

February
12, 2019

Economy News

Government "very close" to securing IMF bailout: Umar

Economy | Positive

Finance Minister Asad Umar on Monday said that Pakistan is "very close" to securing an International Monetary Fund (IMF) bailout package. However, he clarified that Prime Minister Imran Khan's meeting with International Monetary Fund (IMF) Managing Director Christine Lagarde, which took place on the sidelines of the World Government Summit on Sunday "was not a negotiation round and no deal was reached between the two sides." (BR) | [Click for more info.](#)

Saudi prince likely to sign \$10bn MoUs

Economy | Positive

Pakistan and Saudi Arabia are expected to ink three major memorandum of understanding (MoUs) amounting to over \$10 billion during the upcoming visit of Saudi Prince Mohammed bin Salman (MBS) to the country. (Dawn) | [Click for more info.](#)

Remittances up 12.22pc to \$12.774 billion in seven months

Economy | Positive

Remittances from the overseas Pakistani workers grew 12.22 percent to \$12.774 billion in the seven months of the fiscal year 2018/19, from \$11.383 billion in the same period last year, the central bank data showed on Monday. (The News) | [Click for more info.](#)

ADB looking at circular debt

Economy | Negative

The Asian Development Bank has warned that circular debt will continue to increase in Pakistan despite attempts by the government and assistance by the development partners to contain it. In an evaluation of the country's power sector strongly, 'Support to Pakistan Energy Sector 2005-2017' report, the ADB has been recommended to work with Pakistan in addressing the issue of circular debt by targeting the underlying causes. (Dawn) | [Click for more info.](#)

Pakistan Banao certificates fetch \$1mln in two weeks

Economy | Neutral

The government managed to receive one million dollars from sale of 'Pakistan Banao Certificate' (PBC) launched less than two-week ago to replenish depleting reserves of foreign exchange. (The News) | [Click for more info.](#)

July-January exports up 2.24 percent YoY

Economy | Positive

Exports during July-January 2018-19 witnessed an increase of 2.24 percent from \$12.94 billion to \$13.2 billion as compared to July-January 2017-18, said Pakistan Bureau of Statistic (PBS). (BR) | [Click for more info.](#)

Trade deficit narrows 10pc to \$19.3 bn

Economy | Positive

Trade deficit narrowed 9.66 percent to \$19.264 billion in the first seven months of the current fiscal year of 2018/19 as exports continued to show an upward trend, while imports declined, official data showed on Monday. (The News) | [Click for more info.](#)

PSDP 2018-19: government releases Rs.310.3 billion for uplift projects

Economy | Neutral

The Pakistan Tehreek-e-Insaf (PTI) government has released Rs.310.3 billion (46 percent) including Rs.121.5 billion foreign aid for different development projects under the Public Sector Development Programme (PSDP) 2018-19 against the total budgeted allocation of Rs.675 billion. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,652.8	29,299.3	-353.5	-1.2%
KSE100	40,887.4	40,326.5	-560.8	-1.4%
KSE30	19,598.6	19,292.0	-306.6	-1.6%
KMI30	68,425.8	67,385.4	-1040.4	-1.5%

Top Five Gainers

	Open	Close	Chg.	%
COLG	1,900.0	1,950.0	50.0	2.6%
JDWS	286.7	301.0	14.3	5.0%
ARPL	560.5	571.0	10.5	1.9%
SHSML	106.6	111.9	5.3	5.0%
JLICL	492.5	497.5	5.0	1.0%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	6.4	6.2	-0.1	15.50
DFML	17.6	16.6	-1.0	8.09
PAEL	27.3	26.2	-1.1	7.85
ANL	14.4	14.8	0.4	5.51
BOP	13.6	13.4	-0.2	5.25

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.12	-0.01	0.11
F-Corp.	1.90	-1.20	0.71
O/S Pak	2.04	-1.18	0.87
Net	4.06	-2.38	1.68
LIPI			
Indv.	35.07	-31.01	4.06
Cos.	1.67	-2.35	-0.68
Banks	1.66	-0.28	1.38
NBFC	0.06	-0.27	-0.21
M-Funds	5.97	-9.82	-3.85
Other	0.90	-0.85	0.05
Broker	9.31	-12.23	-2.92
Insur.	1.86	-1.38	0.48
Net	56.51	-58.19	-1.68

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	52.60	0.4%
Brent oil	USD/bbl.	61.88	0.6%
Gold	USD/t oz.	1308.66	0.0%
Silver	USD/t oz.	15.73	0.1%
Coal	USD/ton	84.50	-0.8%
Steel Scrap (LME)	USD/ton	332.00	0.0%
Steel Rebar (LME)	USD/ton	480.50	0.0%
USD/PKR	Interbank	139.02	0.4%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Oil & Gas

Rs.6 billion investment threshold likely: ECC may approve new criteria for OMC licence today

OMCs | Neutral

A meeting of the Economic Coordination Committee (ECC) of the Cabinet is likely to consider and approve new criteria for issuance of petroleum products marketing licence today (Tuesday) with increase in investment by prospective company to Rs 6 billion from existing Rs 500 million. (BR) | [Click for more info.](#)

Jang Group and BYCO seminar: Rs1,113 bn freight corridor to connect Karachi, Qasim ports

Economy | Positive

To mitigate the challenge of congestion at ports and ensure free flow of trade, the government is planning to build a freight corridor for inter-connecting Karachi Port and Port Qasim, for which a feasibility study would be initiated next month. (The News) | [Click for more info.](#)

White oil pipeline: ECC likely to give go-ahead today

Oil | Positive

The Economic Coordination Committee (ECC) is likely to give go-ahead for another white oil pipeline today (Tuesday) that is to be laid down from Machike to Taru Jabba (MTJ). (The News) | [Click for more info.](#)

OGDCL facing Rs.250bn stuck up debt against power sector

OGDC | Positive

The monster of circular debt has been negatively impacting whole energy sector as Managing Director of OGDCL on Monday revealed that this public sector entity was facing severe liquidity crunch in the wake of stuck up debt to the tune of Rs250 billion against the power sector. (The News) | [Click for more info.](#)

Cement

Mohmand Dam to be completed within five years, Senate told

Cement | Positive

Mohmand Dam will be completed within five years' time, as the latest technologies have been applied to the project. (PT) | [Click for more info.](#)

Banks

Moody's changes banking system outlook to B3 negative

Banks | Negative

Moody's Investors Services has changed its outlook for the banking system in Pakistan to negative (B3 negative) from stable owing to slowing of the economy and high exposure to sovereign debt. Moody's in its latest report "Banking System Outlook: Pakistan", states that the banks' operating conditions will be difficult with Pakistan's real GDP growth slowing to 4.3 percent in the fiscal year ending June 2019, down from 5.8 percent in 2018. (BR) | [Click for more info.](#)

Banks' deposits grow 8.79pc in January

Banks | Positive

The bank deposits of scheduled banks have surged by 8.79pc, as it increased from Rs12,002,239 million in January 2018 to Rs13,057,570 million in the same month of 2019. According to the data issued by the State Bank of Pakistan on Monday, the deposits of scheduled banks on a month-on-month basis decreased by 2.21pc, as the deposits in December 2018 were recorded at Rs13,353,916 million. (PT) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	40,326.5	-560.82	-1.4%
INDIA - SENSEX	36,395.0	-151.45	-0.4%
HK - Hang Seng	28,069.0	-74.84	-0.3%
CHINA - Shanghai	2,652.0	-1.95	-0.1%
Taiwan - TWII	10,050.5	12.12	0.3%
INDONESIA - IDX	6,495.0	-26.66	-0.4%
PHILP - PSEI	8,061.5	0.00	0.0%
KSA - Tadawul	8,543.4	-29.82	-0.4%
US - Dow 30	25,053.1	-53.22	-0.2%
US - S&P 500	2,709.8	1.92	0.1%

Source: Investing.com

Board Meetings

Scrip	Day	Agenda	Time
RMPL	TUESDAY	A/c for the year Dec-31,	8:00 AM
HACC	TUESDAY	HY A/c-Dec-31-FY18	10:00 AM
EFGH	TUESDAY	Ann. A/c-Dec-31 - CY18	2:30 PM
NETSOL	TUESDAY	HY A/c-Dec-31-FY18	3:00 PM
PTC	TUESDAY	Ann. A/c-Dec-31 - CY18	3:15 PM
MODAM	TUESDAY	HY A/c-Dec-31-FY18	4:00 PM
SSGC	WEDNESDAY	IIIQ A/c-Mar-30 - FY'17	11:00 AM
BCL	WEDNESDAY	HY A/c-Dec-31-FY18	11:30 AM
ABL	WEDNESDAY	Ann. A/c-Dec-31 - CY18	12:00 PM
DOL	WEDNESDAY	HY A/c-Dec-31-FY18	2:30 PM
CHCC	WEDNESDAY	HY A/c-Dec-31-FY18	3:00 PM
LOTCHEM	THURSDAY	Ann. A/c-Dec-31 - CY18	10:00 AM
CPPL	THURSDAY	HY A/c-Dec-31-FY18	11:00 AM
GTYR	THURSDAY	HY A/c-Dec-31-FY18	11:00 AM
GIL	THURSDAY	HY A/c-Dec-31-FY18	11:00 AM
WAHN	THURSDAY	HY A/c-Dec-31-FY18	11:00 AM
MTL	THURSDAY	HY A/c-Dec-31-FY18	11:30 AM
ORM	THURSDAY	HY A/c-Dec-31-FY18	11:30 AM
SPEL	THURSDAY	HY A/c-Dec-31-FY18	04:30 PM
BWHL	FRIDAY	HY A/c-Dec-31-FY18	11:00 AM
ALTN	FRIDAY	HY A/c-Dec-31-FY18	2:30 PM
AATM	FRIDAY	HY A/c-Dec-31-FY18	3:00 PM
GATI	FRIDAY	HY A/c-Dec-31-FY18	4:30 PM
PSO	SATURDAY	HY A/c-Dec-31-FY18	9:00 AM
GHNL	SATURDAY	HY A/c-Dec-31-FY18	11:00 AM
GHNI	SATURDAY	HY A/c-Dec-31-FY18	2:00 PM
SITC	SATURDAY	HY A/c-Dec-31-FY18	4:00 PM

Source: PSX Announcement



Miscellaneous

Sales of passenger cars remain flat at 123,391 units

Autos | Positive

Passenger cars sale remained almost flat at 123,391 units in the first seven months of the current fiscal year of 2018/19 compared with 123,356 in the corresponding period last fiscal year as multiple price hikes held sales back. (The News) | [Click for more info.](#)

SNGPL suspends supply to fertilizer, CNG, non zero-rated industry

SNGP | Positive

Gas supply to fertilizer, CNG and non zero rated industry has been suspended by the Sui Northern Gas Pipelines Ltd (SNGPL) due to the non berthing of Pakistan State Oil Cargo on Monday. (BR) | [Click for more info.](#)

AkzoNobel's Dulux introduces 'spiced honey'

ANL | Positive

Spiced Honey has been unveiled by AkzoNobel's Dulux brand as the colour of the Year for 2019, following expert research into global trends, insights and consumer behaviours. (BR) | [Click for more info.](#)

Property, tobacco, retail sectors: TRC panel decides to improve taxation system

Tobacco | Neutral

The high-powered committee of the Tax Reforms Commission under the chairmanship of Minister of State for Revenue, Muhammad Hammad Azhar Monday decided to improve the system for accurate valuation of immovable properties, expedite process of track and trace system in tobacco sector and propose mechanism for taxation of small entities engaged in the retail business. (BR) | [Click for more info.](#)

PepsiCo mulls investing \$1bn in Pakistan

Economy | Positive

PepsiCo is planning to invest \$1 billion in Pakistan, said company's Vice President Krista Pilot said Monday. Talking to Information Minister Fawad Chaudhary in Dubai, she said her company was interested in investing \$1 billion in Pakistan's food sector. (PT) | [Click for more info.](#)

Political News

Table IMF deal in parliament, demands opposition

The opposition on Monday asked the government to bring details of a possible deal with the International Monetary Fund (IMF) before the parliament. (The News) | [Click for more info.](#)

International News

Stocks Rise, U.S. Futures Advance on Funding Deal: Markets Wrap

Japanese stocks climbed, leading the Asia-Pacific region higher, after a tumble in the yen. The dollar held gains, trading near the strongest since early January. (Bloomberg) | [Click for more info.](#)

Oil rises on OPEC cuts, U.S. sanctions on Iran and Venezuela

Oil prices rose on Tuesday amid OPEC-led supply cuts and U.S. sanctions against Iran and Venezuela, although surging U.S. production and concerns over economic growth kept markets in check. (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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