



April 12,
2019

Economy News

Third FATF implementation report to be submitted on April 15

Economy | Neutral

Pakistan will present an implementation report on its action plan to the Financial Action Task Force (FATF) on April 15, the third of four such reports to be presented to the global financial watchdog before its review of Islamabad's performance in June this year. | [Click for more info.](#)

IMF, World Bank urge caution with China loans

Economy | Neutral

The rising influence of lending by China to developing nations is increasingly under the spotlight amid concerns the growing debt burden and onerous conditions could sow the seeds of a crisis. The global development lenders, the International Monetary Fund and World Bank, are calling for more transparency about loan amounts and terms, and cautioning governments against relying too much on debt. | [Click for more info.](#)

World Bank appreciates reform process

Economy | Positive

World Bank (WB) President David Malpass has appreciated the reform process the Pakistani government had initiated in the country and assured continued support from the bank. | [Click for more info.](#)

PM assures maximum facilitation of Chinese companies in Pakistan

Economy | Neutral

Prime Minister Imran Khan said on Thursday that the government accorded top priority to the China-Pakistan Economic Corridor (CPEC), as it would not only help in translating the all-weather Pak-China relations into a mutually beneficial economic equation but would also open new vistas of opportunities for the entire region. | [Click for more info.](#)

ADB harnesses CPEC-CAREC synergy to enhance regional trade

Economy | Positive

The Asian Development Bank (ADB) has stepped up efforts to augment regional trade through harnessing synergy between the two corridor projects. ADB Country Head Yang Xiaohong various efforts are going on under the Central Asia Regional Economic Cooperation (CAREC) to promote regional integration and create economic values for member countries. | [Click for more info.](#)

Staff level agreement with IMF: Govt may hike tax rate, cut exemptions

Economy | Negative

The government is left with no option but to explore the possibilities of hiking tax rates, especially the GST, removing exemptions and slashing down expenditures in budget 2019-20 for striking a staff level agreement with the IMF. | [Click for more info.](#)

Government shelves \$3bn sovereign bond issuance plan

Economy | Negative

Cash-strapped Pakistan has shelved a plan to raise \$3 billion through sovereign bonds, fearing tepid appetite in the international market, but it still banks on yaun-denominated panda debt and IMF's bailout to support its dwindling foreign reserves, sources said on Thursday. | [Click for more info.](#)

Development spending dips to Rs449bn in nine months

Economy | Negative

The government has disbursed about Rs449 billion for development programme on completion of first three quarters of 2018-19, down 26 per cent, from Rs607bn in same period last year. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	26,929.9	27,070.3	140.4	0.5%
KSE100	36,579.3	36,787.6	208.3	0.6%
KSE30	17,259.9	17,379.0	119.2	0.7%
KMI30	59,391.0	59,950.2	559.3	0.9%

Top Five Gainers

	Open	Close	Chg.	%
UPFL	6,250.0	6,500.0	250.0	4.0%
SIEM	720.0	745.0	25.0	3.5%
NESTLE	7,768.0	7,789.1	21.1	0.3%
ARPL	493.0	503.6	10.6	2.2%
POML	200.5	210.5	10.0	5.0%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TRG	20.2	20.1	-0.1	11.86
FCCL	16.8	16.2	-0.6	11.56
MLCF	31.0	29.5	-1.5	11.41
KEL	5.0	5.1	0.1	11.12
WTL	1.0	1.1	0.1	9.79

Portfolio Investments – Net Position

	Buy	Sell	Net
FIPI			
F-Ind.	0.07	0.00	0.07
F-Corp.	2.80	-4.87	-2.07
O/S Pak	1.23	-1.50	-0.27
Net	4.10	-6.37	-2.28
LIPI			
Indv.	27.40	-27.92	-0.51
Cos.	3.26	-1.41	1.85
Banks	2.25	-0.82	1.42
NBFC	0.03	-0.47	-0.44
M-Funds	4.21	-2.74	1.47
Other	0.35	-0.65	-0.30
Broker	8.58	-8.58	0.00
Insur.	0.49	-1.70	-1.21
Net	46.58	-44.31	2.28

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	63.74	0.3%
Brent oil	USD/bbl.	70.93	0.1%
Gold	USD/t oz.	1293.63	0.1%
Silver	USD/t oz.	14.99	0.1%
Coal	USD/ton	70.00	-0.6%
Steel Scrap (LME)	USD/ton	308.50	-1.1%
Steel Rebar (LME)	USD/ton	480.50	-1.1%
USD/PKR	Interbank	141.50	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Amnesty scheme to be launched after Umar's return from US: Azhar Economy | Neutral

State Minister for Revenue Hammad Azhar has said that the tax amnesty scheme would be launched later this month, most probably through a presidential ordinance. Addressing a press conference here at Press Information Department (PID) on Thursday, Hammad Azhar said a final decision would be taken in this regard on April 15 after the return of Finance Minister Asad Umer from the USA. | [Click for more info.](#)

Services trade deficit shrinks 36.54pc in eight months FY19 Economy | Positive

The country's services trade deficit narrowed by 36.54pc during the first eight months of the current fiscal year as compared to the corresponding period of last year. The services trade deficit during July-February 2018-19 was recorded at \$2.303 billion as against the deficit of \$3.630 billion during July-February 2017-18. | [Click for more info.](#)

SBP reserves fall Economy | Neutral

Pakistan's foreign exchange reserves fell by \$169 million to \$17.228 billion during the week ending on April 5, State Bank reported on Thursday. The central bank's reserves fell by \$220m to \$10.271bn during the week due to external debt servicing and other official payments. However, the holdings of the commercial banks increased during the week by \$51m to \$6.956bn. Holdings of commercial banks are at record high. | [Click for more info.](#)

Oil & Gas

Mubarak Village oil spillage: State agencies cleared Byco of responsibilities BYCO | Positive

The Byco, Jang and Geo co-sponsored the International Petroleum Conference, held on February 11, 2019, at the Serena Hotel, Islamabad. On Sunday, April 07, 2019, a news report of the event was displayed with the title 'International Petroleum Conference' on the front page of the Karachi edition of 'The News'. However, the report, erroneously, quoted Federal Minister for Maritime Affairs, Ali Haider Zaidi as referring to an inquiry report on 'Byco Affair', whereas the minister indeed referred to an oil spill which occurred near the Mubarak Village in October 2018. The honourable minister, categorically, stated that "Byco had a tough call with the oil spill; it was not Byco's fault, but you were wrongly blamed," he expressed. | [Click for more info.](#)

CNG association demands reduction in gas prices Gas | Neutral

The All Pakistan CNG Association (APCNGA) on Thursday said CNG sector should not be burdened with cross-subsidy. Gas distribution companies are minting billions of rupees from consumers under the excuse of line losses which should be noticed and gas price should be reduced, it said. | [Click for more info.](#)

Power

Interpol picks up Abraaj founder KEL | Neutral

The founder and chief executive of Abraaj Group, Arif Naqvi was arrested from an international airport (not Dubai) by the Interpol. Sharing information late last night, the sources said Naqvi has been taken into custody by the international police organization temporarily and would be released after questioning about the alleged irregularities in the company. | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	36,787.6	208.32	0.57%
INDIA - SENSEX	38,607.0	21.66	0.06%
KSA - Tadawul	9,088.0	10.77	0.12%
US - S&P 500	2,888.3	0.11	0.00%
US - Dow 30	26,143.1	-14.11	-0.05%
CHINA - Shanghai	3,190.0	-51.97	-1.60%
PHILP - PSEi	7,955.8	-52.73	-0.66%
Taiwan - TWII	10,808.8	-59.37	-0.55%
INDONESIA - IDX	6,410.2	-68.16	-1.05%
HK - Hang Seng	29,839.5	-280.11	-0.93%

Source: Investing.com

Board Meetings

Scrip	Day	Agenda	Time
SEPL	FRIDAY	3Q. A/c Mar-31, FY'19	10:00 AM
RUPL	MONDAY	3Q. A/c Mar-31, FY'19	11:30 AM
RMPL	MONDAY	1Q. A/c Mar-31, CY'19	7:00 PM
ISL	TUESDAY	3Q. A/c Mar-31, FY'19	10:30 AM
IBLHL	TUESDAY	3Q. A/c Mar-31, FY'19	12:00 NOON
EPQL	WEDNESDAY	1Q. A/c Mar-31, CY'19	10:00 AM
SINDM	WEDNESDAY	3Q. A/c Mar-31, FY'19	12:00 NOON
KML	WEDNESDAY	3Q. A/c Mar-31, FY'19	12:30 PM
FEROZ	WEDNESDAY	3Q. A/c Mar-31, FY'19	01:00 PM
PTC	WEDNESDAY	1Q. A/c Mar-31, CY'19	2:00 PM
ALTN	WEDNESDAY	3Q. A/c Mar-31, FY'19	3:00 PM

Source: PSX Announcement



Cable & Electric

CCP slaps Rs18m fine on cable manufacturers

PCAL | Negative

The Competition Commission of Pakistan (CCP) has slapped a fine of Rs18 million on cable manufacturers for indulging in deceptive marketing practices. The commission conducted an inquiry against 18 cable manufacturers on receiving information that they were inserting cash and coupons inside the bundle packs of electric wire but did not disclose the presence of these coupons on the packaging or other promotional material. | [Click for more info.](#)

Miscellaneous

Ground-handling operations: Pakistan becomes IATA's certified country

Economy | Positive

Pakistan has become the IATA's certified country for its ground-handling operations in aviation industry as Gerry's dnata is the first ground services provider to be awarded the prestigious safety status in Pakistan. | [Click for more info.](#)

Pakistan hoping to get ASEAN-like treatment

Economy | Positive

Prime Minister's Advisor on Commerce and Textile Abdul Razzak Dawood Thursday said that Prime Minister Imran Khan was going to China on April 28 and he would sign second phase of Free Trade Agreement (FTA). | [Click for more info.](#)

UAE's Mubadala Petroleum mulls further expansion in Pakistan

Economy | Positive

Mubadala Petroleum, an international oil and gas company based in the UAE, has expressed a keen interest in further strengthening its foothold in Pakistan. | [Click for more info.](#)

Vietnam business delegation to visit Pakistan shortly

Economy | Neutral

A high-profile business delegation of Vietnam would visit Pakistan shortly in order to interact with Pakistani counterparts and explore business opportunities, announced Vietnam Ambassador Pham Hoang Kim. | [Click for more info.](#)

Political News

Visible improvement likely in Pak-US ties, opines Ann

Chief of Political and Economic Section, US Consulate General Lahore, Ann Mason has said that Pakistan and America are enjoying sustained and mutually beneficial relations despite of temporary political recession and a visible improvement in bilateral relation is expected in the coming days. | [Click for more info.](#)

Pakistan to skip upcoming US-Taliban talks in Doha

Pakistan will not be a part of the upcoming round of peace talks between Taliban and the United States in Doha this month, the Foreign Office said on Thursday. | [Click for more info.](#)

International News

Stocks Mixed Ahead of Earnings; Treasuries Steady: Markets Wrap

Asian stocks traded mixed after U.S. shares showed little direction ahead of corporate earnings and following data confirming the economy remains on solid footing. Treasuries steadied. | [Click for more info.](#)



Opec may raise oil output if prices increase

Opec could raise oil output from July if Venezuelan and Iranian supply drops further and prices keep rallying, because extending production cuts with Russia and other allies could over-tighten the market, sources familiar with the matter said. | [Click for more info.](#)

Oil prices firm amid OPEC supply cuts, U.S. sanctions on Iran and Venezuela

Oil prices were firm on Friday, supported by ongoing supply cuts led by producer club OPEC and by U.S. sanctions on petroleum exporters Iran and Venezuela. | [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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