



April 17,  
2019

## Economy News

**Potential FATF blacklisting: Government conducts study on economic impact**

**Economy | Neutral**

The government has started the process for conducting a research study on "forecasting the full economic impact of potential Financial Action Task Force (FATF) blacklisting, especially in the areas of trade, investment and remittances. (BR) | [Click for more info.](#)

**Pakistan's economy to weigh on region's growth: IMF official**

**Economy | Neutral**

Pakistan's economy is projected to slow down significantly and weigh on the region's aggregate growth rate, says Jihad Azour, director of the Middle East and Central Asia department at the International Monetary Fund. (Dawn) | [Click for more info.](#)

**Government needs to address economic vulnerabilities: ADB**

**Economy | Negative**

The government needs to address the vulnerabilities arising from the wider fiscal and current account deficits, falling foreign exchange reserves, rising debt obligations, and greater external financing needs, says Asian Development Bank (ADB). (BR) | [Click for more info.](#)

**Cabinet 'divided' on tax amnesty scheme**

**Economy | Neutral**

The federal cabinet on Tuesday could not approve the 'Assets Declaration and Amnesty Scheme, 2019' and decided to convene a special session on Wednesday (today) to discuss in detail the pros and cons of the proposed initiative. (Daily Times) | [Click for more info.](#)

**Law giving immunity to foreign currency remittances faces abolition**

**Economy | Negative**

The PTI government is considering abolishing Protection of Economic Reforms Act (PERA), 1992, which gives immunity to all residents of Pakistan against any inquiry from the income tax department or any other authority for any amount of remittances (in foreign currency) received through the banking channels from abroad. (The News) | [Click for more info.](#)

**Pakistan's GDP growth to hover around 5 percent in 2019: GECS**

**Economy | Negative**

Pakistan's economy is likely to grow by around 5 percent this year, but it faces challenges in the shape of alarmingly large fiscal and current account deficits, both running around 6 percent of the gross domestic product (GDP). These are the findings of Global Economic Conditions Survey (GECS) report for the first quarter (Q1) of 2019, prepared by Association of Chartered Certified Accountants (ACCA) and Institute of Management Accountants (IMA). (The News) | [Click for more info.](#)

**Jewellers to discuss new FATF system**

**Economy | Neutral**

Lahore Division Sarafa & Jewellers Association (LDS&JA) will convene a meeting on April 19 (Friday) to discuss the proposed new system suggested by the Financial Action Task Force (FATF) regarding sale and purchase in the national jewellery markets. (The Nation) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,497.6	27,387.2	-110.5	-0.4%
KSE100	37,504.1	37,382.0	-122.1	-0.3%
KSE30	17,753.1	17,694.9	-58.3	-0.3%
KMI30	61,346.3	61,036.3	-310.0	-0.5%

### Top Five Gainers

	Open	Close	Chg.	%
RMPL	6,672.0	7,000.0	328.0	4.9%
BATA	1,596.4	1,639.7	43.3	2.7%
HINO	389.0	408.5	19.5	5.0%
INDU	1,311.7	1,326.8	15.1	1.2%
AGTL	419.6	433.4	13.9	3.3%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITYR1	2.3	1.5	-0.8	16.34
KEL	5.1	5.0	-0.1	13.35
PAEL	23.0	23.1	0.1	13.13
PIOC	29.7	29.1	-0.6	7.38
MLCF	31.4	31.6	0.1	7.05

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.04	-0.03	0.01
F-Corp.	3.14	-2.47	0.68
O/S Pak	1.05	-1.15	-0.10
Net	4.23	-3.65	0.59
<b>LIPI</b>			
Indv.	31.65	-30.27	1.38
Cos.	1.60	-1.51	0.09
Banks	1.03	-0.79	0.24
NBFC	0.00	0.00	0.00
M-Funds	1.64	-3.48	-1.84
Other	0.85	-0.97	-0.12
Broker	8.16	-9.42	-1.26
Insur.	2.03	-1.11	0.92
<b>Net</b>	<b>46.96</b>	<b>-47.54</b>	<b>-0.59</b>

Source: NCCPL

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	64.43	0.6%
Brent oil	USD/bbl.	71.92	0.3%
Gold	USD/t oz.	1277.66	0.1%
Silver	USD/t oz.	15.04	0.2%
Coal	USD/ton	69.10	0.1%
Steel Scrap (LME)	USD/ton	313.00	0.6%
Steel Rebar (LME)	USD/ton	482.00	0.4%
USD/PKR	Interbank	141.51	0.0%

Source: Bloomberg/SBP

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

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## Oil & Gas

**PPL spuds oil well in Iraq**

**PPL | Positive**

Pakistan Petroleum Ltd (PPL) company has spudded its first international exploration well at Block 8 in Madain-1, Iraq. In a notice to the Pakistan Stock Exchange, the company said the block is located in Mesopotamian basin and is surrounded by areas that have several large oil and gas fields. (Dawn) | [Click for more info.](#)

## Power

**IPPs | Neutral**

Government is mulling amendment in fuel price adjustment formula for coal power producers to bring it at par with the international prices as the last mechanism was introduced five years back, officials said on Tuesday. (The News) | [Click for more info.](#)

**Questions raised over profits of power producers**

**IPPs | Negative**

Amid criticism over dollar-based tariff indexations, unnatural profits in the power sector and over Rs664 billion capacity charges, the government is in negotiations with independent power producers (IPPs) to secure concessions in various heads and bring down overall power costs. (Dawn) | [Click for more info.](#)

## Cement

**Maple Leaf Cement to commence production from new plant next week**

**MLCF | Positive**

Maple Leaf Cement is expected to commence commercial production of clinkers from its new line of 7,300 tons / day from next week, the company said on Tuesday. (The News) | [Click for more info.](#)

## Miscellaneous

**Trade deficit to be down \$6 bn by June 30: Razzak**

**Economy | Positive**

Contrary to earlier claims about jacking up exports to \$26-27 billion in the ongoing fiscal, Adviser to the Prime Minister on Commerce, Textile, Industry & Production and Investment Razzak Dawood says Pakistan's exports may not touch the figure of \$25 billion by end of the ongoing fiscal in view of the current growth in exports which stands at 1.88 percent and most probably would stay at \$24 billion. (The News) | [Click for more info.](#)

**CPFTA-II: 75 percent of tariff lines to be liberalized**

**Economy | Positive**

Pakistan and China have agreed on liberalization of 75 percent tariff lines and 90 percent trade value of China in the second phase of Free Trade Agreement (CPFTA-II). The agreement has been finalized by more than a dozen officials of both countries in two days' meetings at Beijing. (BR) | [Click for more info.](#)

**313 items: China accepts duty-free access demand: Dawood**

**Economy | Positive**

Advisor to Prime Minister on Commerce and Textile Abdul Razak Dawood said on Tuesday that China has accepted Pakistan's demand of duty-free market access on 313 items and both sides would sign Phase-II of Free Trade Agreement (FTA) on April 28, 2019. (BR) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	39,275.6	369.80	0.95%
HK - Hang Seng	30,129.9	319.15	1.07%
CHINA - Shanghai	3,253.6	75.81	2.39%
US - Dow 30	26,452.7	67.89	0.26%
Taiwan - TWII	10,927.9	52.25	0.48%
KSA - Tadawul	9,139.6	51.42	0.57%
INDONESIA - IDX	6,481.5	46.39	0.72%
PHILP - PSEi	7,826.5	38.48	0.49%
US - S&P 500	2,907.1	1.48	0.05%
PAK (KSE-100)	37,382.0	-122.13	-0.33%

Source: Investing.com

### Board Meetings

Scrip	Day	Agenda	Time
EPQL	WEDNESDAY	1Q. A/c Mar-31, CY'19	10:00 AM
SINDM	WEDNESDAY	3Q. A/c Mar-31, FY'19	12:00 PM
KML	WEDNESDAY	3Q. A/c Mar-31, FY'19	12:30 PM
FEROZ	WEDNESDAY	3Q. A/c Mar-31, FY'19	1:00 PM
PTC	WEDNESDAY	1Q. A/c Mar-31, CY'19	2:00 PM
ALTN	WEDNESDAY	3Q. A/c Mar-31, FY'19	3:00 PM
INIL	THURSDAY	3Q. A/c Mar-31, FY'19	10:00 AM
BWHL	THURSDAY	3Q. A/c Mar-31, FY'19	11:00 AM
DCR	THURSDAY	3Q. A/c Mar-31, FY'19	11:00 AM
FCCL	THURSDAY	3Q. A/c Mar-31, FY'19	11:00 AM
DINT	THURSDAY	3Q. A/c Mar-31, FY'19	11:30 AM
BIPLS	THURSDAY	1Q. A/c Mar-31, CY'19	12:00 PM
TRIPF	THURSDAY	1Q. A/c Mar-31, CY'19	2:30 PM
SEARL	THURSDAY	3Q. A/c Mar-31, FY'19	3:30 PM
EFERT	FRIDAY	1Q. A/c Mar-31, CY'19	9:30 AM
LOTCHEM	FRIDAY	1Q. A/c Mar-31, CY'19	10:00 AM
MARI	FRIDAY	3Q. A/c Mar-31, FY'19	10:00 AM
CPPL	FRIDAY	3Q. A/c Mar-31, FY'19	10:30 AM
ICIBL	FRIDAY	3Q. A/c Mar-31, FY'19	10:30 AM
AWWAL	FRIDAY	3Q. A/c Mar-31, FY'19	11:00 AM
GHNL	FRIDAY	3Q. A/c Mar-31, FY'19	11:30 AM
NRSL	FRIDAY	3Q. A/c Mar-31, FY'19	11:30 AM
GHNI	FRIDAY	3Q. A/c Mar-31, FY'19	3:00 PM
HMB	FRIDAY	1Q. A/c Mar-31, CY'19	3:00 PM
PSO	FRIDAY	3Q. A/c Mar-31, FY'19	3:00 PM
GASF	FRIDAY	3Q. A/c Mar-31, FY'19	4:00 PM
GATI	FRIDAY	3Q. A/c Mar-31, FY'19	4:30 PM
FANM	SATURDAY	3Q. A/c Mar-31, FY'19	11:30 AM
SNGP	SATURDAY	Multiple Periods	2:00 PM
HTL	SATURDAY	3Q. A/c Mar-31, FY'19	2:30 PM

Source: PSX Announcement



## **Govt suffers loss on used cars import**

**Economy | Neutral**

Pakistan-Japan Business Council (PJBC) President Rana Abid Hussain said on Tuesday that the government of Pakistan was losing Rs100 billion every year since it imposed tougher conditions on the import of used cars. (The News) | [Click for more info.](#)

## **NAB won't take any step that hurts economy**

**Economy | Neutral**

The National Accountability Bureau (NAB) would not take any step that might adversely affect the country's economy, the graft buster's chairman Justice (ret'd) Javed Iqbal said on Tuesday. "The bureaucracy plays a major role in running the government. There was solid evidence against the bureaucrats who faced NAB action. NAB would never take any step that would dent the [country's] economy," Iqbal maintained while addressing bureaucrats at the Civil Secretariat Lahore. (ET) | [Click for more info.](#)

## **Political News**

### **US removes Pakistan's name from NSTL**

As per details, US's counsel of foreign affairs has removed Pakistan's name from the National Security Threat List. National Security Threat List is a list that is comprised of the list of countries which according to US's think tanks are a threat to its national security. (BR) | [Click for more info.](#)

### **Govt resolves to continue crackdown against terrorists**

The federal cabinet has expressed resolve to continue crackdown against terrorists under the National Action Plan (NAP) to eventually eliminate the menace from the country. (ET) | [Click for more info.](#)

## **International News**

### **Asia Stocks Mixed Before China Data; Kiwi Declines: Markets Wrap**

Stocks in Asia were mixed after their U.S. counterparts struggled for traction and as investors awaited a slew of data on China's economy. The 10-year Treasury yield edged back from a one-month high. (Bloomberg) | [Click for more info.](#)

### **Brent nears \$72 amid tightening supplies; surprise draw in U.S. crude stocks**

Oil prices rose on Wednesday, supported by concerns over tightening global supply due to U.S. sanctions and fighting in Libya, as well as an unexpected fall in U.S. crude inventories. (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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