



February
18, 2020

Economy News

FATF demands tightening of laws against terror financing

Economy | Neutral

The Financial Action Task Force (FATF) has expressed satisfaction over the steps taken by Pakistan to curb terror financing and demanded that the country further tightens its laws to bring individuals involved in money laundering and terror financing to task. (ET) | [Click for more info.](#)

FATF: Primary challenges for govt at crucial Paris plenary

Economy | Neutral

The primary challenges for the government in the ongoing crucial plenary meeting of the Financial Action Task Force (FATF) in Paris would be to convince the meeting on the sustainability of actionable measures against proscribed individuals and organizations. (BR) | [Click for more info.](#)

Deferment of increase in taxes & energy tariffs; IMF turns down govt request

Economy | Negative

The government's request to defer additional taxation measures as well as an increase in energy tariffs till next fiscal year was not acceptable to the staff of the International Monetary Fund (IMF) during its recent second mandatory review mission of the US\$ 6 billion Extended Fund Facility (EFF). (BR) | [Click for more info.](#)

FDI surges 65.7 percent to \$1.563 billion in July-January FY20

Economy | Positive

Pakistan's foreign direct investment (FDI) jumped 65.7 percent to \$1.563 billion in the seven months of the current fiscal year, the central bank data showed on Monday. (The News) | [Click for more info.](#)

Government's external debt and liabilities rise by 12% YoY

Economy | Negative

Government's total external debt and liabilities increased to \$111 billion by the end of December 2019, showing an increase of 12% YoY. This figure was accounted for 39.5% of the total GDP. (PT) | [Click for more info.](#)

Power

Govt looking for ways to avoid power tariff hike

Power | Neutral

The government is working on a plan for charging electricity to consumers at annualized average rates for a period of about 18 months with the consent of stakeholders including the International Monetary Fund (IMF). (Dawn) | [Click for more info.](#)

Power Division tells Senate body; Circular debt increases by Rs134bn in current fiscal year

Power | Negative

The Power Division on Monday informed the Senate Standing Committee on Power that the current fiscal year had seen an increase of Rs 134 billion in circular debt that could reach to Rs 300 billion, if timely measures were not taken. The officials of the Power Division said the circular debt has been decreased from Rs34 billion to Rs12-14 billion per month. According to the briefing, the government has to provide subsidy of Rs 43 billion for six months to tackle circular debt. An amount of Rs802 billion of the circular debt is with power holding companies, the committee was informed. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,015.8	28,002.7	-13.1	0.0%
KSE100	40,243.3	40,276.9	33.7	0.1%
KSE30	18,598.7	18,604.0	5.4	0.0%
KMI30	64,061.5	63,717.4	-344.1	-0.5%

Top Five Gainers

	Open	Close	Chg.	%
COLG	2,100.0	2,150.0	50.0	2.4%
SRVI	931.6	970.7	39.1	4.2%
SHEZ	416.0	435.0	19.0	4.6%
JLICL	400.0	419.0	19.0	4.8%
WAHN	206.7	220.1	13.4	6.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITY	13.1	13.8	0.8	16.26
DGKC	68.1	66.6	-1.5	9.13
HASCOL	22.3	22.5	0.2	7.91
HBL	162.3	169.0	6.7	4.52
PIBTL	11.2	11.1	-0.1	4.16

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	1.14	-2.39	-1.25
O/S Pakistanies	1.47	-1.53	-0.07
Net	2.61	-3.93	-1.32
LIPI			
Individuals	23.10	-22.82	0.28
Companies	0.75	-2.29	-1.53
Comm. Banks	1.76	-3.31	-1.55
NBFC	0.01	0.00	0.01
Mutual Funds	1.74	-2.12	-0.38
Other	3.64	-0.13	3.51
Brokers Proprietary	6.34	-6.14	0.20
Insurance	3.49	-2.71	0.78
Net	40.84	-39.52	1.32

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	52.05	0.0%
Brent oil	USD/bbl.	57.67	0.6%
Gold	USD/t oz.	1581.13	-0.2%
Silver	USD/t oz.	17.69	-0.3%
Coal	USD/ton	84.90	-0.1%
Steel Scrap (LME)	USD/ton	272.50	0.6%
Steel Rebar (LME)	USD/ton	425.00	0.0%
USD/PKR	Interbank	154.40	-0.1%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106



12 firms shortlisted to bid for RLNG power plants

Power | Neutral

Government has shortlisted 12 investors for the privatization of 2,400 megawatts of RLNG-run power plants with the bidding scheduled to kick off in the mid April this year, privatization minister on Monday. (The News) | [Click for more info.](#)

Dasu hydropower project to start electricity generation in 2024

Power | Neutral

WAPDA Chairman Lt-Gen (Retd) Muzammil Hussain has said that construction work on Dasu Hydropower Project was gaining momentum and it will start electricity generation in the second half of the year 2024. WAPDA spokesman said here on Monday that all six units of the Stage-I with cumulative generation capacity of 2160-MW would be completed by early 2025. (BR) | [Click for more info.](#)

Banks

HBL to complete NY branch 'voluntary' closure next month

HBL | Neutral

Habib Bank Limited (HBL) on Monday said it will complete the voluntary closure of its New York branch in March this year in compliance with the US banking regulations, but continue to use correspondent banking network for foreign transactions. (The News) | [Click for more info.](#)

Remittance growth credit positive for Pakistani banks

Banks | Positive

Rating agency Moody's has termed growth in remittances in Pakistan as credit positive for banks, saying foreign inflows improve their access to low-cost and stable deposits. Moody's, citing the State Bank of Pakistan's (SBP) data, said workers' remittances showed a 4pc year-on-year increase in the monthly average so far during the current fiscal year of 2019/20. (The News) | [Click for more info.](#)

FCY loan; FIs can raise additional Tier 1 capital: SBP

Banks | Neutral

The State Bank of Pakistan (SBP) has allowed financial institutions to raise additional Tier 1 capital in the form of Foreign Currency (FCY) subordinated loan from their existing foreign sponsors. (BR) | [Click for more info.](#)

Miscellaneous

Textile exports go up by 4pc

Textile | Positive

Textile exports marginally increased around four percent year-on-year to \$8 billion in the first seven months of the current fiscal year as value-added exports showed sign of improvement during the period, official data showed on Monday. Pakistan Bureau of Statistics said textile exports amounted to \$7.8 billion in the corresponding period a year earlier. (The News) | [Click for more info.](#)

Australian government approved development grant for Pakistan

Economy | Positive

Australia has approved development grant for Pakistan for Rural Areas of the country. Australia will provide grant worth 1.2 million dollars to Pakistan under Successful and Inclusive Rural Regional Transformation Programme. (Times of Islamabad) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	27,959.6	144.00	0.52%
CHINA - Shanghai	2,983.6	66.61	2.28%
PHILP - PSEi	7,326.9	44.85	0.62%
KSA - Tadawul	7,872.6	35.59	0.45%
PAK (KSE-100)	40,276.9	33.67	0.08%
US - S&P 500	3,380.2	6.22	0.18%
INDONESIA - IDX	5,867.5	0.57	0.01%
US - Dow 30	29,398.1	-25.23	-0.09%
Taiwan - TWII	11,763.5	-52.19	-0.44%
INDIA - SENSEX	41,055.7	-202.05	-0.49%

Board Meetings

Scrip	Day	Agenda	Time
BIFO	TUESDAY	HY A/C - 31DEC'19	11:00 AM
EMCO	TUESDAY	HY A/C - 31DEC'19	11:00 AM
KOHE	TUESDAY	HY A/C - 31DEC'19	11:00 AM
OLPL	TUESDAY	HY A/C - 31DEC'19	11:00 AM
PSO	TUESDAY	HY A/C - 31DEC'19	12:30 PM
SPLC	TUESDAY	HY A/C - 31DEC'19	2:00 PM
ASL	TUESDAY	HY A/C - 31DEC'19	3:30 PM
UBL	WEDNESDAY	ANN A/C - 31DEC'19	9:00 AM
HBL	WEDNESDAY	ANN A/C - 31DEC'19	10:00 AM
INDU	WEDNESDAY	HY A/C - 31DEC'19	10:00 AM
GHNL	WEDNESDAY	HY A/C - 31DEC'19	11:00 AM
HAL	WEDNESDAY	HY A/C - 31DEC'19	11:00 AM
IBFL	WEDNESDAY	HY A/C - 31DEC'19	4:00 PM
ADMM	WEDNESDAY	HY A/C - 31DEC'19	6:00 PM
MUGHAL	FRIDAY	HY A/C - 31DEC'19	3:30 PM
GWLC	FRIDAY	HY A/C - 31DEC'19	4:00 PM
MCSBAH	FRIDAY	HY A/C - 31DEC'19	4:00 PM
ALTN	FRIDAY	HY A/C - 31DEC'19	4:30 PM
HTL	FRIDAY	HY A/C - 31DEC'19	4:30 PM
BNWM	SATURDAY	HY A/C - 31DEC'19	10:00 AM
ECOP	SATURDAY	HY A/C - 31DEC'19	10:00 AM
AHCL	SATURDAY	HY A/C - 31DEC'19	11:00 AM
FCIBL	SATURDAY	HY A/C - 31DEC'19	11:30 AM
SPEL	SUNDAY	HY A/C - 31DEC'19	4:00 PM



Toxic gas tragedy; Cargo movements at ports stay suspended

PIBTL | Negative

All inward and outward movements of cargos at Karachi ports remained suspended Monday as Pakistan Customs has shut all its operations after its four customs officials fell unconscious due to mysterious toxic gas leakage. (BR) | [Click for more info.](#)

PSM mulling partial revival of operations: official

Economy | Neutral

Pakistan Steel Mills (PSM) is planning to reactivate some of its mills/facilities to generate revenues until a strategic partner agrees to take control of the country's only mill that can convert iron ore into steel, an official said on Monday. (The News) | [Click for more info.](#)

Political News

Senators assail IMF for trying to dictate foreign policy

The International Monetary Fund (IMF) came under fire in the Senate on Monday for "attempts to dictate foreign policy" to Pakistan, with opposition lawmakers urging the government to disclose what had been agreed with the fund's team which recently visited the country. (Dawn) | [Click for more info.](#)

US for improved Pak-Afghan ties for peace in region

United States Special Representative for Afghanistan Reconciliation Zalmay Khalilzad has called for better ties between Islamabad and Kabul to achieve peace in region. (Daily Times) | [Click for more info.](#)

International News

Asia Stocks, U.S. Futures Drop After Apple Warning: Markets Wrap

Asian stocks fell with U.S. futures after Apple Inc. said quarterly sales would miss forecasts, illustrating the blow to corporate earnings and economic growth from the deadly coronavirus. (Bloomberg) | [Click for more info.](#)

Oil prices slip as coronavirus concerns linger

Oil prices slipped on Tuesday on lingering concerns over the economic impact of the coronavirus outbreak in China and its effect on oil demand, tracking losses in financial markets. (Reuters) | [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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THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst
zubair@abaalihabib.com

Radha Krishan Khatri – Research Analyst
rk.khatri@abaalihabib.com

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

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

Salman Ahmed - Head of Retail Sales
(021) 32412491

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Office (PSX Building)

Room # 419, 419 A & 421, 4th Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi
Contact: 021-32429665
Cell: [+92 3312766771](tel:+923312766771)



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