



February
15, 2019

Economy News

Saudi crown prince's visit to ease Pakistan's financial crunch: FT

Economy | Positive

Renowned international publication Financial Times says the upcoming visit of Saudi crown prince Mohammed bin Salman to Islamabad will further ease the financial crunch being faced by Pakistan. (PT) | [Click for more info.](#)

Pakistan to brief FATF on measures against money laundering

Economy | Neutral

Pakistan will hold talks with the Financial Action Task Force (FATF) later this week regarding money laundering and the issue of blocking financial assistance to terror groups, a private media outlet reported on Thursday. (PT) | [Click for more info.](#)

Cabinet approves 1.2bn riyal deal with Saudi Arabia

Economy, Cement, Power | Positive

As the meeting commenced, a summary for 1.2 billion riyal memorandum of understanding (MoU) with the Saudi Fund for Development was presented before the cabinet. Reportedly, under the agreement, Diamer-Bhasha Dam would receive Rs 3.77 million riyals, Mohmand Dam would receive 300 million riyals, Shounter Hydropower Project would receive 240 million riyals, Jamshoro Power Project would receive 153.7 million riyals and Jagran Hydropower Project would receive 131.2 million riyals. (PT) | [Click for more info.](#)

Govt will require to reduce borrowings from central bank, implement VAT under IMF programme: Report

Economy | Negative

In order to reach a staff-level agreement with the International Monetary Fund (IMF), Pakistan will require to bring down its borrowings from the central bank to nil from Rs3.8 trillion, jack up electricity tariff by up to 30%. (PT) | [Click for more info.](#)

Fiscal deficit to cross 6.3pc of GDP, govt estimates show

Economy | Negative

The government is anticipating the fiscal deficit for the current fiscal year to reach 6.3 per cent of gross domestic product (GDP) and miss the 5.1pc target set in September last year by a wide margin. (Dawn) | [Click for more info.](#)

Reserves up by \$11 million to \$14.896 billion

Economy | Positive

The country's total liquid foreign exchange reserves slightly increased by \$11 million to \$14.896 billion end of the last week. During last week ending February 8, 2019, foreign exchange reserves held by the State Bank of Pakistan rose by \$13.4 million to \$8.206 billion as compared to \$8.193 billion a week earlier. (BR) | [Click for more info.](#)

PTI govt adds Rs2.42tr to debt in six months

Economy | Negative

The federal government's debt has grown at a double-digit pace to Rs26.64 trillion — a net addition of Rs2.42 trillion in six months — as it struggles to introduce policies in an effort to control the ever-increasing ballooning public debt. (ET) | [Click for more info.](#)

Oil & Gas

Top foreign banks bid for role in sale of two LNG plants

Economy | Neutral

JPMorgan Chase & Co, CLSA and Credit Suisse Group AG are pitching for a role on Pakistan's biggest privatisation in a decade, expected to raise around \$2 billion, according to a Bloomberg report. (Dawn) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,375.4	29,324.9	-50.5	-0.2%
KSE100	40,544.1	40,507.0	-37.1	-0.1%
KSE30	19,435.9	19,444.0	8.1	0.0%
KMI30	68,356.8	68,129.9	-226.9	-0.3%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	7,200.0	7,300.0	100.0	1.4%
COLG	1,958.5	2,040.0	81.5	4.2%
BATA	1,590.0	1,615.0	25.0	1.6%
SIEM	771.0	792.0	21.0	2.7%
HINOON	300.2	314.6	14.4	4.8%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
LOTCEM	17.0	16.7	-0.3	25.63
DGKC	100.8	96.2	-4.6	8.78
FCCL	23.3	22.5	-0.8	5.87
SNBL	0.9	0.9	0.0	5.77
MCLF	49.7	47.3	-2.4	4.21

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.18	-0.15	0.04
F-Corp.	4.14	-1.69	2.45
O/S Pak	1.42	-1.32	0.11
Net	5.75	-3.15	2.60
LIPI			
Indv.	39.51	-36.56	2.95
Cos.	2.01	-2.59	-0.58
Banks	1.69	-2.00	-0.31
NBFC	0.04	0.00	0.04
M-Funds	2.36	-2.79	-0.43
Other	0.49	-0.62	-0.13
Broker	11.01	-11.28	-0.27
Insur.	0.64	-4.51	-3.87
Net	57.75	-60.34	-2.60

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	54.70	0.5%
Brent oil	USD/bbl.	64.88	0.5%
Gold	USD/t oz.	1312.03	0.0%
Silver	USD/t oz.	15.57	-0.3%
Coal	USD/ton	82.55	-1.0%
Steel Scrap (LME)	USD/ton	329.00	0.0%
Steel Rebar (LME)	USD/ton	474.00	0.9%
USD/PKR	Interbank	139.03	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

Petroleum Division likely to table revised gas tariffs before CCoE

Gas | Neutral

The Petroleum Division is likely to table a revised gas tariff before the Cabinet Committee on Energy (CCoE) on Saturday (Feb 16th), as the government seems willing to review and facilitate gas consumers with regard to their monthly gas bills. (PT) | [Click for more info.](#)

Phase-II study on shale gas, oil to be conducted in potential areas

Gas | Positive

Following identification of massive shale gas and oil deposits in lower and middle Indus Basin, the second phase of the survey would be launched in other potential areas to assess the sedimentary rock-based fuel reserves in the country. (The Nation) | [Click for more info.](#)

Power

World Bank, IPOE appreciate completion of Tarbela 4 Extension Hydropower Project

Power | Positive

The World Bank and the International Panel of Experts (IPOE) Thursday appreciated the successful completion and effective operation of the 1410 megawatt – Tarbela 4th Extension Hydropower Project, commissioned in 2018 in a phased manner. (BR) | [Click for more info.](#)

Power Division directed to form special team to address overbilling woes

Power | Neutral

A sub-committee of the Public Accounts Committee on Thursday directed the Power Division to constitute a special team, along with PAC members, to visit 8 to 10 selected areas with complaints of overbilling so as to ensure instant relief to consumers. (PT) | [Click for more info.](#)

Miscellaneous

Isuzu D-Max Pickup introduced

GHNI | Positive

Ghandhara Industries Ltd (GIL) in partnership with Isuzu Motors introduced the full range of Isuzu D-Max Pickup to Pakistan's market. (BR) | [Click for more info.](#)

SBP discontinues Rs 40,000 prize bond

Economy | Neutral

The State Bank of Pakistan (SBP) has announced to discontinue the fresh issuance of Rs 40,000 prize bonds with effect from Friday (today). (BR) | [Click for more info.](#)

Saudi Arabia cuts visa fee for Pakistani nationals

Economy | Positive

Saudi Arabia has cut visit visa fee from 2000 Saudi Riyals to 338 Saudi Riyal, while the multiple visa fee will be 675 Saudi Riyal effective from February 15, 2019. (The News) | [Click for more info.](#)

Political News

Political bigwigs, former top bureaucrats come under NAB's scanner

The National Accountability Bureau (NAB) on Thursday decided to go after political bigwigs from the opposition and treasury benches as former prime minister Chaudhry Shujaat Hussain, former foreign minister Hina Rabbani Khar, former Punjab chief minister and incumbent Punjab Assembly Speaker Chaudhry Pervaiz Elahi along with several retired bureaucrats came under the scanner. (PT) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	40,507.0	-37.13	-0.1%
INDIA - SENSEX	35,876.2	-157.89	-0.4%
HK - Hang Seng	28,432.1	-65.54	-0.2%
CHINA - Shanghai	2,719.7	-1.37	-0.1%
Taiwan - TWII	10,089.0	12.12	0.3%
INDONESIA - IDX	6,420.0	0.90	0.0%
PHILP - PSEI	7,991.3	71.01	0.9%
KSA - Tadawul	8,626.3	9.06	0.1%
US - Dow 30	25,439.4	-103.88	-0.4%
US - S&P 500	2,745.7	-7.30	-0.3%

Source: Investing.com

Board Meetings

Scrip	Day	Agenda	Time
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



Shahbaz granted bail

The Lahore High Court on Thursday granted bail to Leader of Opposition in National Assembly Shahbaz Sharif in the Ashiana Housing Scheme and Ramzan Sugar Mills references. (BR) | [Click for more info.](#)

International News

Asia Stocks Drop as Trade News Awaited; Yields Dip: Markets Wrap

Asian stocks retreated from the highest levels since October following a dip in U.S. equities as economic-growth concerns resurfaced and investors questioned the potential for progress on U.S.-China trade. Treasuries held gains. (Bloomberg) | [Click for more info.](#)

Oil prices hit 2019 highs amid OPEC-led supply cuts

Oil prices rallied on Friday, with Brent crude futures hitting fresh 2019 highs amid U.S. sanctions against Venezuela and Iran and supply cuts led by the Organization of the Petroleum Exporting Countries (OPEC). (Reuters) | [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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