



June 14,  
2019

## Economy News

**Rupee falls to all-time low of 153.50; more downsides eyed**

**Economy | Negative**

The rupee dipped in both the markets on Thursday with the local currency closing an all-time low of 153.50 to a dollar in open trade as the country is attuning itself to a potential IMF's \$6 billion loan program that calls for exchange rate adjustment. The central bank's closing data showed that the rupee fell around one percent or Rs1.34 to settle at 152.90 / dollar compared with the Wednesday's close of 151.56 in the interbank market. (The News) | [Click for more info.](#)

**Trade with Pakistan at record high, Wells tells Congress**

**Economy | Neutral**

The Trump administration has informed Congress that trade between the United States and Pakistan reached an all-time high in 2018, as Washington endorsed Islamabad's budget re-emphasis on a relationship built on trade, not aid. Ms Wells informed the lawmakers that in 2018, US-Pakistan bilateral trade reached an all-time high in 2018, exceeding \$6.6 billion. (Dawn) | [Click for more info.](#)

**Economic growth to slow down to 2.4pc: finance ministry**

**Economy | Negative**

On the basis of budgetary measures, the Ministry of Finance estimates economic growth rate to further slow down to 2.4 per cent and inflation rate to rise up to 13pc, showing a wide margin with targets set by the National Economic Council (NEC) a few days ago. (Dawn) | [Click for more info.](#)

**Financing projection for five years: \$9.82 billion inflows, \$6.81 billion outflows expected under CPEC**

**Economy | Neutral**

The Ministry of Planning, Development and Reform gave financing projection of \$ 9.82 billion inflows and \$6.81 billion outflows during next five financial years, ie, 2019-23 under China Pakistan Economic Corridor (CPEC). (BR) | [Click for more info.](#)

**SBP reserves down by \$55 million to \$7.807 billion**

**Economy | Negative**

The total liquid foreign reserves held by State Bank of Pakistan (SBP) have decreased by \$55 million to \$7.807 billion during the week ending June 3, 2019 due to payments on accounts of external debt servicing. (BR) | [Click for more info.](#)

## Oil & Gas

**WB to conduct study for underground gas storages**

**Economy | Neutral**

In a new development, the government has assigned the World Bank to conduct a study for construction of strategic underground gas storages across the country, a Petroleum Division senior official told. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	25,597.3	25,836.2	238.9	0.9%
KSE100	34,937.9	35,403.1	465.1	1.3%
KSE30	16,507.7	16,712.8	205.2	1.2%
KMI30	55,536.8	56,623.5	1086.7	2.0%

### Top Five Gainers

	Open	Close	Chg.	%
MARI	1,081.8	1,095.4	13.7	1.3%
LUCK	390.4	402.0	11.6	3.0%
INDU	1,159.5	1,171.0	11.5	1.0%
BIFO	169.0	177.4	8.4	5.0%
SEARL	155.0	162.8	7.8	5.0%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
MLCF	23.0	24.1	1.1	12.50
BOP	9.8	10.1	0.3	10.44
TRG	15.8	16.8	1.0	9.45
KEL	4.3	4.5	0.2	8.47
PAEL	21.6	22.4	0.8	7.40

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	-0.07	-0.06
F-Corporates	2.88	-4.64	-1.76
O/S Pakistanies	1.40	-1.84	-0.44
<b>Net</b>	4.28	-6.54	-2.26
<b>LIPI</b>			
Individuals	33.74	-33.07	0.67
Companies	0.82	-0.81	0.01
Comm. Banks	1.32	-0.92	0.40
NBFC	0.16	-0.02	0.14
Mutual Funds	3.18	-1.43	1.75
Other	0.20	-0.40	-0.20
Brokers Proprietary	9.29	-7.87	1.42
Insurance	1.54	-3.47	-1.93
<b>Net</b>	50.24	-47.98	2.26

Source: NCCPL

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	52.12	-0.3%
Brent oil	USD/bbl.	61.97	1.1%
Gold	USD/t oz.	61.31	-95.4%
Silver	USD/t oz.	1346.04	8929.3%
Coal	USD/ton	813.84	1177.6%
Steel Scrap (LME)	USD/ton	14.96	-95.0%
Steel Rebar (LME)	USD/ton	479.00	0.0%
USD/PKR	Interbank	152.44	0.4%

Source: Bloomberg/SBP

**News Source:** Local / Int'l Newspapers and websites

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## Power

**Engro Energy to invest \$144.4 million in 200MW solar power**

**Engro | Neutral**

Engro Energy Limited has approached National Electric Power Regulatory Authority (NEPRA) seeking generation license for a cumulative 200MW solar power plants to be setup in Kuchlak Balochistan with an investment of \$144.4 million. (The News) | [Click for more info.](#)

## Fertilizer

**Fertilizer makers demand release of Rs20bln in subsidy claims**

**Fertilizer | Neutral**

Fertilizer manufacturers on Thursday demanded of the government to fulfill their subsidy claims that exceeded Rs20 billion, creating cash flow challenges for the industry. Fertilizer makers made subsidy payments of Rs20.67 billions in the subsidy schemes between 2016 and 2018 and the amount has yet to be cleared, Fertilizer Manufacturers of Pakistan Advisory Council (FMPAC) said in letters to the Prime Minister and advisers on finance and commerce. (The News) | [Click for more info.](#)

## Textile

**\$26 billion exports eyed against \$24.65 billion projection**

**Textile | Neutral**

The government has targeted \$26 billion exports for the next fiscal year against projection of \$24.656 billion for the outgoing fiscal year on the basis of \$5.02 billion food group export, \$14 billion textile group, as well as \$3.9 billion other manufacturing exports while \$2.4 billion other exports. (BR) | [Click for more info.](#)

## Miscellaneous

**Federal Excise Duty on tobacco: FBR facing political pressure to abolish Rs300 per kg levy**

**Tobacco | Neutral**

The FBR has been facing pressures from political elites to abolish adjustable Federal Excise Duty (FED) of Rs300 per kg on the processing of green tobacco at Green Leaf Threshing Plants (GLT). (The News) | [Click for more info.](#)

**Rs 52.73 billion budgeted from 3G licences for FY-20**

**Telecommunication | Neutral**

The government has budgeted Rs 52.73 billion from 3G licences under the head of non-tax revenue for the next fiscal year 2019-20 against Rs 6.854 billion budgeted for the current fiscal year which was later revised to Rs 66.620 billion. (BR) | [Click for more info.](#)

## Political News

**NAB issues arrest warrant for Faryal Talpur**

The National Accountability Bureau (NAB) Thursday issued an arrest warrant for former president Asif Ali Zardari's sister Faryal Talpur, sources said. (The News) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	35,403.1	465.14	1.33%
US - Dow 30	26,106.8	101.94	0.39%
PHILP - PSEi	8,051.8	20.78	0.26%
US - S&P 500	2,891.6	11.80	0.41%
CHINA - Shanghai	2,910.7	1.36	0.05%
INDONESIA - IDX	6,273.1	-3.10	-0.05%
HK - Hang Seng	27,294.7	-13.75	-0.05%
INDIA - SENSEX	39,741.4	-15.45	-0.04%
Taiwan - TWII	10,561.0	-54.65	-0.51%
KSA - Tadawul	8,941.5	-143.21	-1.58%

Source: Bloomberg

### Board Meetings

Scrip	Day	Agenda	Time
HACC	SATURDAY	MULTIPLE A/C PERIOD	9:00 AM

Source: PSX Announcement

## Commission to probe Rs.24 trillion loans: chairman to be appointed next week: Awan

The government will appoint chairman of high-powered commission announced by Prime Minister Imran Khan on next week to probe as to how the governments of Pakistan People's Party (PPP) and Pakistan Muslim League-Nawaz (PML-N) took Rs 24 trillion loans during the last ten years and brought the country on the verge of bankruptcy. (BR) | [Click for more info.](#)

## International News

### Asia Stocks Mixed as Sovereign Bond Yields Retreat: Markets Wrap

Stocks in Asia were mixed Friday and a global bond rally extended amid ongoing concern that trade frictions may jeopardize global economic growth. Oil steadied following an escalation in Middle East tensions. (Bloomberg) | [Click for more info.](#)

### Oil prices ease, but Middle East tanker attacks support

Oil fell on Friday after sharp gains in the previous session when prices were boosted after attacks on two oil tankers in the Gulf of Oman stoked concerns of reduced crude flows through one of the world's key shipping routes. (Reuters) | [Click for more info.](#)

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Source: Bloomberg

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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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