



November
8, 2019

Economy News

No relaxation, no waivers as IMF concludes review

Economy | Neutral Power | Negative

Concluding the first quarterly review on a successful note, the International Monetary Fund (IMF) has asked the government to definitely achieve the revenue target, keep a cap on issuing new guarantees and put into effective implementation the circular debt reduction strategy. (Dawn) | [Click for more info.](#)

Money sent, property purchased abroad not illegal: FBR

Economy | Neutral

The wish for bringing back billions of dollars stashed abroad and getting due taxes in the aftermath of PanamaLeaks has lost its steam as the FBR has fetched a meagre tax of over Rs5 billion from 325 biggest cases for owning income up to \$1 million abroad. (The News) | [Click for more info.](#)

Money laundering, terror financing; SBP helps MFBS strengthen internal controls, NA panel told

Economy | Positive

The State Bank of Pakistan (SBP) has provided active guidance to Microfinance Banks (MFBS) to further strengthen their internal controls and deterrence towards money laundering, terrorist financing and other related unlawful activities. (BR) | [Click for more info.](#)

Pakistan's FATF blues not over yet

Economy | Neutral

Pakistan may remain on the Financial Action Task Force (FATF) grey list for a protracted period, as it may be handed over yet another action plan for implementation for one to three years on the basis of a recently-approved Mutual Evaluation Report (MER), said Federal Minister for Economic Affairs Hammad Azhar on Thursday. | [Click for more info.](#)

Public debt up 4.59 percent to Rs33.247 trillion in July-September

Economy | Negative

Pakistan's public debt increased 4.59 percent to Rs33.247 trillion in the first quarter of the current fiscal year, central bank data showed on Thursday, mainly on the back of lower revenues and increased financing needs of the government. Public debt stood at Rs31.786 trillion at the end of June 2019. The stock of government domestic debt rose 9.25 percent to Rs22.649 trillion till the end of September. However, external debt fell 4.13 percent to Rs10.598 trillion. (The News) | [Click for more info.](#)

Forex reserves rise to \$15.517bn

Economy | Positive

Pakistan's foreign exchange reserves increased to \$15.517 billion in the week ended November 1 from \$15.089 billion a week ago, the central bank said on Thursday. The foreign exchange reserves held by the State Bank of Pakistan rose \$443 million \$8.357 billion. However, the forex reserves of commercial banks fell to \$7.160 billion from \$7.175 billion. (The News) | [Click for more info.](#)

Power

Sindh govt orders K-Electric to pay Rs61.28m stamp duty fee

KEL | Negative

In an effort to recover the outstanding dues from different organisations, the Sindh government has ordered K-Electric Limited to pay at least Rs61.28 million under the head of stamp duty. Moreover, a penalty of Rs30.64 million has also been imposed on the power utility for hiding the details of the paid stamp duty. (PT) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	25,551.2	25,616.9	65.7	0.3%
KSE100	35,653.3	35,758.5	105.2	0.3%
KSE30	16,606.5	16,646.4	39.9	0.2%
KMI30	58,392.6	58,435.0	42.4	0.1%

Top Five Gainers

	Open	Close	Chg.	%
PAKT	2,393.0	2,500.0	107.0	4.5%
BATA	1,568.0	1,646.4	78.4	5.0%
INDU	1,039.5	1,091.4	51.9	5.0%
SRVI	824.5	865.7	41.2	5.0%
COLG	1,951.0	1,988.0	37.0	1.9%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.5	1.7	0.2	45.81
PAEL	20.1	20.1	0.0	16.72
ICIBL	0.8	0.9	0.1	13.67
HUMNL	2.5	2.8	0.3	11.91
MLCF	20.1	19.6	-0.5	11.55

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.01	-0.12	-0.11
F-Corporates	7.50	-4.41	3.08
O/S Pakistanies	1.91	-1.71	0.19
Net	9.41	-6.25	3.16

LIPI

Individuals	42.55	-43.70	-1.15
Companies	1.26	-3.44	-2.18
Comm. Banks	1.31	-1.34	-0.03
NBFC	0.01	-0.07	-0.06
Mutual Funds	3.59	-2.99	0.60
Other	0.15	-0.99	-0.84
Brokers Proprietary	11.85	-12.17	-0.33
Insurance	2.92	-2.09	0.83
Net	63.64	-66.80	-3.16

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	56.92	-0.4%
Brent oil	USD/bbl.	62.17	-0.2%
Gold	USD/t oz.	1468.87	0.0%
Silver	USD/t oz.	17.04	-0.4%
Coal	USD/ton	69.30	0.1%
Steel Scrap (LME)	USD/ton	269.00	0.4%
Steel Rebar (LME)	USD/ton	423.00	0.8%
USD/PKR	Interbank	155.80	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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ECC to decide on LNG plants fuel offtake commitments

Power | Neutral

The government has called an urgent meeting of the Economic Coordination Committee (ECC) of the Cabinet on a single-point agenda to remove the condition of 66 per cent compulsory utilisation of Liquefied Natural Gas (LNG) by two mega power projects for facilitate their privatisation as required under the International Monetary Fund programme. (Dawn) | [Click for more info.](#)

NAB given Dasu project's documents

Power | Neutral

Ministry of Water Resources has handed over the documents of Dasu Hydropower Project to National Accountability Bureau (NAB) due to financial implications associated with the land acquisition price having escalated by 1000 percent. (BR) | [Click for more info.](#)

CPEC includes Kashmir hydropower project

Economy, Power | Neutral

Pakistan and China have agreed to include 700 megawatts of Azad Pattan hydropower project under the China-Pakistan Economic Corridor (CPEC) framework. This project would be financed through Chinese currency. (The News) | [Click for more info.](#)

Miscellaneous

Telecom imports surges to \$375.221m in July-Sept

Tech. & Communication | Neutral

Pakistan's telecom imports surged to \$375.221 million in July-Sept 2019, which are higher by 14.21 percent, official figures say. Increase in telecom imports now stands at \$46.68 million in July-Sept 2019 from \$328.541 million in July-Sept 2018. (BR) | [Click for more info.](#)

There's no decision of CCI regarding GIDC levy, SC notes

Fertilizer | Neutral

The Supreme Court Thursday noted there was no decision of the Council of Common Interests (CCI) regarding Gas Infrastructure Development Cess (GIDC). During the proceeding, Makhdoom Ali Khan, a senior lawyer who represented CNG stations, informed the court that GIDC issue was never laid before the CCI. (BR) | [Click for more info.](#)

Leather exports increase 10pc

Leather | Positive

Leather Manufactures exports from the country during first quarter of current financial year grew by 10.41 percent as compared the exports of the corresponding period of last year. (The Nation) | [Click for more info.](#)

LTU Karachi's revenue up 16pc despite economic slowdown

Economy | Positive

Large Taxpayers Unit (LTU) Karachi has registered a 16 percent increase in revenue collection during the first four months of the current fiscal year of 2019/20 despite contraction in large scale manufacturing and slowdown in economic activities. (The News) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	40,653.7	183.96	0.45%
US - Dow 30	27,674.8	182.24	0.66%
HK - Hang Seng	27,847.2	158.59	0.57%
PAK (KSE-100)	35,758.5	105.19	0.29%
KSA - Tadawul	7,798.3	48.99	0.63%
PHILP - PSEi	8,073.8	47.93	0.60%
US - S&P 500	3,085.2	8.40	0.27%
CHINA - Shanghai	2,978.7	0.12	0.00%
Taiwan - TWII	11,606.6	-46.51	-0.40%
INDONESIA - IDX	6,165.6	-51.92	-0.84%

Source: Bloomberg

Board Meetings

Scrip	Day	Agenda	Time
HACC	MONDAY	1A/C - 30SEP19	10:30 AM
HCAR	THURSDAY	HYA/C - 30SEP19	11:00 AM

Source: PSX Announcement



Political News

Azadi March: PM Imran should step down and go home: Maulana Fazlur Rehman

JUI-F chief Maulana Fazlur Rehman on Thursday said that Prime Minister Imran Khan should tender resignation and go home, as there is no need of any further negotiations. (The News) | [Click for more info.](#)

Nawaz agrees to travel abroad for medical treatment

Former prime minister and Pakistan Muslim League (PML-N) supreme leader Nawaz Sharif has reportedly acceded to doctors' advice and family's persuasion to go abroad for treatment of his diseases. (Dawn) | [Click for more info.](#)

International News

Oil Pares Weekly Gain as Investors Weigh Trade Deal Progress

Oil pared a weekly gain as investors weighed signs of progress in the prolonged U.S.-China trade war that's undermined global crude demand. (Bloomberg) | [Click for more info.](#)

Asia Stocks Mixed; Japan Bond Yields Edge Up: Markets Wrap

Asian stocks were mixed Friday and U.S. equity futures edged lower as the risk-on mood that's permeated global financial markets this week showed signs of abating. Benchmark Japanese bond yields inched toward an exit from negative territory. (Bloomberg) | [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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