



February  
7, 2019

## Economy News

**Govt. makes 3rd revision to overseas certificate terms**

**Economy | Positive**

The federal government has increased up to 1.25 per cent the penalty for the premature encashment of the Pakistan Banao Certificates – dollar investment certificates recently launched for overseas Pakistanis. | [Click for more info.](#)

**UNCTAD estimates \$1bn in export gains for Pakistan**

**Economy | Positive**

US-China's trade tiff is expected to pave way for Pakistan to have export gains of around one billion dollars, the United Nations said, indicating a good omen for the economy struggling to increase foreign inflows. | [Click for more info.](#)

**First meeting of ninth NFC award begins: Provinces too will take part in IMF talks**

**Economy | Neutral**

A meeting of the National Finance Commission (NFC) has agreed to include the provinces in the process of dialogue with International Monetary Fund (IMF) for fiscal targets over the medium-term. | [Click for more info.](#)

## Oil & Gas

**Govt. 'discreetly' increases levy on POL products by Rs22 per litre**

**Oil | Negative**

The Ministry of Finance has 'secretly' jacked up petroleum levy (PL) on oil prices by up to Rs22 per litre in an apparent bid to collect additional revenue of approximately Rs32 billion for the month of February, Pakistan Today has learnt on Wednesday. | [Click for more info.](#)

**Pakistan signs \$10bn gas pipeline agreement with Russia**

**Economy | Positive**

As a major sign of increasing economic cooperation, Pakistan and Russia on Wednesday signed an inter corporate agreement for the laying of more than 1,500 km offshore gas pipeline costing \$10 billion that would be transporting natural gas from the Russian gas company Gazprom's sources in the Middle East to Pakistan with possibility of extending it further to South Asian countries. | [Click for more info.](#)

**External auditor to scrutinize excessive gas billing**

**SNGP | Negative**

The Cabinet Committee on Energy (CCoE) on Wednesday decided to conduct an independent audit of excessive billing by gas utilities through an external auditor, Ferguson. | [Click for more info.](#)

**PLL invites bids for supply of six LNG cargos in May & June**

**Economy | Positive**

Pakistan LNG Limited (PLL) has invited bids for the supply of six cargoes of liquefied natural gas to the country apparently to meet gas demand of 4800-megawatt RLNG-run power plants in upcoming months of May and June, said sources. | [Click for more info.](#)

## Power

**Despite hurdles, Chinese firm keen to take over K-Electric**

**KEL | Positive**

Despite a long delay due to bureaucratic hurdles in some areas, Shanghai Electric Power (SEP) is still keen to acquire K-Electric, which may prove to be a game changer in efforts to transform Karachi's power infrastructure in line with international standards for a smooth electricity supply. | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,107.8	30,046.9	-60.9	-0.2%
KSE100	41,614.4	41,505.7	-108.7	-0.3%
KSE30	19,999.5	19,937.4	-62.1	-0.3%
KMI30	69,798.7	69,626.0	-172.6	-0.2%

### Top Five Gainers

	Open	Close	Chg.	%
RMPL	6,810.0	7,150.0	340.0	5.0%
UPFL	7,350.0	7,625.0	275.0	3.7%
NESTLE	8,900.0	9,000.0	100.0	1.1%
INDU	1,244.7	1,287.0	42.3	3.4%
BATA	1,570.1	1,593.0	23.0	1.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
FCCL	22.2	22.8	0.5	17.54
MLCF	46.8	48.0	1.2	9.64
DGKC	91.6	93.7	2.1	8.77
BOP	13.8	13.6	-0.2	7.54
PIBTL	12.7	12.4	-0.3	6.10

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.03	-0.14	-0.12
F-Corp.	7.03	-1.24	5.79
O/S Pak	2.67	-1.94	0.73
Net	9.73	-3.32	6.40
<b>LIPI</b>			
Indv.	51.74	-54.27	-2.53
Cos.	3.15	-4.27	-1.12
Banks	1.25	-2.01	-0.76
NBFC	0.37	-0.17	0.21
M-Funds	3.64	-7.06	-3.42
Other	0.58	-1.13	-0.55
Broker	15.02	-15.64	-0.62
Insur.	6.09	-3.70	2.40
<b>Net</b>	<b>81.85</b>	<b>-88.25</b>	<b>-6.40</b>

Source: NCCPL

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	53.83	-0.3%
Brent oil	USD/bbl.	62.40	-0.5%
Gold	USD/t oz.	1304.40	-0.2%
Silver	USD/t oz.	15.66	-0.1%
Coal	USD/ton	86.60	-0.5%
Steel Scrap (LME)	USD/ton	330.00	0.3%
Steel Rebar (LME)	USD/ton	482.00	2.1%
USD/PKR	Interbank	138.44	0.0%

Source: Bloomberg/SBP

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

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سرمایہ کاری سمجھداری کے ساتھ

## Cabinet likely to approve multipronged strategy to deal with circular debt IPPs | Positive

The federal cabinet is all set to approve a multipronged strategy to rid the power sector of its whopping Rs807 billion circular debt and clear the Net Hydel Profit (NHP) claims of all provinces. | [Click for more info.](#)

## Cement

### Domestic uptake of cement nosedived in January 2019

#### Cement | Negative

Cement sector posted double digit decline of 10.70 percent in growth in the month of January compared with corresponding month raising alarm bells among producers sitting on huge production capacity. Data released by the All Pakistan Cement Manufacturers Association (APCMA) reveals that the cement industry despatched 3.646 million tons in January 2019 against despatches of 4.083 million tons of the commodity despatched in January 2018. | [Click for more info.](#)

## Banks

### NBP launches govt. securities plan

#### NBP | Neutral

NBP Fund Management Limited (NBP Funds) on Wednesday announced the launch of NBP Government Securities Plan – I with the objective of providing attractive returns to investors along with capital preservation at the maturity of the plan. | [Click for more info.](#)

## Miscellaneous

### PIA business plan to be ready by March

#### PIA | Positive

Authorities concerned on Wednesday apprised Prime Minister Imran Khan that a comprehensive business plan for the Pakistan International Airlines (PIA) will be ready by the end of March. | [Click for more info.](#)

### Government to release Rs 7 billion advertisements: minister

#### Economy | Neutral

Federal Minister for Information and Broadcasting, Fawad Chaudhry Wednesday said that the government has changed advertisement policy and will give around Rs 7 billion advertisements this year. | [Click for more info.](#)

### No change in policy on foreign shareholding

#### Economy | Neutral

Abdul Razak Dawood, adviser to the prime minister on commerce, has cleared the confusion caused by a recent statement by some authorities, and confirmed that there is no change in government policy on 100 percent foreign shareholding allowed in legal entities incorporated in Pakistan. | [Click for more info.](#)

## Political News

### Govt wants Shahbaz to quit position of PAC chief

Some two months after the election of Shahbaz Sharif as chairman of the Public Accounts Committee (PAC), the Pakistan Tehreek-i-Insaf-led government on Wednesday called for his resignation. | [Click for more info.](#)

### TLP registration, funding sources case hearing adjourned till 25th

The Election Commission of Pakistan on Wednesday adjourned the hearing of a case relating to registration and funding sources of the Tehreek-i-Labbaik Pakistan (TLP) till Feb 25 as nobody turned up to represent the party before an ECP bench. | [Click for more info.](#)

## World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	41,505.7	-108.71	-0.3%
INDIA - SENSEX	36,975.2	358.42	1.0%
HK - Hang Seng	27,990.2	59.47	0.2%
CHINA - Shanghai	2,618.2	33.66	1.3%
Taiwan - TWII	9,932.3	12.12	0.3%
INDONESIA - IDX	6,547.9	66.43	1.0%
PHILIP - PSEI	8,058.5	-11.03	-0.1%
KSA - Tadawul	8,633.3	9.41	0.1%
US - Dow 30	25,390.3	-21.22	-0.1%
US - S&P 500	2,731.6	-6.09	-0.2%

Source: Investing.com

## Board Meetings

Scrip	Day	Agenda	Time
AWWAL	THURSDAY	HY A/c - Dec. 31, FY'19	10:30 AM
MWMP	THURSDAY	Ann A/c - Jun-30 - FY'18	10:30 AM
EFOODS	THURSDAY	Ann A/c - Dec-31 - CY'18	03:00 PM
DWAE	THURSDAY	A/c's From 2013 to 2017	3:30 PM
HTL	THURSDAY	HY A/c - Dec. 31, FY'19	4:00 PM
EFERT	FRIDAY	Ann A/c - Dec-31 - CY'18	9:30 AM
JLICL	FRIDAY	Ann A/c - Dec-31 - CY'18	10:00 AM
EFUL	FRIDAY	Ann A/c - Dec-31 - CY'18	11:00 AM
EFUG	SATURDAY	Ann A/c - Dec-31 - CY'18	10:30 AM

Source: PSX Announcement



## International News

### U.S. oil prices dip on rising crude inventories, record output

U.S. oil prices dipped on Thursday after U.S. crude inventories rose and as production levels in the country stayed at record levels, but OPEC-led supply cuts and the crisis in Venezuela supported markets. | [Click for more info.](#)

### Asia Stocks Mixed Amid Earnings; Dollar Holds Gain: Markets Wrap

Stocks in Asia traded mixed Thursday after U.S. shares slipped amid disappointing earnings in the technology sector. The dollar built on its recent rally and Treasuries ticked higher. | [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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