

## Economy News

Another round of talks between Pakistan, IMF ends 'fruitless'

**Economy | Negative**

Another round of talks between Pakistan and the International Monetary Fund (IMF) ended 'fruitless' on Tuesday, as both the sides failed to reach consensus for a fresh bailout package. | [Click for more info.](#)

Pakistan needs to take tough decisions: DFID

**Economy | Negative**

The UK Department for International Development (DFID) has asked the government to take 'tough decisions' to reform various sectors of the economy. The DFID is working with the World Bank and Asian Development Bank to support Pakistan's economic reform programmes. | [Click for more info.](#)

Trade deficit to shrink by \$5-6bn, claims Dawood

**Economy | Neutral**

The government's battle against bloated trade deficit is finally bearing fruit, driven primarily by a consistent fall in international oil prices, according to the Prime Minister's Adviser on Commerce and Industry Abdul Razak Dawood. | [Click for more info.](#)

Likely policy changes tail off investor confidence

**Economy | Neutral**

Investors are reluctant to invest in Pakistan as the new government has hinted at major revisions in investment and industrial policies, the State Bank of Pakistan (SBP) said in its first quarterly report on "The State of Pakistan's Economy" for FY19. | [Click for more info.](#)

Remittance digital bank for Pak expats soon

**Economy | Positive**

Special Assistant to Prime Minister on Overseas Pakistanis and Human Resource Development Zulfikar Bukhari has said that the government has a plan to establish 'remittance digital bank' to enhance remittances through official channels and to provide maximum benefits to the overseas community of Pakistan. | [Click for more info.](#)

Monetary and Fiscal Coordination Board for tightening fiscal policies

**Economy | Negative**

At a time when government's borrowing from State Bank of Pakistan (SBP) recorded a whopping surge to the tune of Rs3.7 trillion in first six and a half months period, the Monetary and Fiscal Coordination Board on Tuesday agreed upon the requirement of further tightening of fiscal policies in order to achieve the stability on economic front. | [Click for more info.](#)

Macro adjustment to continue, warns SBP

**Economy | Negative**

The country's macroeconomic environment was 'challenging' during the first quarter of this fiscal year mainly due to rising inflationary pressures, contracting large-scale manufacturing (LSM), macroeconomic imbalances said the State Bank of Pakistan (SBP) in its 1QFY19 report on the State of Economy. | [Click for more info.](#)

SBP first quarterly report: Achieving 6.2pc growth unlikely

**Economy | Negative**

The State Bank of Pakistan (SBP) on Tuesday further trimmed its forecast for economic growth for the ongoing fiscal year 2018-19, citing a weaker outlook for public finance and external imbalances weighted to the downside. | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,462.8	29,602.0	139.1	0.5%
KSE100	40,420.1	40,624.4	204.3	0.5%
KSE30	19,406.5	19,531.2	124.7	0.6%
KMI30	67,385.3	67,936.0	550.7	0.8%

### Top Five Gainers

	Open	Close	Chg.	%
APL	430.1	451.6	21.5	5.0%
MTL	837.0	852.5	15.5	1.9%
MARI	1,326.0	1,340.2	14.2	1.1%
SHEL	278.4	292.3	13.9	5.0%
PSMC	258.0	270.9	12.9	5.0%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
DCL	12.9	13.9	1.0	10.56
PIAA	7.3	7.3	0.1	10.13
FFL	33.8	33.7	-0.1	6.80
UNITY	24.1	24.2	0.1	6.38
NRSL	9.0	9.1	0.1	5.44

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.01	-0.04	-0.03
F-Corp.	3.24	-1.55	1.69
O/S Pak	1.59	-1.77	-0.18
Net	4.83	-3.36	1.47
LIPI			
Indv.	37.85	-37.67	0.19
Cos.	2.15	-3.21	-1.06
Banks	1.52	-1.44	0.08
NBFC	0.04	-0.15	-0.11
M-Funds	3.79	-4.31	-0.53
Other	0.85	-1.35	-0.50
Broker	10.23	-10.02	0.21
Insur.	2.97	-2.72	0.25
Net	59.40	-60.87	-1.47

Source: NCCPL

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	53.27	-0.1%
Brent oil	USD/bbl.	61.23	-0.1%
Gold	USD/t oz.	1313.60	0.1%
Silver	USD/t oz.	15.90	0.4%
Coal	USD/ton	90.60	-0.1%
Steel Scrap (LME)	USD/ton	288.00	0.7%
Steel Rebar (LME)	USD/ton	447.00	0.0%
USD/PKR	Interbank	138.88	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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## Power

**Govt approves Rs200 billion sukuk to ease circular debt**

IPP's | **Positive**

The Economic Coordination Committee (ECC) of the Cabinet on Tuesday approved the launch of a Rs200 billion sukuk to help clear part of mounting circular debt in the power sector, a statement said. | [Click for more info.](#)

**Energy-short Pakistan moves to power up solar manufacturing**

Power | **Positive**

Pakistan's government has proposed to eliminate taxes associated with manufacturing of solar and wind energy equipment in the country, in an effort to boost the production and use of renewable power and overcome power shortages. | [Click for more info.](#)

## Autos

**Govt mulls cancelling 'own money' on purchase of new vehicles**

Autos | **Neutral**

Advisor to the Prime Minister on Commerce Abdur Razzak Dawood has hinted at cancelling the registration of dealers who charge "own money" from the customers while selling new cars. | [Click for more info.](#)

## Cement

**Cement exports surge 32.4pc in 6 months**

Cement | **Positive**

The exports of cement from the country witnessed an increase of 32.40 percent during the first half of the ongoing fiscal year against the exports of the corresponding period of last year. | [Click for more info.](#)

## Banks

**UBL's New York branch surrenders license, concludes voluntary liquidation**

UBL | **Neutral**

United Bank Limited (UBL) on Tuesday announced that its New York branch has surrendered its banking license to the New York State Department of Financial Services (NYDFS) on 28th January 2019. | [Click for more info.](#)

## Miscellaneous

**PECO's bank account restored after NAB's intervention**

PECO | **Positive**

Following an intervention from the National Accountability Bureau (NAB), the bank account of Pakistan Engineering Company (PECO), blocked by a private bank, has now been restored. | [Click for more info.](#)

**New aviation policy in the offing, says minister**

Economy | **Neutral**

Privatisation and Aviation Minister Muhammad Mian Soomro said on Tuesday that a new aviation policy was being designed keeping in view the recommendations of national and regional stakeholders. | [Click for more info.](#)

**Federal govt to pay Rs 2.492b**

Economy | **Neutral**

The federal government will pay Rs 2.492 billion on the account of increase in the pensions of Employees Old-age Benefit Institution (EOBI) pensioners from September 2018 to June 2019, it was learnt reliably here Tuesday. | [Click for more info.](#)

World Indices			
	Last	Chg.	Chg. %
PAK (KSE-100)	40,624.4	204.30	0.5%
INDIA - SENSEX	35,592.5	-64.20	-0.2%
HK - Hang Seng	27,503.0	-28.68	-0.1%
CHINA - Shanghai	2,585.3	-8.93	-0.3%
Taiwan - TWII	9,924.2	12.12	0.3%
INDONESIA - IDX	6,455.7	19.26	0.3%
PHILP - PSEI	7,962.6	-88.20	-1.1%
KSA - Tadawul	8,581.5	-42.45	-0.5%
US - Dow 30	24,580.0	51.74	0.2%
US - S&P 500	2,640.0	-3.85	-0.2%

Source: Investing.com

Board Meetings			
Scrip	Day	Agenda	Time
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



## Political News

### PPP ready for 'long march' to protect 18th Amend: Bilawal

Pakistan People's Party (PPP) Chairman Bilawal Bhutto Tuesday warned that his party would not desist from holding a long march to thwart any attempts at rolling back the 18th Amendment. | [Click for more info.](#)

### SC rejects review petition against Aasia Bibi acquittal

The Supreme Court (SC) on Tuesday rejected a review petition challenging its decision to acquit Aasia Bibi, a Christian woman, of blasphemy charges. (The News) | [Click for more info.](#)

## International News

### Oil stable as economic outlook weighs, Venezuela concerns support

Oil prices were stable on Tuesday, pressured by a cloudy outlook for the global economy but supported by worries over disruptions to supply from U.S. sanctions on Venezuelan exports. | [Click for more info.](#)

### Asian Stocks Slip Before Fed; Pound Edges Off Lows: Markets Wrap

Stocks in Asia struggled for traction on Wednesday as the earnings season rolled on and investors awaited the Federal Reserve's policy meeting. The pound held losses after lawmakers voted to renegotiate the Brexit withdrawal agreement with Brussels. | [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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