

March 14,
2019

Economy News

Growth to slow to 4.4 percent: Fitch Solutions

Economy | Negative

Pakistan's real GDP growth will slow to 4.4 percent in the fiscal year 2018-19 from 5.4 percent in fiscal year 2017-18 due to tightening monetary and fiscal conditions, besides rising geopolitical tensions and global growth slowdown are likely to dampen the country's economic outlook for the remainder of the current fiscal year, says Fitch Solutions. | [Click for more info.](#)

Talks inching towards deal: IMF official

Economy | Positive

Economic revival is imperative and in this connection negotiations are inching towards a successful IMF (International Monetary Fund) program, said Teresa Daban Sanchez, Resident Representative of the IMF. | [Click for more info.](#)

IMF projects \$19 bn net financing gap in PTI era

Economy | Negative

The International Monetary Fund (IMF) has projected cumulative net financing gap of \$19 billion on external front in five years period under PTI led regime, making it quite obvious that Islamabad is left with no other option but to seek fresh bailout package from the IMF. | [Click for more info.](#)

Govt decides to amend anti-money laundering law with stricter punishments

Economy | Neutral

A high-level meeting chaired by Prime Minister Imran Khan on Wednesday decided to amend the Anti-Money Laundering (AML) Act, 2010, with stricter punishments to be imposed in an effort to bring individuals involved in money laundering to book. | [Click for more info.](#)

Benami law applicable from February 1, 2017

Economy | Neutral

The date of application of Benami law would be from February 1, 2017 (date of passage of Benami Transactions (Prohibition) Act 2017 by the Parliament) and tax authorities can prosecute cases of immovable and immovable properties and Benami transactions from the said date onwards. | [Click for more info.](#)

Services trade deficit shrinks 34.79pc in seven months

Economy | Positive

The services trade deficit shrank by 34.79pc during the first seven months of the current fiscal year as compared to the corresponding period of last year. The services trade deficit during July-January (2018-19) was recorded at \$2.091 billion against the deficit of \$3.208 billion during July-January (2017-18), showing a decline of 34.79pc, official data revealed. | [Click for more info.](#)

Oil & Gas

NAB initiates inquiry against OGDCL management

OGDC | Negative

The National Accountability Bureau (NAB) has initiated an inquiry against the management of Oil and Gas Development Company Limited (OGDCL) to probe allegations pertaining to illegal appointments at the operational level, misuse of resources, unauthorised spending on membership of Islamabad Club and utilisation of CSR funds. | [Click for more info.](#)

Petroleum division asked to adjust inflated bills

SSGC, SNGP | Negative

Finance Minister Asad Umar on Wednesday asked the petroleum ministry to adjust the inflated gas bills in future billing of consumers to give them relief, while directing the officials to expedite drive to recover outstanding amounts from defaulters of the power sector. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,512.5	28,527.1	14.6	0.1%
KSE100	38,896.5	38,928.9	32.4	0.1%
KSE30	18,505.0	18,520.8	15.8	0.1%
KMI30	64,368.9	64,333.6	-35.3	-0.1%

Top Five Gainers

	Open	Close	Chg.	%
PMPK	3,420.7	3,590.9	170.3	5.0%
ILTM	1,688.5	1,735.0	46.5	2.8%
SFL	715.2	750.0	34.8	4.9%
SIEM	765.0	779.0	14.0	1.8%
SHEL	256.4	265.5	9.1	3.6%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BOP	14.2	14.4	0.3	23.73
KEL	6.0	6.0	0.0	8.07
UNITY	12.2	13.2	1.0	5.98
STPL	19.8	20.5	0.8	3.93
LOTCEM	14.9	14.7	-0.2	2.35

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.00	-0.01	0.00
F-Corp.	2.05	-4.31	-2.26
O/S Pak	1.26	-0.73	0.53
Net	3.31	-5.04	-1.73
LIPI			
Indv.	17.43	-17.92	-0.49
Cos.	1.72	-1.06	0.66
Banks	0.54	-0.34	0.20
NBFC	0.00	0.00	0.00
M-Funds	2.09	-2.00	0.10
Other	0.04	-0.08	-0.04
Broker	5.73	-5.13	0.59
Insur.	1.74	-1.02	0.71
Net	29.30	-27.56	1.73

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	58.34	0.1%
Brent oil	USD/bbl.	67.69	0.2%
Gold	USD/t oz.	1306.50	-0.2%
Silver	USD/t oz.	15.42	-0.2%
Coal	USD/ton	78.85	-0.5%
Steel Scrap (LME)	USD/ton	327.00	0.0%
Steel Rebar (LME)	USD/ton	481.00	0.6%
USD/PKR	Interbank	138.97	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Power

Power firms seek tariff hike to adjust Rs202bn

IPPs | **Positive**

The Central Power Purchasing Agency (CPPA) on Wednesday demanded an additional revenue adjustment of Rs202 billion, involving about Rs2.50 per unit increase in uniform electricity tariff for all distribution companies (Discos) during this fiscal year. | [Click for more info.](#)

Govt to bring renewable energy share to 30pc by 2030

Power | **Positive**

Government has planned to drastically reduce carbon footprints by increasing the share of renewable energy in power generation to 30 percent by 2030 from the current four percent, power minister said on Wednesday. | [Click for more info.](#)

Banks

SBP asks banks to promote refinance facilities

Banks | **Positive**

The central bank on Wednesday asked banks to promote refinance facilities available for small and medium enterprises (SMEs) to purchase plants and machinery. | [Click for more info.](#)

Transportation

Pak-India airspace closure: National institutions suffer Rs2.55 bn loss

PIAA | **Positive**

The schedule of the airlines flying on these routes has also been affected. The Pakistan International Airlines (PIA) has suffered loss of Rs1.05 billion due to closure of certain routes for the airline, while the Civil Aviation Authority of Pakistan has incurred a loss of around Rs1.5 billion so far due to prevailing tension. | [Click for more info.](#)

PIA urges US for direct flight access

PIAA | **Neutral**

US Consul General JoAnne Wagner on Wednesday assured to do everything in her power to pave the way for getting Pakistan International Airlines (PIA) a direct access to US mainland. | [Click for more info.](#)

Miscellaneous

Pharma sector posts 9.7 percent return during CY19

Pharma | **Positive**

The Pharmaceutical sector has posted 9.7 percent return during year-to-date in calendar year 2019, outperforming the KSE-100 index by 4.8 percent. One major reason for the out performance of the sector is the announcement in January 2019 by the Drug and Regulatory Authority of Pakistan (DRAP) - after approval from the federal government - to allow a 15 percent price increase for all medicines (9 percent allowed for life saving medicines), analysts said. | [Click for more info.](#)

Nokia deploys 100G in PTCL network to raise capacity

PTC | **Positive**

Nokia has deployed 100G in Pakistan Telecommunication Company Limited (PTCL) network to enhance the capacity and speed of its optical network for both domestic and international traffic. The new transport network supports PTCL in providing faster and more reliable services to its subscribers, while reducing capital and operating costs. | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	38,928.9	32.44	0.08%
INDIA - SENSEX	37,752.2	216.51	0.58%
HK - Hang Seng	28,807.5	42.05	-0.39%
CHINA - Shanghai	3,027.0	-11.03	-1.09%
Taiwan - TWII	10,373.3	17.44	0.29%
INDONESIA - IDX	6,377.6	2.30	0.37%
PHILP - PSEi	7,766.2	-22.30	0.24%
KSA - Tadawul	8,526.7	80.61	0.95%
US - Dow 30	25,702.9	148.23	58.00%
US - S&P 500	2,810.9	19.40	0.69%

Source: Investing.com

Board Meetings

Scrip	Day	Agenda	Time
KSBP	THURSDAY	Ann. A/c Dec-31, CY'18	11:00 AM
ALAC	THURSDAY	Ann. A/c Dec-31, CY'18	12:00 NOON
GSKCH	MONDAY	Ann. A/c Dec-31, CY'18	12:30 PM
PAKOXY	MONDAY	Ann. A/c Dec-31, CY'18	2:00 PM
PGCL	TUESDAY	Ann. A/c Dec-31, CY'18	10:00 AM
JSCL	WEDNESDAY	Ann. A/c Dec-31, CY'18	12:15 PM

Source: PSX Announcement



Canadian firms keen to explore investment opportunities in Pakistan

Economy | **Positive**

“Last year, Pak-Canada bilateral trade was recorded at \$1.4 billion, which was previously standing at only \$400 million. This figure can be further increased to \$5 billion in the next five years given that promotional steps are taken on both sides,” said Canada’s former minister for research, innovation and science Dr Reza Moridi while talking to media during the Gong ceremony at Pakistan Stock Exchange (PSX). | [Click for more info.](#)

Govt to involve business community in next phases of CPEC

Economy | **Positive**

Since the previous government remained under fire for not sharing the details of China Pakistan Economic Corridor (CPEC), the incumbent government has decided to involve the business community in the next phases of CPEC. | [Click for more info.](#)

Political News

Pak-India talks on corridor today

A Pakistani delegation is scheduled to arrive in India on Thursday to discuss and finalise modalities for facilitating visit of Sikh pilgrims through the Kartarpur Corridor. | [Click for more info.](#)

China at UN delays bid to blacklist JeM leader Masood Azhar

China on Wednesday put on hold a request by Britain, France and the United States to add Jaish-e-Mohammad (JeM) leader Masood Azhar to the UN terror blacklist, diplomats said. | [Click for more info.](#)

International News

Asia Stocks Trade Mixed; Pound Pares Surge: Markets Wrap

Asian stocks traded mixed Thursday as investors awaited a slew of economic data from China. The pound gave back some of Wednesday’s surge as traders positioned for the next steps in the Brexit saga. | [Click for more info.](#)

Oil edges higher, holds near four-month top on supply cuts

Oil prices nudged higher on Thursday to sit just off a four-month high reached in the previous session as investors focused on global production cuts and supply disruptions in Venezuela. | [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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