



October  
15, 2019

## Economy News

**No likelihood Pakistan will be included in FATF black list**

**Economy | Positive**

Pakistan's efforts were initially declared satisfactory in the Financial Action Task Force (FATF) meeting held in Paris presided over by China regarding money laundering and curbing terrorism financing. However, the implementation of FATF action plan by Pakistan will be reviewed for another two days after which the global anti-money laundering body will decide whether to maintain or remove Islamabad out of the grey list. (ET) | [Click for more info.](#)

**Investment in govt papers reaches record Rs10.3tr**

**Economy | Positive**

Investment in government papers, mainly dominated by the banking sector, set new record as it crossed Rs10 trillion-mark. The major chunk of these investments came in the short-term papers. Banks' investment reached to extraordinary levels at Rs7.94tr reflecting their investment strategy to book maximum profits while investing in risk-free instruments and made up for 77.1 per cent of the total investments whereas the rest came from non-banks including insurance companies, funds and corporate sector amounting at Rs2.361tr. (Dawn) | [Click for more info.](#)

**World Bank advises harmonised sales tax system**

**Economy | Neutral**

The World Bank has advised Pakistan to introduce harmonised sales tax system across the country to avert incidences of double taxation and reduce compliance costs for businesses. (The News) | [Click for more info.](#)

**Govt drops plan to form body on businessmen's NAB cases**

**Economy | Neutral**

The federal cabinet, which met on Monday under Prime Minister Imran Khan, took some important decisions, approving an ordinance regarding formation of a regulatory authority on real estate and calling a meeting of the provinces to bring down skyrocketing prices of essential items. (Dawn) | [Click for more info.](#)

**Brokers protest against standard commission**

**Capital Market | Neutral**

A couple of stockbrokers along with their traders were chatting excitedly outside the stock exchange trading hall on Monday. There was occasional burst of anger among the protesters. According to the notice, the commission range of three paise per share or 0.15 per cent of the transaction value — whichever is higher — up to 2.5pc of the transaction value has been prescribed. (Dawn) | [Click for more info.](#)

**Service exports down**

**Economy | Negative**

The export of services dipped by 7.15 per cent to \$809.03 million in the first two months of this fiscal year, as against \$871.35m in same period of 2018-19, reported the Pakistan Bureau of Statistics. (Dawn) | [Click for more info.](#)

## Oil & Gas

**Private party to supply RLNG under TPA rules**

**Gas | Neutral**

Pakistan's LNG scenario is going to change as the first ever private company UGDC (United Gas Distribution Company) that has already signed LNG supply agreements with international companies ExxonMobil and Trafigura is close to sign a landmark long-term deal with APTMA for supply of 120 mcmd RLNG under third part access (TPA) rules. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	24,794.6	24,669.2	-125.4	-0.5%
KSE100	34,475.7	34,186.3	-289.4	-0.8%
KSE30	16,237.4	16,089.7	-147.7	-0.9%
KMI30	55,326.9	54,933.3	-393.5	-0.7%

### Top Five Gainers

	Open	Close	Chg.	%
RMPL	6,510.0	6,835.5	325.5	5.0%
UPFL	6,120.0	6,426.0	306.0	5.0%
COLG	1,849.3	1,900.0	50.7	2.7%
MARI	1,056.6	1,095.8	39.2	3.7%
SRVI	605.8	636.1	30.3	5.0%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.1	1.1	-0.1	14.25
TRG	16.8	15.9	-0.9	11.61
LOTCEM	16.1	16.0	-0.1	9.70
UNITY	11.1	10.7	-0.4	8.41
FCCL	14.9	14.8	-0.1	7.91

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.02	0.00	0.02
F-Corporates	4.27	-3.46	0.80
O/S Pakistanies	1.56	-1.52	0.04
<b>Net</b>	5.84	-4.99	0.86
<b>LIPI</b>			
Individuals	28.81	-27.59	1.22
Companies	0.85	-1.03	-0.18
Comm. Banks	0.78	-0.23	0.55
NBFC	0.60	-0.17	0.43
Mutual Funds	1.62	-1.98	-0.36
Other	0.39	-0.14	0.25
Brokers Proprietary	8.32	-10.77	-2.45
Insurance	0.12	-0.43	-0.31
<b>Net</b>	41.48	-42.34	-0.86

Source: NCCPL

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	53.32	-0.5%
Brent oil	USD/bbl.	59.08	-0.5%
Gold	USD/t oz.	1494.20	0.1%
Silver	USD/t oz.	17.69	0.2%
Coal	USD/ton	66.70	0.6%
Steel Scrap (LME)	USD/ton	239.50	0.2%
Steel Rebar (LME)	USD/ton	405.00	-0.5%
USD/PKR	Interbank	156.16	-0.1%

Source: Bloomberg/SBP

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

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MORNING BRIEFING



## Miscellaneous

### PIA to expand fleet with five new aircraft

PIAA | **Positive**

Pakistan International Airlines (PIA) has decided to acquire five new aircraft in a bid to expand its fleet. As per details, two A-320 Airbuses will be inducted into the national flag-carrier by November while a tender to buy three new narrow-body aircraft will also be released next month. (PT) | [Click for more info.](#)

### Delay in refund payments: Exporters unable to honour export commitments

Textile | **Negative**

Exporters are facing difficulties to fulfill their export commitments due to extreme liquidity crunch coupled with cash flow problems due to the delay in payment of billions of rupees refund claims. Exporters urged the government to restore the zero rating of sales tax (0 percent) ie, no payment no refund regime for the five export sectors including textile as current refund payment system has failed to ensure timely payment of claims. (BR) | [Click for more info.](#)

### British royals William and Kate arrive in Pakistan for historic tour

Economy | **Neutral**

United Kingdom's Prince William and Kate Middleton arrived in Islamabad on Monday night, beginning a five-day visit that will focus on boosting ties and addressing challenges such as climate change. The Duke and Duchess of Cambridge will remain in the country till October 18. (PT) | [Click for more info.](#)

### Govt releases all funds for infrastructure projects

Economy | **Positive**

Federal Government has released all funds, allocated in the current financial year for infrastructure projects under Karachi Package. (BR) | [Click for more info.](#)

### FBR warns insurers to comply with guarantee standards

Insurance | **Negative**

Tax authorities warned insurance firms on Monday over their role in underwriting billions of rupees of Afghan transit trade as several of them allegedly went into default after misusing the trade facility. (The News) | [Click for more info.](#)

### FBR sets Rs1.29tr tax collection target for third quarter

Economy | **Positive**

The Federal Board of Revenue, after facing a revenue shortfall of over Rs100 billion, has set the tax collection target for the second quarter (October to December) of the current fiscal year 2019-20 at Rs1,295.99 billion while the target for the current month of October has been set at Rs376.126 billion. (ET) | [Click for more info.](#)

### FBR opens bids for tracking cigarette manufacturing

The Federal Board of Revenue (FBR) on Monday opened financial bids for the award of a contract for electronic monitoring of cigarettes to stop tax evasion of Rs40 billion annually and results revealed that tax authorities might face a legal battle from some contenders. (ET) | [Click for more info.](#)

## World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	26,521.9	213.41	0.81%
Taiwan - TWII	11,067.0	176.99	1.63%
INDIA - SENSEX	38,214.5	87.39	0.23%
PHILP - PSEI	7,884.3	34.35	0.44%
CHINA - Shanghai	3,007.9	34.23	1.15%
INDONESIA - IDX	6,126.9	21.08	0.35%
US - S&P 500	2,966.2	-4.12	-0.14%
US - Dow 30	26,787.4	-29.23	-0.11%
KSA - Tadawul	7,599.1	-31.96	-0.42%
PAK (KSE-100)	34,186.3	-289.43	-0.84%

Source: Bloomberg

## Board Meetings

Scrip	Day	Agenda	Time
EPCL	TUESDAY	3Q A/C - 30SEP19	10:00 AM
HBL	TUESDAY	3Q A/C - 30SEP19	10:00 AM
ISL	TUESDAY	1Q A/C - 30SEP19	10:30 AM
AWWAL	TUESDAY	3Q A/C - 30SEP19	11:00 AM
GLOT	TUESDAY	ANNUAL A/C - 30SEP19	11:00 AM
NRL	TUESDAY	1Q A/C - 30SEP19	11:00 AM
ACPL	TUESDAY	1Q A/C - 30SEP19	12:00 PM
ATRL	TUESDAY	1Q A/C - 30SEP19	1:00 PM
DOL	TUESDAY	1Q A/C - 30SEP19	2:30 PM
POL	TUESDAY	1Q A/C - 30SEP19	3:00 PM
APL	TUESDAY	1Q A/C - 30SEP19	4:00 PM
UBL	WEDNESDAY	3Q A/C - 30SEP19	9:00 AM
EPQL	WEDNESDAY	3Q A/C - 30SEP19	10:00 AM
DCR	WEDNESDAY	1Q A/C - 30SEP19	10:30 AM
PTC	WEDNESDAY	3Q A/C - 30SEP19	2:00 PM
BWCL	WEDNESDAY	1Q A/C - 30SEP19	3:30 PM
ALTN	WEDNESDAY	1Q A/C - 30SEP19	4:00 PM
BCML	THURSDAY	ANNUAL A/C - 30SEP19	10:00 AM
ABOT	THURSDAY	3Q A/C - 30SEP19	11:00 AM
ABL	THURSDAY	3Q A/C - 30SEP19	11:00 AM
LOTCHEM	THURSDAY	3Q A/C - 30SEP19	11:00 AM
MCB	THURSDAY	3Q A/C - 30SEP19	11:00 AM
BIPLS	THURSDAY	3Q A/C - 30SEP19	12:00 PM
PAKT	THURSDAY	3Q A/C - 30SEP19	2:00 PM
BOP	THURSDAY	3Q A/C - 30SEP19	3:00 PM
FCEPL	THURSDAY	3Q A/C - 30SEP19	3:00 PM
EFERT	FRIDAY	3Q A/C - 30SEP19	9:30 AM
BILF	FRIDAY	1Q A/C - 30SEP19	10:00 AM
INIL	FRIDAY	1Q A/C - 30SEP19	10:00 AM
PMPK	FRIDAY	3Q A/C - 30SEP19	10:30 AM
TRIPF	FRIDAY	3Q A/C - 30SEP19	10:30 AM
HAL	FRIDAY	1Q A/C - 30SEP19	11:00 AM
NATF	FRIDAY	1Q A/C - 30SEP19	3:00 PM
BAFL	FRIDAY	3Q A/C - 30SEP19	6:00 PM
BNWM	SATURDAY	1Q A/C - 30SEP19	11:30 AM
SPL	SATURDAY	1Q A/C - 30SEP19	5:00 PM
JDMT	SUNDAY	1Q A/C - 30SEP19	1:00 PM

Source: PSX Announcement



## Political News

### **PM Imran's Iran-Saudi mediation mission an uphill task**

At a time when his own country is locked in bitter tensions with longtime rival India over Kashmir, and grappling with an ailing economy, Prime Minister Imran Khan set out on an ambitious mission to defuse escalating tensions between arch rivals Iran and Saudi Arabia. (ET) | [Click for more info.](#)

### **ANP chooses JUI-F corner for 'Azadi March'**

Once bitter rivals, Awami National Party's (ANP) Asfandiyar Wali Khan and Jamiat Ulema-e-Islam-Fazl's (JUI-F) Maulana Fazlur Rehman on Monday shook hands as the former agreed to back the latter's 'Azadi March' against the incumbent government. This was decided as JUI-F chief met his ANP counterpart at Wali Bagh in Charsadah with senior officials of both parties in attendance. (ET) | [Click for more info.](#)

## International News

### **Asia Stocks Rise as Japan Gains; Treasuries Climb: Markets Wrap**

Asian stocks rose, with the biggest gains in Japan, as investors continued to mull trade negotiations after China said it wanted more talks before signing a deal. Treasuries rose and the dollar was steady. (Bloomberg) | [Click for more info.](#)

### **Oil prices extend losses as weak China data compounds U.S.-China trade deal doubts**

Oil prices dropped again on Tuesday after falling heavily in the previous session, as weak Chinese economic data for September added to lingering concerns about the feasibility of the U.S.-China trade deal announced by President Trump late last week. (Reuters) | [Click for more info.](#)



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**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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