

## Economy News

### Pakistan's GDP growth may slow down to 3.4%: World Bank

Economy | Negative

Pakistan's public debt would jump to 17 years highest level of 82.3 per cent of the size of its economy and budget deficit is projected to be over Rs2.6 trillion by the end of the current fiscal year, says a new report of the World Bank. | [Click for more info.](#)

### Asad to hold crucial talks on IMF package in US this week

Economy | Neutral

Pakistan is likely to hold crucial discussions on an IMF bailout package this week when Finance Minister Asad Umar arrives in Washington to attend the spring meetings of the World Bank group, which includes the International Monetary Fund. | [Click for more info.](#)

### IMF deal to be inked by month end: Asad

Economy | Positive

Finance minister said the economic package would be finalized in principle with the fund during spring meetings (April 12-14) of the World Bank and IMF in Washington where he would hold discussions with the Fund authorities. This would be followed by an IMF mission's visit to Pakistan to formally conclude a programme for signing. The finance minister said he would share the medium-term macroeconomic framework with the Standing Committee of the National Assembly on Finance and Revenue on Monday to explain the government's economic roadmap over the next few years. | [Click for more info.](#)

### Pakistan, IMF at odds over Rs5.4tr tax collection target

Economy | Negative

Pakistan and the International Monetary Fund (IMF) have been unable to sort out differences over the fiscal policy because of the latter's demand that the federal tax collection be increased to nearly 13% of the size of the country's economy within a year. | [Click for more info.](#)

### SBP official creates stir with FATF remarks

Economy | Positive

A high-ranking official of the State Bank of Pakistan (SBP) created a stir on social media with remarks given to a regional newspaper, which quoted him saying "Pakistan will be out of grey list by September 2019". The remarks were given to the UAE-based daily, Khaleej Times, which headlined them as "Pakistan to be out of FATF's grey list by September: Central Bank". | [Click for more info.](#)

### Overseas investors propose aligning corporate income tax with average rate in Asia

Economy | Neutral

The Overseas Investors Chamber of Commerce and Industry (OICCI) on Saturday proposed to align the effective corporate income tax rate with the average tax rate of countries in Asia, which is around 22 percent. | [Click for more info.](#)

### Maturity of international bond: Pakistan to pay back \$1.129 bn next week

Economy | Negative

Pakistan will have to pay back over \$1.129 billion next week on maturity of five year international bond at a time when the country's net international reserves had already fallen into negative. | [Click for more info.](#)

## Pakistan Stock Exchange Overview

|         | Open     | Close    | Chg.  | %    |
|---------|----------|----------|-------|------|
| KSE All | 27,429.0 | 27,506.6 | 77.6  | 0.3% |
| KSE100  | 37,516.1 | 37,521.8 | 5.7   | 0.0% |
| KSE30   | 17,736.4 | 17,734.6 | -1.8  | 0.0% |
| KMI30   | 61,476.9 | 61,630.5 | 153.6 | 0.2% |

## Top Five Gainers

|        | Open    | Close   | Chg.  | %    |
|--------|---------|---------|-------|------|
| NESTLE | 7,064.4 | 7,294.4 | 230.0 | 3.3% |
| ILTM   | 1,767.0 | 1,849.0 | 82.0  | 4.6% |
| PAKT   | 2,582.8 | 2,615.2 | 32.4  | 1.3% |
| SRVI   | 738.6   | 762.7   | 24.1  | 3.3% |
| MARI   | 1,187.7 | 1,204.7 | 17.0  | 1.4% |

## Top Five Volume Leaders

|         | Open | Close | Chg. | Vol.  |
|---------|------|-------|------|-------|
| ILP     | 46.1 | 46.2  | 0.0  | 14.32 |
| UNITYR1 | 3.9  | 3.8   | -0.2 | 13.74 |
| KEL     | 5.1  | 5.2   | 0.1  | 7.77  |
| WTL     | 1.1  | 1.1   | 0.0  | 7.23  |
| PAEL    | 22.0 | 22.2  | 0.2  | 3.87  |

## Portfolio Investments—Net Position

| FIFI        | Buy   | Sell   | Net   |
|-------------|-------|--------|-------|
| F-Ind.      | 0.00  | -0.01  | 0.00  |
| F-Corp.     | 0.37  | -3.04  | -2.67 |
| O/S Pak     | 1.59  | -0.82  | 0.78  |
| Net         | 1.96  | -3.86  | -1.89 |
| <b>LIFI</b> |       |        |       |
| Indv.       | 18.13 | -15.92 | 2.21  |
| Cos.        | 2.11  | -1.45  | 0.66  |
| Banks       | 0.97  | -0.45  | 0.52  |
| NBFC        | 0.02  | -0.42  | -0.40 |
| M-Funds     | 1.97  | -1.98  | -0.01 |
| Other       | 0.21  | -1.01  | -0.80 |
| Broker      | 5.07  | -6.79  | -1.71 |
| Insur.      | 5.22  | -3.80  | 1.42  |
| Net         | 33.71 | -31.81 | 1.89  |

Source: NCCPL

## Commodity Outlook

|                   | Unit      | Close   | % chg. |
|-------------------|-----------|---------|--------|
| Crude oil         | USD/bbl.  | 63.46   | 0.6%   |
| Brent oil         | USD/bbl.  | 70.71   | 0.5%   |
| Gold              | USD/t oz. | 1296.26 | 0.3%   |
| Silver            | USD/t oz. | 15.18   | 0.5%   |
| Coal              | USD/ton   | 69.65   | 1.8%   |
| Steel Scrap (LME) | USD/ton   | 315.00  | -0.3%  |
| Steel Rebar (LME) | USD/ton   | 483.00  | -0.6%  |
| USD/PKR           | Interbank | 141.49  | 0.0%   |

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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## PTI govt's first tax amnesty scheme ready for launch

### Economy | Positive

The Pakistan Tehreek-i-Insaf (PTI) government has almost finalized its first tax amnesty scheme to provide people with the means to legitimise all kinds of offshore and onshore undeclared assets at the rates of five to 10 per cent. | [Click for more info.](#)

## Govt mulling 75% rebate for Benami asset holders

### Economy | Neutral

Prime Minister Imran Khan has endorsed, in principle, the Assets Declaration Scheme wherein the government is considering offering Benami asset holders an opportunity to regularise their properties by paying 25 per cent of the total worth of the assets. | [Click for more info.](#)

## Public debt up 13.89pc to Rs27.574 trillion in eight months

### Economy | Negative

Pakistan's public debt rose 13.89 percent to Rs27.574 trillion in the first eight months of fiscal year 2018/19, the central bank data revealed on Friday as the government tries to cope with strains on its finances and bridge its growing budget deficit. Public debt stood at Rs24.212 trillion at the end of June 2018. Fresh public debt increased to Rs22.906 trillion till the end of February last year. | [Click for more info.](#)

## Oil & Gas

### SNGPL seeks Rs 723.37 per/mmbtu increase in normal business

### SNGP | Positive

Sui Northern Gas Pipelines Limited (SNGPL) has sought an increase of Rs 723.37 per mmbtu in normal business (including LPG), Rs 80.84 per mmbtu in LNG business relating to diversion of RLNG to domestic consumers in winter of financial year 2018-19, and determination of Rs 111.32 per mmbtu in LNG business as cost of supply in Estimated Revenue Requirements (ERR) for the financial year 2019-20. | [Click for more info.](#)

## Next fiscal year 2019-20: 3,720MMCFD gas deficit projected: report

### Economy | Negative

The Oil and Gas Regulatory Authority (Ogra) has projected 3,720MMCFD gas deficit in the next financial year 2019-20 in its report for the fiscal year 2017-18 entitled "State of the Regulated Petroleum Industry." | [Click for more info.](#)

## PD asked to explore possibility of procuring LNG from SFD

### Economy | Positive

Petroleum Division is reportedly has been asked to explore the possibility of LNG procurement through Saudi Fund for Development (SFD), sources close to Petroleum Minister told. | [Click for more info.](#)

## Azerbaijan willing to give oil, gas to Pakistan on deferred payment

### Economy | Positive

Federal Minister for Energy and Petroleum Ghulam Sarwar Khan has said Pakistan is aggressively exploring oil and gas sources both offshore and otherwise. | [Click for more info.](#)

## Power

### Subsidy burden put on power distribution companies

### KEL, IPPs | Negative

The Pakistan Tehreek-e-Insaf (PTI) government has shifted the burden of Rs3-per-unit subsidy being given to industrial consumers to power distribution companies, including K-Electric. | [Click for more info.](#)

## World Indices

|                  | Last     | Chg.   | Chg. % |
|------------------|----------|--------|--------|
| INDIA - SENSEX   | 38,862.2 | 177.51 | 0.46%  |
| US - Dow 30      | 26,425.0 | 40.36  | 0.15%  |
| CHINA - Shanghai | 3,246.6  | 30.28  | 0.94%  |
| PHILIP - PSEi    | 7,873.2  | 19.05  | 0.24%  |
| Taiwan - TWII    | 10,704.4 | 14.08  | 0.13%  |
| US - S&P 500     | 2,892.7  | 13.35  | 0.46%  |
| PAK (KSE-100)    | 37,521.8 | 5.70   | 0.02%  |
| INDONESIA - IDX  | 6,474.0  | -20.61 | -0.32% |
| HK - Hang Seng   | 29,936.3 | -50.07 | -0.17% |
| KSA - Tadawul    | 9,011.1  | -52.77 | -0.58% |

Source: Investing.com

## Board Meetings

| Scrip | Day      | Agenda                 | Time     |
|-------|----------|------------------------|----------|
| 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

## CCoE hails Power Division: Line losses cut by Rs 6 billion, recoveries up Rs 13 billion

### Power | Positive

A meeting of the Cabinet Committee on Energy has appreciated the performance of the Power Division in reducing the line losses by Rs 6 billion and improving recoveries by Rs 13 billion in three months from November 2018 to January 2019 when there was a continuous increase in circular debt. | [Click for more info.](#)

## Power sector payables reach Rs807bn

### Power | Negative

Despite the incumbent government's efforts to increase the power sector collection, the payables of the sector reached Rs807 billion as of December 2018. | [Click for more info.](#)

## Autos

### Auto financing shrinks sharply amid rising interest rates

### Autos | Negative

Amid rising interest rates and the declining value of rupee, the share of financing in total auto sales has decreased to 20 per cent from the 30-35pc in the last fourteen months. | [Click for more info.](#)

## Crisis-hit tractor industry shifts focus to exports

### MTL, AGTL | Negative

Pakistan's tractor manufacturing industry, which is facing a crisis-like situation in the country due to a slowdown in sales, has turned its focus towards exports in a bid to make up for the shortfall in the domestic market. | [Click for more info.](#)

## Cement

### Cement manufacturers ask government to place anti-dumping duty on Iranian cement

### Cement | Neutral

The Pakistani cement is facing difficulties in finding market access to Afghanistan, because total exports share of Afghan market has dropped to 24 percent in 8MFY19 from over 54 percent in FY2007. The reason is that Afghanistan has opened doors to other countries including Iran which has a huge overcapacity of cement production. | [Click for more info.](#)

## Pharmaceutical

### DRAP suspends production of 31 pharmaceuticals on overpricing

### Pharmaceutical | Negative

The Drug Regulatory Authority of Pakistan (Drap) has suspended production of 31 manufacturers on unauthorised increase in maximum retail prices of 143 medicines, a statement said on Saturday. | [Click for more info.](#)

## Miscellaneous

### PIA raises baggage fees above private carriers

### PIAA | Neutral

Pakistan International Airlines (PIA), on Sunday, raised its prices for baggage, nearly doubling it as compared to private airlines. From April 1, the flagship carrier is charging a fixed price of Rs 5,000 on luggage over the allowed 20 kilograms on domestic flights. The new increase means that the PIA would charge Rs 250 per kilogram on extra luggage. Previously, it was charging Rs 100 for the same. | [Click for more info.](#)

## Nishat Dairy all set to give milk processing giants a run for their money

FFL, EFOODS | **Negative**

Pakistan's dairy market is going to witness an intense competition next year as Nishat Dairy (Pvt) Ltd is poised to launch premium quality milk brand in collaboration with SÜTAS, one of Turkey's largest dairy companies. | [Click for more info.](#)

## Govt. urged to defer 2nd phase of China-Pakistan free trade agreement

Economy | **Negative**

Businessmen and industrialists on Friday urged the government to defer the second phase of China-Pakistan free trade agreement for some period to scrutinize the reasons behind gigantic bilateral trade deficit that reached \$17 billion a year in the first phase. | [Click for more info.](#)

## Political News

### India planning 'military action' against Pakistan this month, discloses foreign minister

In the run-up to India's elections this week, Foreign Minister Shah Mahmood Qureshi made a startling revelation on Sunday that Delhi was planning more military action against Pakistan in the third week of April and called on the international community to reprimand India for its irresponsible conduct. | [Click for more info.](#)

### Zardari confident parties will back PPP march against PTI govt

Pakistan Peoples Party (PPP) Co-chairman Asif Ali Zardari on Saturday said other political forces would support his party when it marches on Islamabad against the Pakistan Tehreek-e-Insaf (PTI) government. | [Click for more info.](#)

## International News

### Asia Stocks Mixed; Crude Oil Climbs on Libya: Markets Wrap

Asian stocks kicked off the week in mixed fashion after U.S. equities neared all-time highs Friday on positive signs from the American labor market. Oil rose as fighting in Libya raised the risk of supply outages. | [Click for more info.](#)

### Oil hits November 2018 highs amid OPEC supply cuts, U.S. sanctions

Oil prices rose to five-month highs on Monday, driven up by OPEC's ongoing supply cuts, U.S. sanctions against Iran and Venezuela and healthy U.S. jobs data. | [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 FCFF based DCF methodology.

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