



April 17,  
2020

## Economy News

**Monetary policy: SBP cuts interest rate by a significant 200bps to 9%**

**Economy | Positive**

In yet another emergency meeting, the State Bank of Pakistan has slashed the interest rate by a significant 200 basis points to 9% on Thursday. "Since the last Monetary Policy Committee (MPC) meeting, the global and domestic outlook has further deteriorated," the central bank said in a statement (ET) | [Click for more info.](#)

**IMF okays over \$1.3bn aid to help Pakistan**

**Economy | Positive**

In a major support to shore up the declining reserves following the outflow of hot money, the International Monetary Fund (IMF) on Thursday night approved the disbursement of \$1.386 billion to Pakistan under the Rapid Financing Instrument (RFI) to address the economic impact of the Covid-19 shock. "The Executive Board of the IMF approved a purchase of Pakistan under the RFI equivalent to SDR 1,015.5 million (\$1.386 billion, 50 per cent of quota) to meet the urgent balance of payments needs stemming from the outbreak of the Covid-19 pandemic," the IMF said in a statement. (Dawn) | [Click for more info.](#)

**Good news for Pak economy: One-year breather for paying back loans**

**Economy | Positive**

Prime Minister Imran Khan Thursday appreciated the debt relief measures by G20 countries, the International Monetary Fund (IMF) and the World Bank for developing countries, including Pakistan providing one-year breather for Pakistan for paying back loans. (The News) | [Click for more info.](#)

**Investment policy for pension funds revised; Maturity period for govt Ijarah Sukuk fixed at 5 years**

**Economy | Neutral**

The Securities and Exchange Commission of Pakistan (SECP) has revised investment policy for pension funds, according to which the time of maturity of any government Ijarah Sukuk shall not exceed five years in case of Shariah-compliant money market sub-fund. In case of Shariah-compliant money market sub-fund the time to maturity of any government Ijarah Sukuk shall not exceed five years. (BR) | [Click for more info.](#)

**PIB yields decline sharply**

**Economy | Positive**

Pakistan investment bonds' yields fell sharply as investors expected a further rate cut in interest rates by the central bank to limit the impact of the pandemic on the economy, analysts said. The government raised Rs106.52 billion through an auction of PIBs. (The News) | [Click for more info.](#)

**Reserves up by \$307m to \$17.296bn**

**Economy | Positive**

The country's total liquid foreign reserves increased by \$307 million during the last week. (BR) | [Click for more info.](#)

## Power

**Govt on back foot as IPPs decry media trial**

**IPPs | Neutral**

The Independent Power Producers (IPPs) on Thursday asked the government to focus on loss reduction, recoveries, fuel price rationalising and taxes with major impact on capacity payments as the government called another 50 renewable sector investors to seek discounts. Informed sources said that the committee apparently distanced itself from findings of an inquiry committee on IPPs when the sponsors protested over their 'media trial' followed by dialogue for price cuts. (Dawn) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	22,188.3	22,398.2	209.9	0.9%
KSE100	31,242.2	31,329.5	87.3	0.3%
KSE30	13,761.4	13,746.4	-15.0	-0.1%
KMI30	49,187.0	49,424.2	237.1	0.5%

### Top Five Gainers

	Open	Close	Chg.	%
COLG	1,881.0	2,022.0	141.0	7.5%
PMPK	1,970.0	2,098.9	129.0	6.5%
PAKT	1,579.0	1,680.0	101.0	6.4%
SAPL	695.8	747.9	52.2	7.5%
NESTLE	5,560.0	5,600.0	40.0	0.7%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
MLCF	23.1	23.4	0.3	14.79
UNITY	10.3	10.8	0.5	10.90
HASCOL	14.5	14.2	-0.2	7.23
EPCL	27.7	26.7	-1.0	5.21
LOTCEM	10.2	9.8	-0.4	4.98

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.04	-0.05	-0.01
F-Corporates	0.94	-3.02	-2.08
O/S Pakistanies	1.32	-1.49	-0.16
<b>Net</b>	2.30	-4.55	-2.25
<b>LIPI</b>			
Individuals	26.95	-25.89	1.06
Companies	1.16	-0.40	0.76
Comm. Banks	0.52	-0.32	0.20
NBFC	0.01	-0.01	0.01
Mutual Funds	0.99	-1.60	-0.61
Other	0.30	-0.44	-0.15
Brokers Proprietary	5.29	-5.38	-0.09
Insurance	1.36	-0.29	1.07
<b>Net</b>	36.57	-34.32	2.25

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	19.88	0.1%
Brent oil	USD/bbl.	27.82	0.5%
Gold	USD/t oz.	1717.70	0.0%
Silver	USD/t oz.	15.50	0.2%
Coal	USD/ton	59.45	1.5%
Steel Scrap (LME)	USD/ton	250.00	-1.2%
Steel Rebar (LME)	USD/ton	414.00	-0.7%
USD/PKR	Interbank	167.03	0.0%

**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

MORNING BRIEFING



## Autos

**AI-Ghazi Tractors resumes operations**

**AGTL | Neutral**

AI-Ghazi Tractors Limited has resumed its plant operations on Thursday. (BR) | [Click for more info.](#)

**Indus Motors shuts its production plant down**

**INDU | Negative**

The Indus Motors Company has announced to shut its production plant down as per the federal government's ordinance and advisory. Through a public notice, the company also announced to revise the prices of its products and vehicle range citing international economic conditions and fluctuation in the forex index. (PT) | [Click for more info.](#)

## Textile

**Hafeez assures businesses of comprehensive relief package**

**Textile | Positive**

The government on Thursday assured retailers and industrialists that their difficulties would be addressed through a comprehensive relief package including possible waiver of tax discounts. (Dawn) | [Click for more info.](#)

**Refund claims; FBR directs completion of processing before 20th**

**Textile | Positive**

The Federal Board of Revenue (FBR) has directed all the chief commissioners, Inland Revenue, to complete processing of the refunds claims before 20th April 2020 in view of the sensitivity of COVID19 relief package implementation. (BR) | [Click for more info.](#)

**MoF-FBR body to resolve liquidity issues; Refunds held up since 2014 to be paid next week: Hafeez**

**Textile | Neutral**

Adviser to the Prime Minister on Finance, Dr Abdul Hafeez Shaikh Thursday assured the industry and businesses of the government's resolve to provide liquidity, cash flow and other allied issues to ease their difficulties in the prevailing situation and work in this regard was started with the release of more than Rs115 billion of the sales tax and income tax refunds as well as duty drawbacks held up for years. (BR) | [Click for more info.](#)

## Miscellaneous

**Export of textile masks, sanitisers allowed**

**Economy | Positive**

The government has decided to allow export of textile masks and sanitisers, Adviser on Commerce Razak Dawood told Dawn on Thursday. An official order to this effect will be issued in next few days. The adviser said the decision was taken in a meeting of National Command and Operation Centre (NCO) of the National Coordination Committee. (Dawn) | [Click for more info.](#)

**Tax department collects Rs970bln in nine months**

**Economy | Neutral**

Large Taxpayers Unit (LTU) Karachi collected Rs970 billion during the first nine months of the current fiscal year, up 12 percent despite economic slowdown as tough tax measures appeared to yield positive outcome, sources said on Thursday. (The News) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	30,602.6	222.80	0.73%
PAK (KSE-100)	31,329.5	87.27	0.28%
US - Dow 30	23,537.7	33.33	0.14%
US - S&P 500	2,799.6	16.19	0.58%
CHINA - Shanghai	2,819.9	8.77	0.31%
Taiwan - TWII	10,375.5	-71.73	-0.69%
HK - Hang Seng	24,006.5	-138.89	-0.58%
INDONESIA - IDX	4,480.6	-145.30	-3.14%
KSA - Tadawul	6,631.7	-181.98	-2.67%
PHILP - PSEi	5,525.6	-420.45	-7.07%

### Board Meetings

Scrip	Day	Agenda	Time
BWHL	FRIDAY	3QA/C FY'20	11:00 AM
HMB	FRIDAY	1QA/C FY'20	3:00 PM
SIBL	SATURDAY	1QA/C FY'20	12:00 PM
EFERT	MONDAY	1QA/C FY'20	10:00 AM
FCCL	MONDAY	3QA/C FY'20	10:30 AM
ICIBL	MONDAY	3QA/C FY'20	10:30 AM
ICI	MONDAY	3QA/C FY'20	12:00 PM
IBLHL	MONDAY	3QA/C FY'20	12:00 PM
MCBAH	MONDAY	3QA/C FY'20	3:00 PM
CYAN	MONDAY	1QA/C FY'20	3:30 PM
MODAM	MONDAY	3QA/C FY'20	3:30 PM
RMPL	MONDAY	1QA/C FY'20	7:00 PM



## Political News

### [Sindh govt to review proposals for market reopening](#)

Provincial Minister Saeed Ghani on Thursday said the proposals regarding reopening of shops will be reviewed by the Chief Minister Sindh's Task Force. (Dawn)

[Click for more info.](#)

## International News

### [Oil little changed, U.S. ties 18-year low after OPEC cuts demand forecast](#)

Oil prices ended little changed on Thursday after OPEC's lowering of its global demand forecast for 2020 was offset by some European countries saying they would relax coronavirus restrictions, pointing to a potential rebound in consumption. (Reuters)

[Click for more info.](#)

### [Asian stocks set to rise as markets brace for China GDP data](#)

Asian stocks look set to bounce on Friday to recover towards a one-month high as investors, following Wall Street's lead overnight, sought silver linings in a run of data that showed the world is in its worst recession in decades. (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)

Radha Krishan Khatri – Research Analyst  
[rk.khatri@abaalihabib.com](mailto:rk.khatri@abaalihabib.com)

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

### SALES TEAM

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

Salman Ahmed - Head of Retail Sales  
(021) 32412491

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/>