

April 18,  
2019

## Economy News

**Senate committee seeks details of IMF package**

**Economy | Neutral**

Senate Standing Committee on Finance summoned Finance Minister Asad Umar in its next session for briefing on surge in inflation and conditions laid down by International Monetary Fund for its programme to Pakistan. The committee also called Minister of State for Revenue Hammad Azhar for briefing on implementation of second supplementary finance bill. (ET) | [Click for more info.](#)

**Govt formulating policies to deal with budget, current account deficit: ADB**

**Economy | Positive**

While indicating \$11.129 billion committed loans remained un-disbursed so far, the Asian Development Bank (ADB) on Wednesday stated that Pakistan's new government was formulating policies to deal with vulnerabilities of budget deficit and current account deficit in order to restore its economic growth. (The News) | [Click for more info.](#)

**Cabinet splits on amnesty or crackdown**

**Economy | Negative**

The federal cabinet failed to develop a consensus on the Tax Amnesty Scheme in its second meeting on Wednesday with Prime Minister Imran Khan in the chair. In a tweet, Information and Broadcasting Minister Chaudhry Fawad Hussain said the matter was pending for the next cabinet meeting, as some provisions [of the scheme] needed fine-tuning. (The News) | [Click for more info.](#)

**Investment in premium prize bonds surges by 29 percent**

**Economy | Positive**

Investment in premium prize bonds has sharply increased by 29 percent after the government seized the issuance of unregistered instrument to stop expansion of the black economy. The investment in premium prize bonds of Rs40,000 denomination increased to Rs5.96 billion by end of February 2019, as compared with Rs4.62 billion in the same month of the last year. (The News) | [Click for more info.](#)

**PM to sign MoUs during China visit**

**Economy | Neutral**

"The visit is to attend the 2nd Belt and Road Forum in Beijing, which will be inaugurated by President Xi Jinping, and the prime minister will deliver a keynote speech in the opening ceremony of the Forum and participate in the Leaders' Round Table," announced the Foreign Office. (The News) | [Click for more info.](#)

**March exports up 4.76 percent MoM**

**Economy | Positive**

Pakistan's exports in March 2019 were recorded at \$1.98 billion against \$1.89 billion in February 2019, showing an increase of 4.76 percent but witnessed a decline of 11.13 percent as compared with exports worth \$2.23 billion in March 2018. (BR) | [Click for more info.](#)

**ECC decides to phase out supplementary grants**

**Economy | Neutral**

The government will gradually wean various departments and ministries off supplementary grants through effective budgeting of their financial needs to ease fiscal deficit pressure, finance minister said on Wednesday. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

|         | Open     | Close    | Chg.   | %     |
|---------|----------|----------|--------|-------|
| KSE All | 27,387.2 | 26,877.2 | -510.0 | -1.9% |
| KSE100  | 37,382.0 | 36,752.6 | -629.4 | -1.7% |
| KSE30   | 17,694.9 | 17,407.6 | -287.2 | -1.6% |
| KMI30   | 61,036.3 | 60,283.7 | -752.6 | -1.2% |

### Top Five Gainers

|      | Open  | Close | Chg. | %    |
|------|-------|-------|------|------|
| OTSU | 142.1 | 147.0 | 4.9  | 3.4% |
| CLOV | 136.4 | 140.7 | 4.3  | 3.1% |
| NRL  | 157.1 | 160.8 | 3.7  | 2.3% |
| POL  | 437.4 | 440.9 | 3.5  | 0.8% |
| HINO | 408.5 | 411.7 | 3.3  | 0.8% |

### Top Five Volume Leaders

|         | Open | Close | Chg. | Vol.  |
|---------|------|-------|------|-------|
| BOP     | 13.5 | 12.5  | -1.0 | 51.48 |
| UNITYR1 | 1.5  | 1.0   | -0.6 | 23.35 |
| MLCF    | 31.6 | 31.0  | -0.6 | 6.79  |
| TRIBL   | 1.8  | 1.9   | 0.2  | 5.69  |
| LOTCEM  | 14.7 | 14.9  | 0.2  | 5.59  |

### Portfolio Investments – Net Position

| FIPI        | Buy   | Sell   | Net   |
|-------------|-------|--------|-------|
| F-Ind.      | 0.00  | -0.06  | -0.05 |
| F-Corp.     | 4.11  | -2.88  | 1.23  |
| O/S Pak     | 1.40  | -1.85  | -0.45 |
| Net         | 5.51  | -4.78  | 0.73  |
| <b>LIPI</b> |       |        |       |
| Indv.       | 25.67 | -26.24 | -0.57 |
| Cos.        | 4.60  | -1.32  | 3.28  |
| Banks       | 2.40  | -1.03  | 1.37  |
| NBFC        | 0.01  | 0.00   | 0.00  |
| M-Funds     | 2.48  | -6.45  | -3.97 |
| Other       | 0.48  | -0.76  | -0.28 |
| Broker      | 7.34  | -8.80  | -1.46 |
| Insur.      | 1.99  | -1.09  | 0.90  |
| <b>Net</b>  | 44.96 | -45.69 | -0.73 |

Source: NCCPL

### Commodity Outlook

|                   | Unit      | Close   | % chg. |
|-------------------|-----------|---------|--------|
| Crude oil         | USD/bbl.  | 63.66   | -0.2%  |
| Brent oil         | USD/bbl.  | 71.41   | -0.3%  |
| Gold              | USD/t oz. | 1271.74 | -0.2%  |
| Silver            | USD/t oz. | 14.94   | -0.3%  |
| Coal              | USD/ton   | 69.40   | 0.4%   |
| Steel Scrap (LME) | USD/ton   | 313.00  | 0.6%   |
| Steel Rebar (LME) | USD/ton   | 481.00  | -0.2%  |
| USD/PKR           | Interbank | 141.52  | 0.0%   |

Source: Bloomberg/SBP

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

**Research Team**

[research@abaalihabib.com](mailto:research@abaalihabib.com)

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106

## Power

**NTDC sees trouble-free power supply**

Power | **Positive**

Major technical constraints in the 220/500kV system have almost been removed, enabling the National Transmission and Despatch Company (NTDC) to ensure a trouble-free power transmission to the 120kV network of the electricity distribution companies (Discos). (Dawn) | [Click for more info.](#)

## Cement

**Anti-dumping duty in South Africa hits Pakistani cement exports: PSABF chief**

Cement | **Neutral**

Chairman Pakistan-South Africa Business Forum (PSABF) Mohammad Rafiq Memon has said that Pakistan's cement exports to South Africa have terribly suffered during the last couple of years because of the anti-dumping duty imposed by the South African government shrinking cement export to around US\$100 to US\$150 million which was around US\$700 million prior to imposition of anti-dumping duty. (BR) | [Click for more info.](#)

**Mega low-cost housing scheme launched**

Cement | **Positive**

Terming it an ambitious and difficult target, Prime Minister Imran Khan on Wednesday launched Naya Pakistan Housing Scheme, envisaging provision of low-cost housing units to the masses and new job opportunities. (BR) | [Click for more info.](#)

## Banks

**Govt. mulls shifting of deposits to SBP**

Banks | **Negative**

The government is examining a proposal to introduce the Treasury Single Account (TSA) to shift deposits of various government departments and organizations with the State Bank of Pakistan (SBP). "While the proposal to introduce TSA is being examined by the Government of Pakistan in consultation with the SBP as part of its agenda to reform public financial management, however, no decision has yet been made to implement the TSA," a press release issued by the SBP said on Wednesday. (Dawn) | [Click for more info.](#)

## Miscellaneous

**PPMA announces cut in prices of 395 essential drugs**

Pharmaceutical | **Negative**

In order to provide due economic relief to masses, Pakistan Pharmaceutical Manufacturers' Association (PPMA) Wednesday announced reduction in the prices of 395 essential medicines whose prices had been reduced by the Drug Regulatory Authority of Pakistan (DRAP) but not implemented by the pharmaceutical industry. It also announced to slash prices of 464 medicines voluntarily by 10 to 15 percent. (BR) | [Click for more info.](#)

**LSM shrinks 1.72 percent in July-February**

Economy | **Negative**

Large Scale Manufacturing (LSM) sector shrank 1.72 percent in the first eight months of the fiscal year 2018/19, though it showed a visible improvement by squeezing negative growth, Pakistan Bureau of Statistics (PBS) data showed. (The News) | [Click for more info.](#)

### World Indices

|                  | Last     | Chg.    | Chg. % |
|------------------|----------|---------|--------|
| INDIA - SENSEX   | 39,275.6 | 369.80  | 0.95%  |
| KSA - Tadawul    | 9,238.1  | 98.50   | 1.08%  |
| Taiwan - TWII    | 10,997.3 | 69.41   | 0.64%  |
| INDONESIA - IDX  | 6,481.5  | 46.39   | 0.72%  |
| CHINA - Shanghai | 3,263.1  | 9.52    | 0.29%  |
| PHILP - PSEi     | 7,835.2  | 8.69    | 0.11%  |
| US - Dow 30      | 26,449.5 | -3.12   | -0.01% |
| HK - Hang Seng   | 30,124.7 | -5.19   | -0.02% |
| US - S&P 500     | 2,900.5  | -6.61   | -0.23% |
| PAK (KSE-100)    | 36,752.6 | -629.38 | -1.68% |

Source: Investing.com

### Board Meetings

| Scrip   | Day      | Agenda                | Time     |
|---------|----------|-----------------------|----------|
| 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



## **Government mulling using indigenous coal, iron ore to run PSM**

### **Economy | Neutral**

The federal government is considering using Thar coal and iron ore of Balochistan and Chinniot (Punjab) to run Pakistan Steel Mills (PSM) aimed at making its products internationally competitive, well-informed sources in Ministry of Industries and Production (Mol&P) told. (BR) | [Click for more info.](#)

## **Pakistan not to ink FTA with Iran: Razak**

### **Economy | Neutral**

Pakistan will not ink the Free Trade Agreement (FTA) with Iran, rather it will first prefer to make Preferential Trade agreement (PTA), which is already effective since long and giving the required dividends, Adviser to the Prime Minister on Commerce. (The News) | [Click for more info.](#)

## **Gold price down by Rs 550 per tola**

### **Economy | Neutral**

According to Karachi Sarafa Association, the per tola price of 24 karat gold decreased by Rs 550 on Wednesday and traded at Rs 70,000 per tola as compared with the last closing of Rs 71,550. (The Nation) | [Click for more info.](#)

## **Political News**

### **Implementation of terms: Taliban relying more on China than Pakistan: former envoy**

Former Ambassador of Pakistan to Afghanistan Rustom Shah Mohmand has said that Taliban are relying more on China than Pakistan as former is one of the world's biggest economies and can stand up to the United States to defend its position in an effective and meaningful manner. (BR) | [Click for more info.](#)

## **International News**

### **Asian Stocks Mixed; Treasuries Tick Higher: Markets Wrap**

Asian stocks were mixed Thursday after the latest batch of corporate earnings did little to boost their U.S. counterparts. Treasuries inched higher. (Bloomberg) | [Click for more info.](#)

### **Oil prices extend losses despite surprise drop in U.S. inventories**

Oil prices edged down on Thursday despite a surprise decline in U.S. inventories, with international benchmark Brent retreating from a five-month high touched in the previous session. (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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## THE TEAM

### CEO

Zahid Ali Habib  
[Zahid@abaalihabib.com](mailto:Zahid@abaalihabib.com)  
(021) 32425022

### RESEARCH TEAM

**Contact:** (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst  
[zubair@abaalihabib.com](mailto:zubair@abaalihabib.com)

Zoha Amjad – Research Analyst  
[Zoha.amjad@abaalihabib.com](mailto:Zoha.amjad@abaalihabib.com)

Ayesha Abid – Research Analyst  
[ayesha.abid@abaalihabib.com](mailto:ayesha.abid@abaalihabib.com)

### SALES TEAM

Zaheer Ahmed - Head of Equity Sales & Business Dev.  
[Zaheer.ahmed@abaalihabib.com](mailto:Zaheer.ahmed@abaalihabib.com)  
(021) 32418693-94

Hafsa Kamani- Assistant Manager Equity Sales  
[Hafsa.Kamani@abaalihabib.com](mailto:Hafsa.Kamani@abaalihabib.com)  
(021) 32431925

Syed Khalid Ahmed - Equity Trader  
[Syedkhalid@abaalihabib.com](mailto:Syedkhalid@abaalihabib.com)  
(021) 32429664

Muhammad Faisal - Equity Trader  
[faisal@abaalihabib.com](mailto:faisal@abaalihabib.com)  
(021) 32464835

### Office (PSX Building)

Room # 419, 419 A & 421, 4<sup>th</sup> Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi

Contact: 021-32429665

Cell: [+92 3312766771](tel:+923312766771)



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