

February
14, 2019

Economy News

Islamabad to seek PTA with Riyadh

Economy | Positive

Pakistan will formally propose to Saudi Arabia for initiation of a dialogue on preferential trade agreement (PTA) to promote bilateral trade and investment. | [Click for more info.](#)

Mohammad Bin Salman visit: Pakistan, Saudi Arabia to sign 8 MoUs, says FM Qureshi

Economy | Positive

Minister of Foreign Affairs Shah Mehmood Qureshi Wednesday said Pakistan and Saudi Arabia will sign eight memorandums of understanding (MoUs) during the visit of Saudi Crown Prince Muhammad bin Salman, turning their 'excellent bilateral relations into a strong economic partnership'. | [Click for more info.](#)

\$21 billion Saudi investment likely

Economy | Positive

Pakistan is expecting \$21 billion investment from Saudi Arabia within five years in refining and petrochemical, renewable energy projects, mineral resources, deferred oil payments, ACWA power with Alternative Energy Development Board (AEDB) and Saudi Investment Fund for Pakistan, well-informed sources in Board of Investment (BoI) told. | [Click for more info.](#)

IMF programme to be wrapped in tough conditions

Economy | Negative

Pakistan will have to erase borrowings from the State Bank of Pakistan (SBP) from the existing level of Rs3.8 trillion to zero, hiking electricity tariff up to 30 percent and placing Integrated Value Added Tax (VAT) for bringing both goods and services under uniform tax collection agency for striking the staff level agreement with the IMF. | [Click for more info.](#)

Investment opportunities: Chinese government urged to encourage state-owned, private sector companies

Economy | Neutral

Minister for Planning, Development and Reform Khusro Bakhtyar has said that Chinese government has been urged to encourage state-owned and private sector companies to explore investment opportunities in Pakistan. | [Click for more info.](#)

Money laundering, terror financing: Pakistan on EU list of 23 states with deficiencies in frameworks

Economy | Negative

The European Commission (EC) has adopted the list of 23 countries, including Pakistan, with strategic deficiencies in their anti-money laundering and counter-terror financing frameworks. | [Click for more info.](#)

Oil & Gas

Multi-billion dollar oil refinery to be established in Gwadar: minister

Refineries | Negative

Petroleum Minister Ghulam Sarwar Khan on Wednesday announced that an oil refinery worth billions of US dollars would be set up in Gwadar, linking the development with the visit of Saudi Crown Prince Muhammad Bin Salman to Pakistan. | [Click for more info.](#)

Gas utilities to charge separate tariffs for RLNG

Gas | Positive

Gas utilities decided to charge different tariffs for re-gasified liquefied natural gas (RLNG) added with the system gas supply to the commercial and industrial consumers, officials said on Wednesday. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,408.1	29,375.4	-32.8	-0.1%
KSE100	40,596.3	40,544.1	-52.2	-0.1%
KSE30	19,451.2	19,435.9	-15.3	-0.1%
KMI30	68,353.0	68,356.8	3.8	0.0%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	7,100.0	7,200.0	100.0	1.4%
WYETH	1,050.0	1,065.0	15.0	1.4%
AGIL	222.4	233.5	11.1	5.0%
COLG	1,965.0	1,975.0	10.0	0.5%
PHDL	111.2	116.7	5.6	5.0%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	6.5	6.6	0.1	18.09
FCCL	22.9	23.3	0.4	13.10
WTL	1.6	1.6	0.0	12.98
MLCF	47.9	49.7	1.8	10.10
DGKC	96.1	100.8	4.7	7.21

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.04	-0.01	0.03
F-Corp.	9.67	-7.06	2.61
O/S Pak	1.56	-1.60	-0.04
Net	11.27	-8.67	2.60
LIPI			
Indv.	46.45	-47.16	-0.71
Cos.	1.25	-2.17	-0.92
Banks	1.33	-1.67	-0.34
NBFC	0.13	-1.04	-0.92
M-Funds	4.54	-3.75	0.79
Other	1.14	-0.83	0.31
Broker	11.64	-13.81	-2.16
Insur.	3.93	-2.59	1.35
Net	70.41	-73.00	-2.60

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	54.05	0.3%
Brent oil	USD/bbl.	63.79	0.3%
Gold	USD/t oz.	1308.60	0.2%
Silver	USD/t oz.	15.63	0.4%
Coal	USD/ton	83.40	0.1%
Steel Scrap (LME)	USD/ton	329.00	-0.9%
Steel Rebar (LME)	USD/ton	470.00	-2.5%
USD/PKR	Interbank	139.05	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Govt decides to increase RLNG import up to 1.4bcfd

Gas | Positive

The government has decided to lay down another 17 kilometre pipeline connecting the LNG terminals to the system of Sui Southern so that the LNG import in the country can be increased to 1.4bcfd with an addition of 200mmcf keeping in view the increasing demand of the imported product in the country. | [Click for more info.](#)

Power

Govt taking keen interest in K-Electric's acquisition deal: CEO

KEL | Positive

The proposed deal with regard to the sale of K-Electric has been recognised as the highest-value private transaction in the history of Pakistan's economy and will set a positive precedent, as it represents a major investment in Pakistan by an international power giant with outstanding technical capabilities and major investment plans. | [Click for more info.](#)

KSA to invest \$322m in five hydropower projects of Pakistan

Economy | Positive

Apart from making investments in the oil and mineral sector, Saudi Arabia will also make an investment of SR1.207 billion (\$322 million) in five hydropower projects of Pakistan during the upcoming visit of the Saudi crown prince, it was learnt on Wednesday. | [Click for more info.](#)

French financial assistance to Pakistan may reach €500mln

Economy | Positive

French government is deliberating raising its financial assistance to Pakistan to half-a-billion euros a year from the existing volume of 100 to 150 million euros, especially in water and hydropower sector. | [Click for more info.](#)

Miscellaneous

SBP sells Rs2.107 trillion worth treasury bills

Banks | Positive

The central bank on Wednesday witnessed massive participation from banks in short-term treasury bills with staggering inflows of Rs2.106 trillion – much higher than the Rs100 billion target – as it significantly pushed up yields on the paper, giving a vivid sign of further rate hike. | [Click for more info.](#)

Govt. seeks proposal for privatizing PIA's New York property

PIAA | Positive

The Cabinet Committee on Privatization (CCoP) on Wednesday sought proposal from the management of Pakistan International Airlines (PIA) to sell a hotel of the state-owned airline in the US. | [Click for more info.](#)

GIDC regime: Engro urges MoF to exclude fixed price feed gas

Fertilizer | Positive

M/s Engro Fertilizer has approached the Finance Ministry to get exemption on fixed price feed gas from the ambit of Gas Infrastructure Development Cess (GIDC). | [Click for more info.](#)

CCoP orders evaluation of insurance sector

Insurance | Neutral

The Cabinet Committee on Privatisation (CCoP) has asked the commerce ministry to fast track the evaluation of the insurance and reinsurance sector, with particular reference to State Life Insurance Corporation of Pakistan (SLIC), National Insurance Company Ltd (NICL) and Pakistan Reinsurance Company Ltd, and submit its report to the committee by March 31. | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	40,544.1	-52.17	-0.1%
INDIA - SENSEX	36,034.1	-119.51	-0.3%
HK - Hang Seng	28,497.6	326.26	1.2%
CHINA - Shanghai	2,721.1	49.17	1.8%
Taiwan - TWII	10,090.6	12.12	0.3%
INDONESIA - IDX	6,419.1	-7.21	-0.1%
PHILP - PSEI	7,920.2	-89.68	-1.1%
KSA - Tadawul	8,617.2	16.90	0.2%
US - Dow 30	25,543.3	117.51	0.5%
US - S&P 500	2,753.0	8.30	0.3%

Source: Investing.com

Board Meetings

Scrip	Day	Agenda	Time
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



TDAP to set up division for e-commerce, services sector

Economy | Neutral

The Trade Development Authority of Pakistan (TDAP) has announced its plan to set up a division to deal with e-commerce and services sector and introduce structural reforms in order to face the challenges arising out of the digitisation of global economies, said Secretary TDAP Muhammad Sualeh Ahmed Faruqi on Wednesday. | [Click for more info.](#)

12 hybrid rice varieties to be available from July

MFL | Positive

At least twelve new hybrid rice varieties will be available to farmers for cultivation during the next Kharif crop season starting in July. | [Click for more info.](#)

Political News

Afghan Taliban to meet Khalilzad, Imran Khan in Islamabad on 18th

Afghan Taliban Wednesday said their negotiation team will meet US special peace envoy Zalmay Khalilzad and Prime Minister Imran Khan in Islamabad on Feb 18. | [Click for more info.](#)

International News

Asian Stocks Drift on Trade Talks Wait-and-See: Markets Wrap

Asian stocks saw mixed trading Thursday as investors awaited the outcome of high-level trade talks between the U.S. and China, and data on the Chinese economy. The dollar held overnight gains, while Treasuries consolidated. | [Click for more info.](#)

Oil prices edge up on hopes for U.S.-China trade breakthrough

Oil prices inched up on Thursday, buoyed by hopes that potential progress in the latest Sino-U.S. tariff talks would improve the global economic outlook. | [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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