

March 13,
2019

Economy News

PSX notifies abolition of advance tax

PSX | **Positive**

Pakistan Stock Exchange (PSX) on Tuesday announced that effective March 1, 2019 advance tax on buying and selling of shares had been abolished following the approval of the supplementary Finance Bill 2019. | [Click for more info.](#)

UAE deposits second \$1b tranche in SBP reserves

Economy | **Positive**

The United Arab Emirates (UAE), one of the top friendly countries, on Tuesday deposited a second tranche of \$1 billion into the State Bank of Pakistan's (SBP) foreign currency reserves to help ease international payment pressure on Islamabad. | [Click for more info.](#)

External pressures continue to weigh on forex reserves: Moody's

Economy | **Neutral**

Global ratings agency Moody's Investors Service on Tuesday raised alarm over Pakistan's high susceptibility to event risk driven by heightened external vulnerability that it said might hold back the country's growth potential. | [Click for more info.](#)

Foreign assistance target slashed to \$5.6bn

Economy | **Neutral**

The government expects 42 per cent slump in foreign exchange inflows and has revised the target for current fiscal year at \$5.6 billion against \$9.7bn set under the 2018-19 budget approved in May 2018 mainly because of the delay in finalisation of an International Monetary Fund programme. | [Click for more info.](#)

Reko Diq under focus

Economy | **Positive**

Military said to be taking a key role in the development of one of the world's biggest untapped copper and gold deposits, which is currently stalled by a multi-billion dollar legal wrangle with foreign mining firms. | [Click for more info.](#)

Oil & Gas

Upward revision of gas tariffs: Umar gives go-ahead to PD

SSGC, SNGP | **Positive**

Finance Minister Asad Umar has given go-ahead to Petroleum Division for 41 percent increase in tariffs of Sui Northern Gas Company Limited (SNGPL) and Sui Southern Gas Company Limited (SSGCL) from July 1, 2019 on the basis of Rs 180/per dollar parity. | [Click for more info.](#)

TAPI gas pipeline project: Pakistan, Turkmenistan sign Host Government Agreement

Economy | **Positive**

The Turkmenistan government plans to build transport and energy corridor between Pakistan and Turkmenistan and wants to lay an optic fiber network parallel to Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline and then to China. | [Click for more info.](#)

Govt to offer gas fields to foreign explorers, investors

Economy | **Positive**

Pakistan plans to offer dozens of gas field concessions in the coming year to fill in a fuel shortage, a senior official said, with Islamabad hoping a sharp drop in militant violence and changes to exploration policy will attract foreign investors. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,508.5	28,512.5	4.0	0.0%
KSE100	38,924.1	38,896.5	-27.6	-0.1%
KSE30	18,559.9	18,505.0	-54.9	-0.3%
KMI30	64,173.1	64,368.9	195.8	0.3%

Top Five Gainers

	Open	Close	Chg.	%
PMPK	3,265.3	3,420.7	155.4	4.8%
JLICL	420.0	440.0	20.0	4.8%
ABOT	624.9	640.0	15.1	2.4%
MFFL	287.0	301.4	14.4	5.0%
GATI	291.0	303.0	12.0	4.1%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BOP	14.1	14.2	0.1	11.61
WTL	1.4	1.3	-0.1	8.81
DCL	12.7	13.0	0.3	7.93
KEL	6.0	6.0	-0.1	5.86
FCCL	21.2	21.6	0.4	4.50

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.00	0.00	0.00
F-Corp.	23.16	-23.95	-0.78
O/S Pak	1.57	-1.17	0.40
Net	24.74	-25.12	-0.38
LIPI			
Indv.	21.08	-21.33	-0.26
Cos.	1.10	-0.81	0.29
Banks	0.80	-0.28	0.52
NBFC	0.12	0.00	0.12
M-Funds	2.51	-2.97	-0.45
Other	0.18	-0.41	-0.23
Broker	5.07	-5.62	-0.55
Insur.	2.28	-1.33	0.95
Net	33.14	-32.75	0.38

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	57.01	0.2%
Brent oil	USD/bbl.	66.71	0.1%
Gold	USD/t oz.	1305.42	0.3%
Silver	USD/t oz.	15.46	0.1%
Coal	USD/ton	79.25	0.3%
Steel Scrap (LME)	USD/ton	327.00	0.0%
Steel Rebar (LME)	USD/ton	478.00	0.0%
USD/PKR	Interbank	138.95	0.1%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Power

Pakistan, Turkmenistan to set up joint working group for electricity transmission

Power | Positive

Finance Minister Asad Umar on Tuesday emphasised regional economic integration for socioeconomic development as Pakistan and Turkmenistan governments decided to establish joint working group on negotiation of electricity transmission line project. | [Click for more info.](#)

Three solar power projects seek tariff

Power | Positive

Three solar power projects have approached National Electric Power Regulatory Authority (Nepra) seeking tariff for their generation facilities of a cumulative 130MW being developed with a cumulative investment of \$115 million. | [Click for more info.](#)

Centre, provinces owe over Rs150b in power dues

Power | Neutral

State institutions are exacerbating the existing power crisis in the country after it was revealed that they are power-defaulters who owe billions in lieu of electricity bills. Azad Jammu & Kashmir (AJK) alone has dues in excess of Rs114 billion, while the receivables from the federal institutions and the four provinces stand at Rs11.13 billion and over Rs31.32 billion respectively. | [Click for more info.](#)

Autos

Mitsubishi keen to enhance investments in Pakistan, PM told

Autos | Positive

Kimihide Ando, the chief executive of Japan's largest trading company, Mitsubishi Corporation, called on Prime Minister Imran Khan on Tuesday to discuss his company's investment plans in Pakistan. | [Click for more info.](#)

Miscellaneous

State Bank announces Islamic financing for low-cost housing

Banks | Positive

The State Bank of Pakistan (SBP) in a circular issued to all banks and Development Finance Institutions (DFIs) on Tuesday announced Islamic financing for low-cost housing in the country. | [Click for more info.](#)

Framework for renewal of mobile operators' licence delayed

Telecom | Negative

Licences of three mobile operators in Pakistan are up for renewal this year but despite the fact that the renewal seeks to ensure continuity of telecom services, provides predictability to the operators and generates revenue for the government, no framework for renewal has been issued by the Government or Regulator so far. | [Click for more info.](#)

PM welcomes investment from Germany

Economy | Positive

Prime Minister Imran Khan on Tuesday welcomed Germany's investment in hydroelectric power generation and automobile sectors of Pakistan and also invited the German investment in human development, especially education and health. | [Click for more info.](#)

Govt announces Rs2 bn Ramazan Package

Economy | Positive

The government Tuesday announced Rs2 billion Ramazan Package for provision of kitchen items to the consumers at subsidized rates during the holy month. | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	38,896.5	-27.62	-0.07%
INDIA - SENSEX	37,535.7	481.56	1.30%
HK - HangSeng	28,920.9	417.57	1.46%
CHINA - Shanghai	3,060.3	33.31	1.10%
Taiwan - TWII	10,343.3	93.05	0.91%
INDONESIA - IDX	6,353.8	-12.66	-0.20%
PHILP - PSEi	7,747.5	38.82	0.50%
KSA - Tadawul	8,446.1	19.78	0.23%
US - Dow 30	25,554.7	-96.22	-0.38%
US - S&P 500	2,791.5	8.22	0.30%

Source: Investing.com

Board Meetings

Script	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



Political News

China calls for serious discussions ahead of UN meet on JeM

China has said that 'responsible and serious discussions' are needed ahead of the United Nations Security Council (UNSC)'s sanctions committee meet this week, which is due to take up the case of designating Jaish-e-Mohammad (JeM) chief Masood Azhar a terrorist. | [Click for more info.](#)

Pakistan calls for 'responsible' US pull-out from Afghanistan

Minister for Foreign Affairs Shah Mehmood Qureshi Tuesday said that being an important stakeholder in Afghan peace process, Pakistan wanted a 'responsible' withdrawal of troops from Afghanistan. | [Click for more info.](#)

International News

Asian Stocks Slip, Aussie Drops; Pound Holds Loss: Markets Wrap

Stocks in Asia dipped in early Wednesday trading as gains seen at the start of this week showed signs of easing and bond yields retreated amid concern over the economic outlook. The pound held a loss as the U.K.'s Brexit turmoil deepened. | [Click for more info.](#)

Oil firms as Saudis trim exports, U.S. output forecast reduced

Oil prices edged higher on Wednesday, supported by planned cuts to Saudi exports and a reduced forecast for U.S crude output. | [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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