

April 5,  
2019

## Economy News

### FATF clearance must for IMF loan

#### Economy | **Negative**

Pakistan is on a tight rope, as unless the FATF (Financial Action Task Force) clears Pakistan, the International Monetary Fund (IMF) will not extend any bailout package to wriggle the country out of economic quagmire. (The News) | [Click for more info.](#)

### Pakistan's GDP growth to fall behind Nepal, Maldives this year: UN

#### Economy | **Negative**

The annual Economic and Social Survey of Asia and the Pacific 2019 titled 'Ambitions beyond Growth', released by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) on Thursday, forecast Pakistan's GDP to remain lowest in the region at 4.2 per cent in 2019 and 4pc in 2020 compared to Bangladesh's 7.3pc, India 7.5pc, Maldives and Nepal 6.5pc each in 2019. (Dawn) | [Click for more info.](#)

### SBP, dealers meet to contain rise in dollar rate

#### Economy | **Neutral**

The State Bank held another meeting with exchange companies on Thursday to check increase in dollar rate in the open market. The interbank rate on Thursday was quoted as Rs141.50 while the greenback disappeared in the kerb. (Dawn) | [Click for more info.](#)

### Broadening tax base: Nadra data to be employed to carry out '360-degree' analysis

#### Economy | **Neutral**

Minister of State for Revenue Muhammad Hammad Azhar Thursday said the actionable data of National Database & Registration Authority (Nadra) would be used to carry out a '360-degree' analysis of the non-filers for bringing them into the tax net. (BR) | [Click for more info.](#)

### Forex reserves rise to \$17.397 billion

#### Economy | **Positive**

Pakistan's foreign exchange reserves rose to \$17.397 billion in the week ended March 29 from \$15.473 billion in the previous week, the central bank said on Thursday. The reserves held by the State Bank of Pakistan (SBP) increased to \$10.492 billion, compared with \$8.560 billion in the preceding week. (The News) | [Click for more info.](#)

## Oil & Gas

### OGRA jacks wellhead gas price up to 34.9pc for Jan-July

#### SSGC, SNGP | **Positive**

The Oil and Gas Regulatory Authority (Ogra) has increased wellhead gas price up to 34.9 percent for 22 gas fields with effect from January 2019. On the basis of revised wellhead prices, gas utilities ie Sui Southern Gas Company (SSGC) and Sui Northern Gas Company have already filed request to OGRA. (The News) | [Click for more info.](#)

## Power

### Neptra approves power tariff hike by Re 0.81/unit

#### IPPs | **Positive**

National Electric Power Regulatory Authority (Neptra) on Thursday approved an increase of Re 0.81 per electricity unit for power Distribution Companies (Discos) for February 2019 under monthly fuel price adjustment mechanism. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,810.4	27,429.0	-381.4	-1.4%
KSE100	38,022.8	37,516.1	-506.7	-1.3%
KSE30	17,988.2	17,736.4	-251.8	-1.4%
KMI30	62,531.1	61,476.9	-1054.2	-1.7%

### Top Five Gainers

	Open	Close	Chg.	%
SRVI	703.5	738.6	35.2	5.0%
SHEZ	462.4	480.0	17.6	3.8%
APL	389.1	394.2	5.1	1.3%
SIEM	725.0	729.9	4.9	0.7%
SHEL	258.4	262.4	4.1	1.6%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITYR1	3.4	3.9	0.5	37.53
WTL	1.1	1.1	0.0	10.43
KEL	5.2	5.1	-0.1	8.77
BOP	12.8	12.9	0.0	7.62
MLCF	36.6	35.9	-0.6	6.85

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.04	0.00	0.04
F-Corp.	3.90	-5.34	-1.44
O/S Pak	1.42	-0.77	0.65
Net	5.36	-6.11	-0.75
<b>LIPI</b>			
Indv.	17.63	-17.65	-0.02
Cos.	1.77	-0.71	1.06
Banks	1.71	-0.51	1.20
NBFC	0.01	-0.47	-0.45
M-Funds	2.41	-1.86	0.55
Other	0.31	-0.43	-0.12
Broker	4.67	-5.24	-0.56
Insur.	1.47	-2.38	-0.91
<b>Net</b>	29.99	-29.24	0.75

Source: NCCPL

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	62.05	-0.1%
Brent oil	USD/bbl.	69.16	-0.3%
Gold	USD/t oz.	1290.55	-0.1%
Silver	USD/t oz.	15.13	-0.1%
Coal	USD/ton	68.45	2.8%
Steel Scrap (LME)	USD/ton	316.00	-0.3%
Steel Rebar (LME)	USD/ton	486.00	0.7%
USD/PKR	Interbank	141.52	0.0%

Source: Bloomberg/SBP

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

Research Team

[research@abaalihabib.com](mailto:research@abaalihabib.com)

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106

## KE receivables surge to Rs 158.8 Bn: SSGC

**KEL | Negative**

The Sui Southern Gas Company (SSGC) issued a statement stating that the actual outstanding amounts KE owes to SSGC, 'a Public Sector Gas Utility Company' supplying gas to KE to meet energy needs of Karachi despite the fact that KE is one of the major defaulters of SSGC; the outstanding as of 31 March 2019 is Rs. 92 Billion (out of which Rs. 62 billion is Late Payment Surcharge). Out of 2.8 million customers, KE is the only customer in SSGC franchise area where no GSA exist with SSGC except for 10 MMCFD gas despite the fact that SSGC is supplying 180 MMCFD gas to KE. (Daily Times) | [Click for more info.](#)

## Autos

**Action to be taken against car assemblers charging premium**

**Autos | Negative**

The federal cabinet has decided to take strict measures against local car assemblers for allegedly charging premium (on money) from customers over and above the invoiced price. (BR) | [Click for more info.](#)

## Cement

**Cement dispatches drop 6pc to 4.340mln tons in March**

**Cement | Negative**

Total cement dispatches in March 2019 decreased to 4.340 million tons, as compared to 4.652 million tons in the same month last year, posting a decline of six percent year-on-year, owing to a drop in demand, a latest tally showed on Thursday. (The News) | [Click for more info.](#)

## Miscellaneous

**Shifa Int to issue 12pc shares to IFC**

**SHFA | Positive**

Shifa International Hospitals Ltd informed the stock exchange that its board had recommended issue of 12 per cent company shares to the International Finance Corporation (IFC). (Dawn) | [Click for more info.](#)

**PM calls meeting to review prices of food, pharmaceuticals**

**Economy | Positive**

Prime Minister Imran Khan would chair a meeting on Monday to review the supply and prices of food commodities and pharmaceuticals in the country after inflation rate had touched five years highest level. (The Nation) | [Click for more info.](#)

**Tax ratio to be reduced by equating property rates with market value**

**Economy | Neutral**

Terming former finance minister Ishaq Dar an 'economic hitman', Minister of State for Revenue Hammad Azhar has said the government would not introduce fresh tax amnesty for declaration of foreign and domestic assets through promulgation of an ordinance. (The News) | [Click for more info.](#)

**Govt to amend Foreign Exchange Regulations Act 1947**

**Economy | Neutral**

The government is planning to amend Foreign Exchange Regulations Act (Fera) 1947 to regulate outflow of funds through foreign currency accounts and local transportation of foreign exchange through greater clarity to the legal system. (Dawn) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
US - Dow 30	26,384.6	166.50	0.64%
KSA - Tadawul	9,063.9	78.40	0.87%
CHINA - Shanghai	3,246.6	30.28	0.94%
INDONESIA - IDX	6,494.6	18.56	0.29%
Taiwan - TWII	10,704.4	14.08	0.13%
US - S&P 500	2,879.4	5.99	0.21%
PHILP - PSEi	7,854.1	-40.93	-0.52%
HK - Hang Seng	29,936.3	-50.07	-0.17%
INDIA - SENSEX	38,684.7	-192.40	-0.49%
PAK (KSE-100)	37,516.1	-506.69	-1.33%

Source: Investing.com

### Board Meetings

Script	Day	Agenda	Time
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
SHNI	MONDAY	Ann. A/c Dec-31, CY'18	10:00 AM
UVIC	MONDAY	Ann. A/c Dec-31, CY'18	11:30 AM
WTL	TUESDAY	Ann. A/c Dec-31, CY'18	3:00 PM
NRL	THURSDAY	3Q. A/c Mar-31, FY'18	10:30 AM
ACPL	THURSDAY	3Q. A/c Mar-31, FY'18	12:00 PM
ATRL	THURSDAY	3Q. A/c Mar-31, FY'18	1:00 PM
POL	THURSDAY	3Q. A/c Mar-31, FY'18	3:00 PM
APL	THURSDAY	3Q. A/c Mar-31, FY'18	4:00 PM

Source: PSX Announcement



## Political News

### **If Islamabad does not change policy towards Kabul, Pak-US ties won't improve: Khalilzad**

The US Special Representative for Afghanistan Reconciliation, Zalmay Khalilzad, on Thursday warned Pakistan to change its policy towards Afghanistan; otherwise, "Islamabad and Washington's ties will not improve". (The News) | [Click for more info.](#)

### **India ready for another strike against Pakistan**

Indian Prime Minister Narendra Modi on Tuesday held meetings with National Security Adviser Ajit Doval and other dignitaries from the defence ministry, over its readiness to initiate war against Pakistan. (The News) | [Click for more info.](#)

### **COAS holds important meeting with PM**

Chief of Army Staff (COAS) General Qamar Javed Bajwa had an important meeting with Prime Minister Imran Khan here at the Prime Minister Office (PMO) Thursday. (The News) | [Click for more info.](#)

### **Zardari threatens protest against govt**

Pakistan Peoples' Party (PPP) Co-Chairman Asif Ali Zardari said Thursday that he had already warned that they wanted to roll back the 18th amendment but some friends did not believe and some others considered it a joke. (BR) | [Click for more info.](#)

## International News

### **Stocks Edge Up With Treasury Yields on Trade News: Markets Wrap**

Japanese shares and American equity futures edged up alongside Treasury yields following remarks out of both the U.S. and China that progress is being made in trade talks. Asian trading volumes were muted, with China and Hong Kong shut for a holiday. (Bloomberg) | [Click for more info.](#)

### **Oil prices fall, Brent drops away from \$70**

Oil prices fell on Friday, with Brent slipping away from the \$70 mark after briefly rising above that level in the previous session, as traders fretted about progress in U.S.-China talks to end a trade war. (Reuters) | [Click for more info.](#)



## Disclaimer

This report has been prepared by Aba Ali Habib Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Aba Ali Habib Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Aba Ali Habib Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents.

In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Aba Ali Habib Securities' Research Department and do not necessarily reflect those of the company or its directors. Aba Ali Habib as a firm may have business relationships, including investment- banking relationships, with the companies referred to in this report. Aba Ali Habib Securities or any of its officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the subject company, may have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company, may serve or may have served in the past as a director or officer of the subject company, may have received compensation from the subject company for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from the subject company for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the subject company.

All rights reserved by Aba Ali Habib Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Aba Ali Habib Securities. Action could be taken for unauthorized reproduction, distribution or publication.

## 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.

## Analyst Certification <sup>AC</sup>

The research Analyst(s) hereby certify that the views about the company/companies and the security/securities discussed in this report accurately reflect his or her or their personal views and that s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

## THE TEAM

### CEO

Zahid Ali Habib  
[Zahid@abaalihabib.com](mailto:Zahid@abaalihabib.com)  
(021) 32425022

### RESEARCH TEAM

**Contact:** (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst  
[zubair@abaalihabib.com](mailto:zubair@abaalihabib.com)

Zoha Amjad – Research Analyst  
[Zoha.amjad@abaalihabib.com](mailto:Zoha.amjad@abaalihabib.com)

Ayesha Abid – Research Analyst  
[ayesha.abid@abaalihabib.com](mailto:ayesha.abid@abaalihabib.com)

### SALES TEAM

Zaheer Ahmed - Head of Equity Sales & Business Dev.  
[Zaheer.ahmed@abaalihabib.com](mailto:Zaheer.ahmed@abaalihabib.com)  
(021) 32418693-94

Hafsa Kamani- Assistant Manager Equity Sales  
[Hafsa.Kamani@abaalihabib.com](mailto:Hafsa.Kamani@abaalihabib.com)  
(021) 32431925

Syed Khalid Ahmed - Equity Trader  
[Syedkhalid@abaalihabib.com](mailto:Syedkhalid@abaalihabib.com)  
(021) 32429664

Muhammad Faisal - Equity Trader  
[faisal@abaalihabib.com](mailto:faisal@abaalihabib.com)  
(021) 32464835

### Office (PSX Building)

Room # 419, 419 A & 421, 4<sup>th</sup> Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi

Contact: 021-32429665

Cell: [+92 3312766771](tel:+923312766771)



[https://twitter.com/Aba\\_Ali\\_Habib](https://twitter.com/Aba_Ali_Habib)



<https://www.facebook.com/aah162>



<https://www.linkedin.com/company/aba-ali-habib-securities/>