

March 12,
2019

Economy News

WB's positive assessment to help attract investment: FM

Economy | Positive

The World Bank's recognition of improvement in corporate governance in Pakistan's listed companies will help the country attract investment in capital market and improve public sector reforms, finance minister said on Monday. | [Click for more info.](#)

India lobbying to get Pakistan blacklisted by FATF: Asad

Economy | Negative

Federal Minister for Finance Asad Umar has said that India abused the process of Financial Action Task Force (FATF) for lobbying against Pakistan and it was justified and legitimate demand to remove India from the slot of co-chair of FATF's APG review. | [Click for more info.](#)

Saudi investments

Economy | Positive

Saudi Arabia has reiterated its plans to invest in the solar energy, water and desalination sectors of Balochistan. During a meeting Saudi Ambassador to Pakistan Nawaf Bin Saeed Al Maliki discussed investment plans with Balochistan Chief Minister Jam Kamal Khan Aliyani on Monday. | [Click for more info.](#)

Alvi says there's no harm in replacing current system with presidential form

Economy | Neutral

President Arif Alvi has said there is no harm if the parliamentary system of government is replaced with presidential form, but continuation of democracy and the will of people should be given due consideration. | [Click for more info.](#)

Finance bill becomes Act after certain amendments

Economy | Neutral

The government has enforced Finance Supplementary (Second Amendment) Act, 2019. The Federal Board of Revenue (FBR) Monday issued Finance Supplementary (Second Amendment) Act, 2019, incorporating certain amendments to tax laws passed by the National Assembly on March 6, 2019. | [Click for more info.](#)

Benami law goes into effect

Economy | Neutral

The Federal Board of Revenue (FBR) Monday enforced Benami law to start process of attaching Benami immovable and movable properties and intercept transactions of such properties carried out on fictitious names. | [Click for more info.](#)

Overseas Pakistanis remit \$14.35 billion in 8MFY19

Economy | Positive

The overseas Pakistani workers remitted \$14.350 billion in the first eight months (July to February) of FY19, showing a growth of 11.82 percent as compared with the corresponding period of FY18. During the eight months of FY18, the overseas Pakistani workers remitted \$128.33 billion. | [Click for more info.](#)

Total debt jumps to Rs27tr

Economy | Negative

The country's total debt jumped by 12 per cent to Rs27.07 trillion during the first seven months of this fiscal year, according to latest data released by the State Bank of Pakistan (SBP). During the last 12 months the total debt, however, increased by 19.3pc to Rs22.69tr in January 2018. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,520.2	28,508.5	-11.7	0.0%
KSE100	38,950.2	38,924.1	-26.1	-0.1%
KSE30	18,580.4	18,559.9	-20.5	-0.1%
KMI30	64,383.0	64,173.1	-209.9	-0.3%

Top Five Gainers

	Open	Close	Chg.	%
PMPK	3,128.9	3,265.3	136.4	4.4%
SAPL	854.1	888.4	34.3	4.0%
SIEM	751.0	765.0	14.0	1.9%
MFFL	273.4	287.0	13.7	5.0%
SRVI	731.5	745.0	13.4	1.8%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BOP	13.9	14.1	0.2	16.29
KEL	6.0	6.0	0.0	4.11
DCL	11.7	12.7	1.0	2.96
UNITY	17.1	16.8	-0.3	2.79
OGDC	145.1	143.9	-1.2	2.67

Portfolio Investments – Net Position

	Buy	Sell	Net
FIPI			
F-Ind.	0.00	0.00	0.00
F-Corp.	1.27	-9.12	-7.85
O/S Pak	1.40	-0.87	0.53
Net	2.68	-9.99	-7.31
LIPI			
Indv.	16.81	-16.43	0.38
Cos.	3.36	-1.13	2.23
Banks	2.90	-0.30	2.60
NBFC	0.00	-0.10	-0.10
M-Funds	2.05	-2.87	-0.82
Other	0.35	-0.59	-0.24
Broker	4.70	-5.26	-0.56
Insur.	4.55	-0.72	3.83
Net	34.71	-27.40	7.31

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	57.13	0.6%
Brent oil	USD/bbl.	66.87	0.4%
Gold	USD/t oz.	1295.36	0.2%
Silver	USD/t oz.	15.37	0.4%
Coal	USD/ton	79.05	-0.7%
Steel Scrap (LME)	USD/ton	327.00	0.0%
Steel Rebar (LME)	USD/ton	478.00	0.0%
USD/PKR	Interbank	138.79	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Oil & Gas

PM directs local oil, gas firms to speed up exploration

Oil | Positive

Prime Minister Imran Khan Monday directed the local oil and gas companies to accelerate their exploration process, and the Petroleum Ministry to extend all facilities to foreign companies. | [Click for more info.](#)

Pakistan names traders qualified to supply LNG

Gas | Positive

Pakistan LNG said on Monday trading houses BB Energy, Gunvor, Trafigura, Vitol, DXT Commodities and SOCAR Trading were qualified in a tender to supply six cargoes of liquefied natural gas (LNG). The tender was announced on Feb. 6. Pakistan LNG said it had received 25 bids. The lowest bidders would be announced on Tuesday, a Pakistan LNG document said. | [Click for more info.](#)

Power

CCoE gives go-ahead to renewable projects

Power | Positive

The Cabinet Committee on Energy (CCoE) of the Cabinet has given the go-ahead to renewable projects which have been issued Letters of Interest (LoIs) and granted determination, generation licence and tariff by Nepra amid charges of "safeguarding vested interests" against the Power Division. | [Click for more info.](#)

Autos

Car sales fall in eight months

Autos | Negative

sale of locally assembled cars in the eight months of current fiscal year declined by 1.3pc to 140,462 units from 142,383 units during the same period last year according to data released by the Pakistan Automotive Manufacturers Association (PAMA) on Monday. | [Click for more info.](#)

Government proposed to cut auto components duty

Autos | Neutral

Indus Motor Company (IMC) CEO Ali Asghar Jamali proposed the government to slash components duty to 5 percent and sub-assemblies duty to 10 percent to reduce cost of locally produced parts and will enable auto part makers to facilitate new entrants as well. | [Click for more info.](#)

Miscellaneous

Textile, other items: government urged to resolve anti-dumping barriers in Turkey

Economy | Neutral

President of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI), Engr Daroo Khan Achakzai has urged the government to resolve/negotiate all anti-dumping barriers imposed by Turkey on Pakistani textile and other items before the signing of Free Trade Agreement (FTA) with Turkey. | [Click for more info.](#)

APTMA signs MoU with Union of Private Sector Development of Tajikistan

Economy | Positive

The All Pakistan Textile Mill Association (APTMA) has signed a MoU with the Union of Private Sector Development of Tajikistan for an intensive week-long business tour of the Tajikistan textile delegation to Pakistan, aimed at establishing business contacts, learning best practices and experiences, and developing long-term collaborations. | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	38,950.2	-343.87	-0.88%
INDIA - SENSEX	36,671.4	-53.99	-0.15%
HK - Hang Seng	28,228.4	-551.03	-1.91%
CHINA - Shanghai	2,969.9	-136.56	-4.40%
Taiwan - TWII	10,241.8	-69.93	-0.68%
INDONESIA - IDX	6,383.1	-74.89	-1.16%
PHILP - PSEi	7,797.1	-84.68	-1.07%
KSA - Tadawul	8,477.2	-2.00	-0.02%
US - Dow 30	25,450.2	-22.99	-0.09%
US - S&P 500	2,743.1	-5.86	-0.21%

Source: Investing.com

Board Meetings

Scrip	Day	Agenda	Time
AGIC	WEDNESDAY	A/c Dec-31, CY'18	11:00 AM
PMRS	WEDNESDAY	/c Dec-31, MY'19	11:00 AM
CHAS	WEDNESDAY	/c Dec-31, MY'19	11:30 AM
KSBP	THURSDAY	A/c Dec-31, CY'18	11:00 AM
ALAC	THURSDAY	Ann. A/c Dec-31, CY'18	11:00 AM

Source: PSX Announcement



Low cost vertical housing for poor

Economy | Neutral

Prime Minister Imran Khan has announced to bring an ambitious programme for shanty towns for which developers will be encouraged for construction of flats with all facilities. | [Click for more info.](#)

Income tax revenue from telecom services fall 85pc to Rs4.4bln in Jul-Jan

Economy | Negative

The Federal Board of Revenue (FBR) has logged more than four billion rupees in tax collection from telecommunication services in the first seven months of the current fiscal year, although a Supreme Court's ban on taxation on pre-paid mobile phone cards noticeably weighed the revenue down, sources said on Monday. | [Click for more info.](#)

ST on molasses notified

Sugar | Negative

The government has notified new rules for collection of sales tax on molasses to generate additional revenue of Rs5 billion from the sugar industry. A sales tax notification SRO328 of 2019 issued on Monday said that the molasses can only be sold through sales tax registered entities. | [Click for more info.](#)

Govt decides to reward those disclosing benami properties

Real Estate | Negative

The Federal Board of Revenue (FBR) on Monday issued an SRO with regard to Benami Transactions (Prohibition) Act 2017. Documents stated that the FBR will give a handsome reward to people disclosing benami properties. If the price of a benami property is less than Rs2 million, the amount of reward will be 5pc of the price of the property. Similarly, for property that is worth over Rs2 million and less than Rs5 million, the amount of reward would be Rs0.1 million plus 4pc of the price of the property. | [Click for more info.](#)

FBR plans to jack up tax to GDP ratio

Economy | Positive

The World Bank (WB) in consultation with the Federal Board of Revenue (FBR) has prepared a restructuring plan for tax collection machinery and envisaged target to jack up the FBR's tax to GDP ratio to 15 percent from existing 11.2 percent by end of the tenure of the PTI-led regime. | [Click for more info.](#)

Political News

Opposition using Nawaz's health case for political gains

Punjab Government's Spokesman Shehbaz Gill on Monday said the Opposition was using Nawaz Sharif's health issue for political gains. The government had given B-Class to the former prime minister as per law, he stated while talking to a private news channel. | [Click for more info.](#)

International News

Stocks, U.S. Futures Gain; Pound Up on Brexit News: Markets Wrap

Stocks in Asia climbed after U.S. shares gained overnight amid easing fears about growth, while the pound jumped after the U.K. and European Commission modified their Brexit deal ahead of a key vote in Britain's parliament. | [Click for more info.](#)

Oil prices rise amid broad market rally, OPEC supply cuts

Oil prices rose on Tuesday, lifted by healthy demand and output cuts led by producer group OPEC. A rally in broader financial markets also supported crude futures, although analysts still warned of risks to the global economy. | [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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