



April 4,
2019

Economy News

Economic outlook gloomy, warns ADB

Economy | Negative

Pakistan will continue to face macroeconomic challenges despite tight fiscal and monetary policies to rein in twin deficits leading to deceleration of the GDP to 3.9 per cent in the ongoing fiscal year, says the Asian Development Bank (ADB) in a report released on Wednesday. | [Click for more info.](#)

Only options — go bankrupt or get IMF plan: Annual growth going to go down

Economy | Negative

Finance Minister Asad Umar said on Wednesday that Gross Domestic Product (GDP) will be low this year and lower the next year. He said Pakistan has two options – either to go to the IMF or go bankrupt. | [Click for more info.](#)

Failure — One word for govt's economic policies

Economy | Negative

Almost everything that the PTI has been resisting before coming into power, it is doing now. Anything that it had promised to do, it has failed to deliver. The irony is that despite all this, the government's economic policies are far from producing expected results. Instead, almost every economic indicator is ringing alarm bells. | [Click for more info.](#)

Country at risk of downgrade?

Economy | Negative

Pakistan's under-performing economy, sharp depreciation of the rupee and uncertainty accounts for a decline from 0.16 percent to 0.03 percent in the emerging market index, which places the country at risk of a downgrade from emerging-market status to frontier markets. This was the crux of background discussions with leading stock exchange brokers in the country. Some maintained that the downgrade may disappoint investors, while others termed it a blessing in disguise as it would get Pakistan a major share in the frontier market. | [Click for more info.](#)

Amnesty scheme for tax evaders 'need of the hour', Umar insists

Economy | Positive

A day after the Pakistan Tehreek-e-Insaf (PTI) government announced its plan of introducing another amnesty scheme to provide non-filers of tax returns an opportunity to whiten their undeclared assets at home and abroad, Finance Minister Asad Umar on Wednesday defended the controversial decision stressing that "it is the need of time due to the prevalent system". | [Click for more info.](#)

FBR expects up to Rs300bln in revenue from new tax amnesty

Economy | Neutral

The Federal Board of Revenue (FBR) is eyeing Rs300 billion in revenue under the proposed tax amnesty scheme as it has proposed the government to keep concessional tax rates on the assets to be declared higher, sources said on Wednesday. | [Click for more info.](#)

Government to borrow Rs.3.9 trillion in Q4

Economy | Negative

In order to meet the rising fiscal deficit, the federal government is to borrow some Rs.3.9 trillion from the domestic banking system through the sale of short-term and long-term investment bonds during the last quarter of this fiscal year (FY19). | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,774.1	27,810.4	36.3	0.1%
KSE100	38,036.0	38,022.8	-13.2	0.0%
KSE30	17,987.1	17,988.2	1.1	0.0%
KMI30	62,201.3	62,531.1	329.8	0.5%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	6,805.5	7,079.3	273.8	4.0%
SRVI	670.0	703.5	33.5	5.0%
PSEL	989.0	1,020.0	31.0	3.1%
SHEZ	445.0	462.4	17.4	3.9%
HINO	390.0	405.4	15.4	3.9%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITYR1	3.5	3.4	0.0	39.69
WTL	1.1	1.1	0.0	31.44
FCCL	19.3	20.1	0.9	8.41
KEL	5.3	5.2	0.0	7.71
UNITY	13.5	13.3	-0.1	6.98

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.05	0.00	0.05
F-Corp.	1.76	-2.07	-0.32
O/S Pak	0.97	-1.15	-0.18
Net	2.77	-3.22	-0.45
LIPI			
Indv.	20.73	-19.60	1.13
Cos.	2.41	-0.92	1.49
Banks	1.09	-0.25	0.84
NBFC	0.02	-0.98	-0.96
M-Funds	2.08	-3.33	-1.25
Other	0.31	-0.91	-0.61
Broker	5.46	-5.61	-0.14
Insur.	1.75	-1.79	-0.04
Net	33.85	-33.40	0.45

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	62.38	-0.1%
Brent oil	USD/bbl.	69.29	0.0%
Gold	USD/t oz.	1290.98	0.1%
Silver	USD/t oz.	15.13	0.0%
Coal	USD/ton	66.60	-2.0%
Steel Scrap (LME)	USD/ton	317.00	-0.3%
Steel Rebar (LME)	USD/ton	482.50	-1.2%
USD/PKR	Interbank	141.49	0.2%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Power

KE receivables soar to Rs.158.8 billion

KEL | Negative

The outstanding receivables due to K-Electric (KE) have ballooned to a massive Rs.158.8 billion on account of outstanding payments from various federal and provincial public sector entities including Karachi Water and Sewerage Board (KWSB) which owes Rs.31.9 billion and miscellaneous others.

| [Click for more info.](#)

Autos

FED on 1,700cc above vehicles to be withdrawn: Razak

Autos | Positive

Adviser to the Prime Minister on Commerce, Textile and Industries Abdul Razak Dawood on Wednesday said the 10 per cent federal excise duty (FED) on locally manufactured cars and sports utility vehicles etc with engine capacity exceeding 1,700cc would be withdrawn. Briefing the Senate Standing Committee on Industries and Production, the adviser said the decision of imposing FED on locally manufactured vehicles was being revisited. | [Click for more info.](#)

Suzuki Alto set to make a comeback

PSMC | Positive

Pak Suzuki Motor Company Ltd (PSMCL) is expected to start commercial production of Alto 660cc from next week following the discontinuation of the 800cc Suzuki Mehran VX and VXR. Talking to Dawn, sources said the company has already given parts supply schedules to vendors and many of the orders have already been delivered. | [Click for more info.](#)

Fertilizer

Additional import of urea allowed

Fertilizer | Positive

The Economic Coordination Committee of the Cabinet (ECC) allowed immediate import of 100,000 tonnes of urea and constituted a body to review demand and supply situation of essential commodities after the government faced criticism from all quarters over price hike of essential commodities during the last few months. | [Click for more info.](#)

Miscellaneous

Prices of medicines multiply amid rupee depreciation

Pharmaceutical | Positive

Following depreciation in the local currency, pharmaceutical companies have increased prices of various medicines including life savings drugs putting huge financial burden on the people facing different ailments and requiring continuous medication. | [Click for more info.](#)

Punjab seeks ban on sugar export

Sugar | Positive

The government of Punjab has approached federal government for imposition of ban on sugar export, arguing that prices of sugar are showing an upward trend in the local market. | [Click for more info.](#)

Government unable to arrange \$800 million to revive PSM: Dawood

Economy | Negative

Prime Minister's Advisor on Commerce, Textile and Industries and Production and Investment, Abdul Razak Dawood, said on Wednesday that the government is unable to arrange \$ 800 million needed to revive Pakistan Steel Mills (PSM) at enhanced capacity of 3 million tons per annum. | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	29,986.4	361.72	1.22%
INDIA - SENSEX	8,985.5	50.79	0.57%
CHINA - Shanghai	3,216.3	39.47	1.24%
US - Dow 30	26,218.1	39.00	0.15%
INDONESIA - IDX	6,476.1	23.45	0.36%
PHILP - PSEi	7,895.1	15.85	0.20%
Taiwan - TWII	10,704.4	14.08	0.13%
US - S&P 500	2,873.4	6.16	0.21%
PAK (KSE-100)	38,022.8	-13.23	-0.03%
KSA - Tadawul	38,877.1	-179.53	-0.46%

Source: Investing.com

Board Meetings

Script	Day	Agenda	Time
PKGI	THURSDAY	Ann. A/c Dec-31, CY'18	10:00 AM
PAEL	THURSDAY	Ann. A/c Dec-31, CY'18	11:30 AM
PINL	FRIDAY	Ann. A/c Dec-31, CY'18	11:00 AM
WAVES	FRIDAY	Ann. A/c Dec-31, CY'18	11:00 AM
CSIL	FRIDAY	Ann. A/c Dec-31, CY'18	4:30 PM
PIL	FRIDAY	Ann. A/c Dec-31, CY'18	4:30 PM

Source: PSX Announcement



Kurram Tangi Dam construction 'inevitable'

Economy | Neutral

Termining the construction of Kurram Tangi Dam inevitable for Khyber Pakhtunkhwa, particularly for the southern districts, senior politician Humayun Saifullah Khan has urged the government to complete the project for the welfare and prosperity of the province and its people. | [Click for more info.](#)

Political News

India lobbying for putting Pakistan on blacklist of FATF: Qureshi

Foreign Minister Shah Mehmood Qureshi Wednesday said that India is lobbying to get Pakistan blacklisted in Financial Action Task Force (FATF), calling for national consensus and political commitment to undertake measures to come out of the terror financing and money laundering watchdog's grey-list. | [Click for more info.](#)

Pakistan hopes to have meaningful dialogue with next govt in India

Foreign Minister Shah Mehmood Qureshi on Wednesday said Pakistan hopes that following the general elections in India, its new government will hold meaningful dialogue with Pakistan on all longstanding issues. | [Click for more info.](#)

International News

Asian Stocks Mixed as Rally Fades; Yields Rise: Markets Wrap

Stocks in Asia were mixed in early Thursday trading after American equities edged up to a six-month high, as investors look for signs of progress on U.S.-China trade negotiations. Sovereign-debt yields continued to climb. | [Click for more info.](#)

Oil prices edge lower after U.S. inventories build

Oil prices dipped on Thursday, with Brent edging away from the psychologically important \$70 level after easing in the previous session on data showing a surprise build in U.S. inventories. | [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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