabinet unlikely to consider tax amnesty scheme, budget strategy paper today**

**Economy | Neutral**

A meeting of the federal cabinet is unlikely to consider budget strategy paper and tax amnesty scheme today (Tuesday) as a special meeting will be convened for extensive discussion on them before their approval due to their impact on the people. (BR) | [Click for more info.](#)

**Centre agrees with provinces to ink MoU on single GST return: FBR**

**Economy | Neutral**

The Federal Board of Revenue (FBR) on Monday claimed that they agreed with the provinces to sign a memorandum of understanding (MoU) on single General Sales Tax (GST) returns next week. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,098.2	27,076.6	-21.5	-0.1%
KSE100	37,130.6	37,026.3	-104.4	-0.3%
KSE30	17,670.9	17,564.2	-106.7	-0.6%
KMI30	60,432.2	60,030.4	-401.8	-0.7%

### Top Five Gainers

	Open	Close	Chg.	%
PMPK	3,194.0	3,348.0	154.0	4.8%
PAKT	2,572.5	2,604.9	32.4	1.3%
SIEM	722.0	750.0	28.0	3.9%
SRVI	571.0	594.0	23.0	4.0%
ARPL	524.2	538.0	13.9	2.6%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PIBTL	0.0	0.0	0.0	14.52
PAEL	0.0	0.0	0.0	11.49
BOP	0.0	0.0	0.0	10.47
FCCL	0.0	0.0	0.0	10.27
KEL	0.0	0.0	0.0	10.16

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.01	-0.01	0.00
F-Corp.	2.50	-2.10	0.40
O/S Pak	1.86	-2.61	-0.75
Net	4.36	-4.72	-0.36
<b>LIPI</b>			
Indv.	41.05	-39.90	1.16
Cos.	6.32	-5.89	0.43
Banks	0.49	-0.42	0.07
NBFC	0.00	-0.02	-0.02
M-Funds	2.37	-5.06	-2.69
Other	0.35	-0.38	-0.02
Broker	13.46	-13.16	0.30
Insur.	3.40	-2.26	1.14
<b>Net</b>	<b>67.45</b>	<b>-67.09</b>	<b>0.36</b>

Source: NCCPL

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	63.34	-0.3%
Brent oil	USD/bbl.	71.77	-0.4%
Gold	USD/t oz.	1282.08	0.2%
Silver	USD/t oz.	14.95	0.2%
Coal	USD/ton	70.75	-0.3%
Steel Scrap (LME)	USD/ton	308.00	0.0%
Steel Rebar (LME)	USD/ton	473.50	0.0%
USD/PKR	Interbank	141.52	0.0%

Source: Bloomberg/SBP

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

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MORNING BRIEFING

## FY19 Budget: Rs 20 million earmarked to pick up cost of remittances

### Economy | Positive

The government allocated Rs 20 million in the budget for 2018-19 to pick up the transaction cost of remittances with the objective of facilitating overseas Pakistanis to remit money through formal channels under Pakistan Remittance Imitative (PRI). (BR) | [Click for more info.](#)

## Oil & Gas

### OGRA recommends up to 15% increase in POL prices

#### OMCs | Positive

The Oil and Gas Regulatory Authority (Ogra) on Monday recommended the federal government to increase prices of petroleum products by up to 15 per cent for May, following fluctuation in global oil prices. Ogra has calculated an increase of Rs14.37 per litre in motor spirit (MS), Rs4.39 per litre high speed diesel (HSD), Rs7.45 kerosene oil and Rs6.40 light diesel oil (LDO). (ET) | [Click for more info.](#)

### Hascol Petroleum found involved in tax fraud of Rs3.9 billion

#### HASCOL | Negative

Hascol Petroleum Limited, a company engaged in the purchase, storage and sale of petroleum products, is committing tax fraud worth of Rs3.9 billion, it emerged on Monday. (PT) | [Click for more info.](#)

## Power

### K-Electric to set up 700MW power plant

#### KEL | Positive

K-Electric has planned to set up a 700MW power project with the assistance of a Chinese engineering firm, calling it a milestone project in the economic cooperation between China and Pakistan. (Dawn) | [Click for more info.](#)

### IMF wants Islamabad to budget power sector's subsidies

#### Power | Neutral

The International Monetary Fund (IMF) holds no reservation over power sector's subsidies, but what it wants from Islamabad is to accurately determine sources of their funding in the upcoming budget, well-placed sources said on Monday. (The News) | [Click for more info.](#)

## Autos

### Suzuki still struggling to get Greenfield status

#### PSMC | Neutral

M/s Suzuki Motors Company Limited is still struggling to get Greenfield status against estimated investment of \$ 460 million. Recently two senior diplomats of Japanese embassy in Islamabad met with senior officials of Ministry of Industries and Production, seeking help to "achieve" this goal but they were clearly told that M/s Suzuki's investment does not fall under prevalent auto policy. (BR) | [Click for more info.](#)

### Master Motor & FOTON to manufacture vehicles in Pakistan

#### Autos | Positive

Foton International Trade Co Ltd, Beijing signed an MOU to inject investment in the form of a Joint Venture (JV) with their local partner Master Motor Corporation (Pvt.) Limited (MMCL) who has been manufacturing, selling and providing after sales of Foton Brand of vehicles since 2003 under technical licensing agreement. (Daily Times) | [Click for more info.](#)

## World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	29,892.8	287.80	0.97%
INDIA - SENSEX	39,067.3	336.47	0.87%
INDONESIA - IDX	6,425.9	24.82	0.39%
PHILP - PSEi	7,897.0	28.74	0.37%
KSA - Tadawul	9,276.5	10.71	0.12%
US - S&P 500	2,943.0	3.15	0.11%
US - Dow 30	26,554.4	11.06	0.04%
Taiwan - TWII	10,939.1	-13.41	-0.12%
PAK (KSE-100)	37,026.3	-104.36	-0.28%
CHINA - Shanghai	3,062.5	-23.90	-0.77%

Source: Investing.com

## Board Meetings

Scrip	Day	Agenda	Time
AVN	TUESDAY	1Q Mar-30, CY'19	9:30 AM
PPL	TUESDAY	3Q Mar-30, FY'19	9:30 AM
ADOS	TUESDAY	3Q Mar-30, FY'19	10:00 AM
CLOV	TUESDAY	3Q Mar-30, FY'19	10:00 AM
KOIL	TUESDAY	3Q Mar-30, FY'19	10:00 AM
LPGL	TUESDAY	3Q Mar-30, FY'19	10:00 AM
SHNI	TUESDAY	1Q Mar-30, CY'19	10:00 AM
NCPL	TUESDAY	3Q Mar-30, FY'19	10:30 AM
AGL	TUESDAY	Ann. Dec-31, CY-17	11:00 AM
AYTM	TUESDAY	3Q Mar-30, FY'19	11:00 AM
CTM	TUESDAY	3Q Mar-30, FY'19	11:00 AM
ESBL	TUESDAY	3Q Mar-30, FY'19	11:00 AM
GAMON	TUESDAY	3Q Mar-30, FY'19	11:00 AM
GHGL	TUESDAY	3Q Mar-30, FY'19	11:00 AM
IDYM	TUESDAY	3Q Mar-30, FY'19	11:00 AM
KOHP	TUESDAY	3Q Mar-30, FY'19	11:00 AM
MUGHAL	TUESDAY	3Q Mar-30, FY'19	11:00 AM
NCL	TUESDAY	3Q Mar-30, FY'19	11:00 AM
RUBY	TUESDAY	3Q Mar-30, FY'19	11:00 AM
TELE	TUESDAY	3Q Mar-30, FY'19	11:00 AM
TREET	TUESDAY	3Q Mar-30, FY'19	11:00 AM
UNIC	TUESDAY	1Q Mar-30, CY'19	11:00 AM
UNITY	TUESDAY	3Q Mar-30, FY'19	11:00 AM
AMTEX	TUESDAY	3Q Mar-30, FY'19	11:30 AM
CPAL	TUESDAY	3Q Mar-30, FY'19	11:30 AM
CSIL	TUESDAY	1Q Mar-30, CY'19	11:30 AM
DLL	TUESDAY	1Q Mar-30, CY'19	11:30 AM
RICL	TUESDAY	1Q Mar-30, CY'19	11:30 AM
FTMM	TUESDAY	3Q Mar-30, FY'19	12:00 PM
FLYNG	TUESDAY	3Q Mar-30, FY'19	12:00 PM
GTJR	TUESDAY	3Q Mar-30, FY'19	12:00 PM
GATM	TUESDAY	3Q Mar-30, FY'19	12:00 PM
POWER	TUESDAY	3Q Mar-30, FY'19	12:00 PM
RPL	TUESDAY	3Q Mar-30, FY'19	12:00 PM
GVGL	TUESDAY	3Q Mar-30, FY'19	12:30 PM
PAKOXY	TUESDAY	1Q Mar-30, CY'19	12:45 PM
AAL	TUESDAY	3Q Mar-30, FY'19	2:00 PM
AATM	TUESDAY	3Q Mar-30, FY'19	2:00 PM
NETSOL	TUESDAY	3Q Mar-30, FY'19	2:00 PM
GAIL	TUESDAY	3Q Mar-30, FY'19	2:30 PM
BOP	TUESDAY	1Q Mar-30, CY'19	3:00 PM
WTL	TUESDAY	1Q Mar-30, CY'19	3:00 PM
BGL	TUESDAY	3Q Mar-30, FY'19	3:30 PM
DNCC	TUESDAY	3Q Mar-30, FY'19	3:30 PM

Source: PSX Announcement



## Miscellaneous

### PTA warns mobile phone operators against increasing tariff

Telecom | **Negative**

Pakistan Telecommunication Authority will take stern action if any mobile phone company raises tariff without following laid down mechanism, said the PTA chairman. (BR) | [Click for more info.](#)

## Political News

### Court approves Shehbaz's plea for exemption

An accountability court on Monday approved Leader of Opposition in National Assembly Shehbaz Sharif request to provide exemption from hearing in the Ramzan Sugar Mills case and Ashiana-e-Iqbal Housing scheme scam. The court postponed the hearing of both the cases till the 11th of May. (ET) | [Click for more info.](#)

### Will never budge on presidential system, military courts: Bilawal

The Pakistan People's Party (PPP) Chairman Bilawal Bhutto Zardari on Monday said the PPP will not change its stance on the presidential system, 18th Amendment, democracy, media censorship and on military courts, come what may. (The News) | [Click for more info.](#)

## International News

### Iran sanctions, unrest hit Mideast growth: IMF

US sanctions on Iran, rising unrest in the Middle East and North Africa and oil price volatility are dragging regional economic growth, the International Monetary Fund said Monday. The IMF warned in a bi-annual economic outlook report that prospects for the region are "clouded by elevated levels of uncertainty". (BR) | [Click for more info.](#)

### Asia Stocks Drop as China Data, Samsung Disappoint: Markets Wrap

Asian stocks retreated with U.S. futures Tuesday amid disappointing readings on China's manufacturing and earnings at the world's biggest phone maker. (Bloomberg) | [Click for more info.](#)

### Oil dips on expectations of rising output, China stutter

Oil prices dipped on Tuesday on expectations rising output from the United States and producer club OPEC would offset most of the shortfall expected from U.S. sanctions on Iran, but analysts said markets remained tight. (Reuters) | [Click for more info.](#)



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**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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