

April 11,
2019

Economy News

IMF sees sharp jump in fiscal deficit, debt

Economy | **Negative**

The International Monetary Fund (IMF) on Wednesday forecast Pakistan's fiscal deficit continuously elevated at close to 8pc and deteriorating debt-to-GDP ratio to reach 86pc over the next five years. | [Click for more info.](#)

Net debt to increase to 72.7 percent of GDP: IMF

Economy | **Negative**

The report forecasts Pakistan's budget deficit at 7.2 percent for 2019 and 8.7 percent for 2020; and projected an increase in gross government debt for Pakistan from 72.1 percent of GDP in 2018 to 77 percent in 2019 and to 79.1 percent in 2020. The IMF report has projected net debt of Pakistan to increase to 72.7 percent of the GDP in 2019 and 75.3 percent in 2020 against 67.2 percent in 2018. | [Click for more info.](#)

Asad meets World Bank president, US treasury secretary

Economy | **Positive**

Finance Minister Asad Umar on Wednesday met the World Bank Group President David R Malpass and senior officials of the International Monetary Fund on Wednesday as part of an effort to seek a three-year bailout package. The finance minister, who reached Washington on Tuesday, said at a news briefing in Islamabad last week that he hopes to finalise the proposed IMF package during his two-day visit to Washington. | [Click for more info.](#)

Against IMF demand of Rs5,460 bn: FBR proposes govt. to fix target of Rs5,040 bn in next fiscal

Economy | **Positive**

Amid lingering controversy over demand of massive fiscal adjustments from the IMF for striking staff-level agreement with Pakistan, the FBR has proposed to the government for fixing its target in the range of Rs5.1 trillion in the next budget 2019-20 against revised estimates of Rs4.1 trillion for the outgoing financial year. | [Click for more info.](#)

Exports, imports decline in March

Economy | **Neutral**

Country's exports and imports during March 2019 witnessed a decline of 11.13 percent and 20.88 percent, respectively, if compared with March 2018, said Pakistan Bureau of Statistics (PBS). | [Click for more info.](#)

July-March remittances post 9 percent growth

Economy | **Positive**

Inflows of workers remittances posted a healthy growth of 9 percent during the first nine months (July-March) of this fiscal year. Overseas Pakistani workers remitted \$16.096 billion in July to March of FY19 compared with \$14.803 billion received during the same period in the preceding year of FY18, showing a growth of 8.74 percent or \$1.293 billion. | [Click for more info.](#)

PSDP may be jacked up from Rs675 bn to Rs1,000 bn in budget

Economy | **Positive**

The Ministry of Planning is all set to ask the government to jack up proposed size of Public Sector Development Programme (PSDP) from Rs675 billion to Rs1,000 billion for the upcoming budget in order to cater requirement on infrastructure front. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,237.0	26,929.9	-307.2	-1.1%
KSE100	37,130.0	36,579.3	-550.7	-1.5%
KSE30	17,577.6	17,259.9	-317.8	-1.8%
KMI30	60,664.9	59,391.0	-1273.9	-2.1%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	7,488.7	7,768.0	279.3	3.7%
ATLH	360.0	375.0	15.0	4.2%
JLICL	335.0	346.4	11.4	3.4%
APL	397.6	402.1	4.6	1.1%
SHSML	87.0	91.0	4.1	4.7%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITYR1	2.8	2.3	-0.5	25.52
WTL	1.2	1.0	-0.2	17.99
KEL	5.3	5.0	-0.3	11.58
MLCF	32.7	31.0	-1.6	7.30
TRG	21.2	20.2	-1.1	5.57

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.02	-0.02	0.00
F-Corp.	1.98	-4.16	-2.17
O/S Pak	1.05	-0.95	0.10
Net	3.05	-5.13	-2.07
LIPI			
Indv.	20.50	-22.50	-2.00
Cos.	4.65	-1.69	2.97
Banks	2.05	-1.01	1.04
NBFC	0.16	-0.04	0.12
M-Funds	2.58	-3.47	-0.89
Other	0.19	-0.07	0.12
Broker	7.06	-6.99	0.07
Insur.	2.18	-1.53	0.65
Net	39.37	-37.30	2.07

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	64.36	-0.4%
Brent oil	USD/bbl.	71.58	-0.2%
Gold	USD/t oz.	1306.79	-0.1%
Silver	USD/t oz.	15.21	-0.2%
Coal	USD/ton	70.45	-0.8%
Steel Scrap (LME)	USD/ton	312.00	-1.3%
Steel Rebar (LME)	USD/ton	486.00	-0.4%
USD/PKR	Interbank	141.51	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106

MORNING BRIEFING

Oil & Gas

All is not well in OGDCL

OGDC | Negative

Though the oil and gas regulatory authority, Oil and Gas Development Company Ltd (OGDCL), is facing a dozen of cases both in NAB and FIA, but still all is not well in the public sector exploration and production entity as it has in a latest activity allegedly awarded a contract of millions of dollars to a Chinese rig company negating the PPRA rules raising eyebrows of many, reveal the documents and background interviews of the relevant officials. | [Click for more info.](#)

Gas prices may go up by 20-42pc from July 1

Gas | Negative

The top mandarins of the Petroleum Division are currently engaged on the gas pricing formula to be effective from July 1, 2019, as existing one is based on 7 slabs with no benefits that exposed the end consumers to inflated gas bills by 100-200 percent in the months of January and February. | [Click for more info.](#)

Power

Two Thar coal power plants opened: Those who claimed, failed to deliver, says Bilawal

ENGRO | Positive

The Pakistan People's Party (PPP) Chairman Bilawal Bhutto Zardari on Wednesday termed the Thar coal power plant a "pride for all of Pakistan" and said the entire country would benefit from the electricity generated by the plant. | [Click for more info.](#)

Autos

Auto sales up by 2 percent

Autos | Positive

The auto sales are up by 2 percent YoY in March 2019 led by higher sales from Pak Suzuki Motor Company (PSMC), according to Toplevel. The auto sales clocked in at 185,000 units in 9MFY19, down by 4 percent YoY. This decline can be attributed to slowdown in economy & rise in recent car prices. | [Click for more info.](#)

Pharmaceutical

PM orders drug prices be reversed within 72 hours

Pharmaceutical | Negative

Provincial Housing Minister Mian Mahmoodur Rasheed talked to the media and said the cases the Sharifs are facing at present are old, now new cases against them will be opened. He said the prime minister has ordered immediate action against drug dealers and withdrawal in increase of medicines in 72 hours. Earlier, the PM ordered stern action against corrupt and inefficient bureaucrats and directed his ministers to lead from the front in Punjab. He also promised a revolution in Punjab through an effective local government system being introduced by the PTI government. | [Click for more info.](#)

Banks

Banks to continue facing headwinds in 2019-20

Banks | Negative

Pakistan's banking sector will continue to face headwinds in 2019 and 2020 on the back of rising interest rates and slowing economic growth, warned Fitch Solutions on Wednesday. | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PHILP - PSEI	8,008.5	92.90	1.17%
KSA - Tadawul	9,077.2	29.62	0.33%
Taiwan - TWII	10,868.1	16.54	0.15%
US - S&P 500	2,888.2	10.01	0.35%
US - Dow 30	26,157.2	6.58	0.03%
CHINA - Shanghai	3,241.9	2.27	0.07%
INDONESIA - IDX	6,478.3	-6.02	-0.09%
HK - Hang Seng	30,119.6	-37.93	-0.13%
INDIA - SENSEX	38,585.4	-353.87	-0.91%
PAK (KSE-100)	36,579.3	-550.65	-1.48%

Source: Investing.com

Board Meetings

Scrip	Day	Agenda	Time
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
SEPL	FRIDAY	3Q. A/c Mar-31, FY'18	10:00 AM

Source: PSX Announcement



Bank Alfalah, UPI sign agreement to launch MoneyExpress

BAFL | Positive

UnionPay International (UPI) and Bank Alfalah have signed an agreement to launch MoneyExpress in Pakistan. MoneyExpress, powered by UnionPay, is an easy way to send money electronically to anyone in Pakistan with a UnionPay card. | [Click for more info.](#)

Miscellaneous

Donations for dams funds: SC apprised of 3 options for investment

Economy | Neutral

Additional Attorney General Khurram Saeed, on behalf of State Bank of Pakistan, informed a five-member larger bench that there are three options to invest the money collected so far for Diamer-Bhasha and Mohmand Dams. First is treasury bill, which is for six months to three-year periods and its interest rates are 10.2 percent to 10.5 percent depending upon the period. Second is Pakistan Investment Bond that is of 3, 5 and 10-year tenor and its interest rates are 12.2%, 12.5% and 12.9%, while the third option is National Saving certificates. | [Click for more info.](#)

Government considering clearing outstanding amounts of duty drawback

Textile | Positive

The government is seriously considering clearing outstanding amounts of duty drawback of exporters including Drawback of Local Taxes and Levies (DLTL) scheme through issuance of bonds from the FBR Refund Settlement Company (Private) Limited. | [Click for more info.](#)

Political News

Aggression to push region towards instability: FM

Foreign Minister Makhdoom Shah Mahmood Qureshi has said Pakistan reserves the right to defend itself in case of any aggression by India. | [Click for more info.](#)

Foreign diplomats, media get access to Balakot seminary

In an effort to further expose Indian lies and fabrications over its February 26 violation of Pakistan airspace, foreign journalists and diplomats were provided rare access to the scene of New Delhi's aerial intrusion near the Balakot district of Khyber Pakhtunkhwa. | [Click for more info.](#)

Imran Khan will have to go home: Zardari

Indicating his party's intent to oust the Pakistan Tehreek-e-Insaf government from the centre, Pakistan People's Party (PPP) Co-chairman Asif Ali Zardari Wednesday said that Prime Minister Imran Khan will have to go home. | [Click for more info.](#)

International News

Asia Stocks Trade Mixed; Bonds Steady After Gains: Markets Wrap

Asian stocks traded mixed Thursday after the Federal Reserve did little to alter investor expectations that interest rates in the U.S. are likely on hold for the remainder of this year. Treasuries steadied. | [Click for more info.](#)

Oil prices dip on surging U.S. crude stockpiles

Oil prices fell on Thursday after U.S. crude stockpiles surged to their highest levels in almost 17 months amid record production. | [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

Zoha Amjad – Research Analyst
Zoha.amjad@abaalihabib.com

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

SALES TEAM

Zaheer Ahmed - Head of Equity Sales & Business Dev.
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Hafsa Kamani- Assistant Manager Equity Sales
Hafsa.Kamani@abaalihabib.com
(021) 32431925

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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