



February  
18, 2019

## Economy News

### Saudi Arabia to invest Rs2.8 trillion

**Economy | Positive**

Saudi Crown Prince Mohammed bin Salman on Sunday said with the signing of \$20 billion (Rs2.8 trillion) memoranda of understanding (MoUs) between Pakistan and Saudi Arabia in the first phase, the bilateral cooperation between the two brotherly countries would further grow in the coming months and years. He referred to the historic and deep relationship between the two countries and said those would further strengthen. | [Click for more Info.](#)

### FATF Asia Pacific Group satisfied with Pak performance

**Economy | Positive**

The Asia Pacific Group (APG) of the Financial Action Task Force's (FATF) has presented its report to the International Country Risk Guide (ICRG) expressing satisfaction over the measures taken by Pakistan to curb terror financing and money laundering. | [Click for more Info.](#)

### Saudi Arabia expected to take part in CPEC projects

**Economy | Positive**

Saudi Arabia is expected to purely invest on commercial basis in various projects, including those under China-Pakistan Economic Corridor (CPEC) framework, Adviser to Prime Minister on Commerce Abdul Razak Dawood said on Friday. | [Click for more info.](#)

### MoUs on diverse sectors to be inked

**Economy | Positive**

Pakistan and Saudi Arabia will sign memoranda of understanding relating to diverse sectors, including investment, finance, power, renewable energy, internal security, media, culture and sports, during the visit of Saudi Crown Prince Mohammed bin Salman. | [Click for more info.](#)

### Leaning on the IMF will cost govt dearly

**Economy | Negative**

Pakistan has to commit to a further fiscal adjustment of around 2.5 per cent of GDP along with 'deep-rooted' and wide-ranging structural reforms to secure a bailout from the International Monetary Fund (IMF) despite top-level political interventions, according to sources. | [Click for more Info.](#)

### China to extend \$3.5 billion in grant and loans: Report

**Economy | Positive**

To boost Pakistan's sliding foreign exchange reserves, China has committed to provide \$3.5 billion besides paying for socio-economic development plans being embarked upon by the incumbent government. | [Click for more info.](#)

### Bids invited to manage 'Panda Bond' issue

**Economy | Positive**

Pakistan intends to tap China's growing "Panda Bond" market, which enables foreign issuers to raise yuan-denominated bonds, and has invited proposals from financial institutions to manage the issue, according to a finance ministry announcement on Friday. | [Click for more info.](#)

### Holding company for state-owned enterprises launched: Asad Umar

**Economy | Positive**

Minister for Finance Asad Umar on Friday announced that Sarmaya-e-Pakistan, the holding company for state-owned enterprises, has been launched. | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,324.9	29,331.2	6.3	0.0%
KSE100	40,507.0	40,486.7	-20.3	-0.1%
KSE30	19,444.0	19,454.4	10.4	0.1%
KMI30	68,129.9	67,988.2	-141.6	-0.2%

### Top Five Gainers

	Open	Close	Chg.	%
SRVI	770.0	800.0	30.0	3.9%
PSMC	287.4	301.7	14.3	5.0%
EFUL	207.1	217.2	10.0	4.8%
SAPL	815.0	825.0	10.0	1.2%
JDWS	295.0	303.6	8.6	2.9%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
LOTCEM	16.7	16.3	-0.3	10.01
BOP	13.4	13.6	0.2	5.84
SNBL	12.9	12.7	-0.2	5.79
STPL	22.1	22.2	0.1	5.08
PREMA	22.4	22.8	0.4	3.16

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.01	-0.09	-0.09
F-Corp.	11.85	-10.29	1.56
O/S Pak	1.23	-1.04	0.19
Net	13.08	-11.42	1.66
<b>LIPI</b>			
Indv.	26.56	-26.30	0.26
Cos.	1.41	-1.74	-0.34
Banks	1.74	-0.77	0.98
NBFC	0.01	0.00	0.00
M-Funds	2.19	-2.88	-0.68
Other	1.12	-1.36	-0.24
Broker	6.33	-7.21	-0.88
Insur.	0.56	-1.33	-0.76
<b>Net</b>	<b>39.92</b>	<b>-41.58</b>	<b>-1.66</b>

Source: NCCPL

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	55.85	0.5%
Brent oil	USD/bbl.	66.23	0.0%
Gold	USD/t oz.	1324.64	0.2%
Silver	USD/t oz.	15.83	0.3%
Coal	USD/ton	82.85	0.4%
Steel Scrap (LME)	USD/ton	327.50	0.8%
Steel Rebar (LME)	USD/ton	478.00	1.1%
USD/PKR	Interbank	139.03	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

REP-055

[www.jamapunji.pk](http://www.jamapunji.pk)



سرمايه کارى سمجھداری کے ساتھ

## Pakistan's debt and liabilities soar to Rs33tr

### Economy | Negative

Pakistan's debt and liabilities skyrocketed to Rs33.3 trillion at the end of 2018 with addition of Rs3.4 trillion in just six months, reported the State Bank of Pakistan on Friday. | [Click for more info.](#)

## LSM contracts 10.2pc in December

### Economy | Negative

The large-scale manufacturing (LSM) sector shrank 10.2 per cent during Dec 2018 from a year ago, the Pakistan Bureau of Statistics (PBS) reported on Friday. | [Click for more info.](#)

## Borrowing from SBP reaches historic high

### Economy | Negative

The Khan administration's borrowing from the State Bank of Pakistan has reached a historic high - Rs 3.8 trillion during the last five months while previously no government had exceeded Rs 3.4 trillion. | [Click for more info.](#)

## Foreign debt, liabilities balloon to \$99.1bn till December-end

### Economy | Negative

Pakistan's total external debt and liabilities increased to \$99.1 billion at the end of December 2018 from \$95.3 billion in June, the central bank's data revealed on Friday, showing that the current government added around \$4 billion to the foreign borrowings since it took office in August last year. At the end of September, foreign debt stood at \$96.7 billion, according to the State Bank of Pakistan (SBP). | [Click for more info.](#)

## Govt pays \$5.4bn in debt servicing

### Economy | Negative

The country's external debt servicing has increased significantly in the first two quarters of the current fiscal year, reaching \$5.367 billion at the end of Dec 2018. The State Bank reported on Friday that external debt servicing has been rising sharply compared to the last fiscal year. | [Click for more info.](#)

## Oil & Gas

### Saudi refinery to reduce oil import bill by \$1.2b: petroleum minister

#### Oil | Positive

Saudi Arabia has no concerns about the security situation in Balochistan where it plans to invest billions of dollars in refinery, minerals and renewable sectors, said Petroleum Minister Ghulam Sarwar Khan. | [Click for more info.](#)

### Gas crisis deepens as LNG terminal shut for maintenance

#### Gas | Negative

The gas crisis in Sindh and Balochistan once again worsened on Friday after Punjab was provided additional fuel and one of the two liquefied natural gas (LNG) import terminals shut down for maintenance. | [Click for more info.](#)

### Gas price slabs to be revised, says minister

#### Gas | Neutral

Petroleum Minister Ghulam Sarwar Khan on Friday promised to revise existing slabs for domestic gas consumers to settle the issue of inflated bills caused by the price hike. | [Click for more info.](#)

### Pakistan asked to bear transportation cost of Gwadar oil refinery project

#### Economy Neutral

As Pakistan and Saudi Arabia have agreed to sign the important agreement of building an oil refinery in Gwadar at a cost of \$5-6 billion, Islamabad will at least be needed to shoulder the cost of transportation of oil from the proposed refinery. | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	40,486.7	-20.31	-0.1%
INDIA - SENSEX	35,809.0	-67.27	-0.2%
HK - Hang Seng	27,900.8	-531.21	-1.9%
CHINA - Shanghai	2,682.4	-37.31	-1.4%
Taiwan - TWII	10,064.8	12.12	0.3%
INDONESIA - IDX	6,389.1	-30.93	-0.5%
PHILP - PSEI	7,908.9	-82.36	-1.0%
KSA - Tadawul	8,592.0	-34.27	-0.4%
US - Dow 30	25,883.3	443.86	1.7%
US - S&P 500	2,775.6	29.87	1.1%

Source: Investing.com

### Board Meetings

Scrip	Day	Agenda	Time
STCL	MONDAY	HY A/c Dec-31, FY'19	10:00 AM
FCCL	MONDAY	HY A/c Dec-31, FY'19	12:00 PM
BERG	MONDAY	HY A/c Dec-31, FY'19	3:00 PM
CYAN	MONDAY	Ann. A/c Dec-31, CY'18	3:30 PM
786	MONDAY	HY A/c Dec-31, FY'19	4:00 PM
IBFL	MONDAY	HY A/c Dec-31, FY'19	4:00 PM
ENGRO	TUESDAY	Ann. A/c Dec-31, CY'18	10:00 AM
KAPCO	TUESDAY	HY A/c Dec-31, FY'19	10:00 AM
OTSU	TUESDAY	HY A/c Dec-31, FY'19	10:30 AM
KOHE	TUESDAY	HY A/c Dec-31, FY'19	11:00 AM
NICL	TUESDAY	HY A/c Dec-31, FY'19	11:00 AM
EMCO	TUESDAY	HY A/c Dec-31, FY'19	11:30 AM
BIPLS	TUESDAY	Ann. A/c Dec-31, CY'18	2:00:00 NOON
JSGCL	TUESDAY	Ann. A/c Dec-31, CY'18	12:45 PM
GASF	TUESDAY	HY A/c Dec-31, FY'19	2:00 PM
DYNO	TUESDAY	HY A/c Dec-31, FY'19	3:00 PM
NATF	TUESDAY	HY A/c Dec-31, FY'19	3:00 PM
PIBTL	TUESDAY	HY A/c Dec-31, FY'19	3:00 PM
MLCF	TUESDAY	HY A/c Dec-31, FY'19	3:30 PM
ORIXM	TUESDAY	HY A/c Dec-31, FY'19	4:00 PM
MARI	WEDNESDAY	HY A/c Dec-31, FY'19	9:00 AM
UBL	WEDNESDAY	Ann. A/c Dec-31, CY'18	9:00 AM
DINT	WEDNESDAY	HY A/c Dec-31, FY'19	10:00 AM
HBL	WEDNESDAY	Ann. A/c Dec-31, CY'18	10:00 AM
MCB	WEDNESDAY	Ann. A/c Dec-31, CY'18	11:00 AM
PSX	WEDNESDAY	HY A/c Dec-31, FY'19	11:00 AM
SLCL	WEDNESDAY	HY A/c Dec-31, FY'19	11:00 AM
SPL	WEDNESDAY	HY A/c Dec-31, FY'19	11:00 AM
DAWH	WEDNESDAY	Ann. A/c Dec-31, CY'18	11:30 AM
NPL	WEDNESDAY	HY A/c Dec-31, FY'19	11:30 AM
FATIMA	WEDNESDAY	Ann. A/c Dec-31, CY'18	2:00:00 NOON
SBL	WEDNESDAY	Ann. A/c Dec-31, CY'18	2:00:00 NOON
ADAMS	WEDNESDAY	1Q A/c Dec-31, MY'18	12:30 PM
KTML	WEDNESDAY	HY A/c Dec-31, FY'19	3:30 PM
TPLP	WEDNESDAY	HY A/c Dec-31, FY'19	3:45 PM

Source: PSX Announcement



## Power

**Saudi company to invest \$4 billion in power sector - Positive**

Power | **Positive**

Saudi Power Company, ACWA Power, has expressed the intention to make up to \$4 billion investment in Pakistan power sector, especially in renewable energy. | [Click for more Info.](#)

**Govt. plans to borrow another \$1.44bn to manage circular debt**

IPPs | **Positive**

Pakistan plans to borrow another 200 billion rupees (\$1.44bn) to help clear power sector debt destabilising the finances of the government and private power producers, a senior official tasked with energy reforms said. | [Click for more info.](#)

**Discos seek Rs1.94 per unit hike in tariff**

IPPs | **Positive**

The ex-Wapda Distribution companies (Discos) have sought about Rs1.94 per unit increase in consumer tariff on account of monthly fuel price adjustment mainly due to higher dependence on furnace oil consumption and negligible hydropower availability. | [Click for more info.](#)

**NAB summons NEPRA over case of unprecedented profits earned by IPPs**

IPPs | **Negative**

The National Accountability Bureau (NAB) Lahore has summoned officials of the National Electric Power Regulatory Authority (NEPRA) to appear Monday, 18 February and submit verified reports/records regarding independent power producers (IPPs). | [Click for more Info.](#)

## Textile

**Textile exports rise 1.19pc in seven months, 8.16pc in January**

Textile | **Positive**

The textile group exports from the country increased by 1.19 percent during the first seven months of the current fiscal year as against the exports of the corresponding period of last year. | [Click for more info.](#)

**Interloop gears up for March IPO, roadshows to commence in Lahore, Karachi next week**

Textile | **Positive**

Interloop Limited is gearing for its initial public offering (IPO) in early March with dates to be decided after final regulatory approval, according to Arif Habib CEO Shahid Ali Habib. | [Click for more info.](#)

## Miscellaneous

**India levies 200% duty on imports from Pakistan**

Economy | **Negative**

In retaliation to the aftermath of the deadly attack in Indian-occupied Kashmir on Friday, India has announced an imposition of 200% duty on imports from Pakistan. India had withdrawn the most favourite nation (MFN) status granted to Pakistan on Friday after an attack in Indian-occupied Kashmir. | [Click for more info.](#)

**Duty on soybean oil: Ministry-ghee and cooking oil industry meeting next week**

UNITY, POML | **Positive**

Finance Minister Asad Umar and local ghee and cooking oil industry would convene a meeting next week to discuss a proposal to remove a major disparity at the import stage by upward revising duties and taxes structure on imported soybean seed and reducing taxes on the import of soybean oil. | [Click for more info.](#)



## Political News

### **Attack on Revolutionary Guards: Iranian general warns Pakistan**

Iran urged Pakistan on Saturday to crack down on militants who killed 27 of its Revolutionary Guards in an attack near the border or expect military action by Tehran "to punish the terrorists." | [Click for more info.](#)

### **COAS played key role in promoting Pak-Saudi ties**

Chief of Army Staff Gen Qamar Javed Bajwa has played a key role in bringing the Pak-Saudi ties to the present enthusiastic level. | [Click for more info.](#)

## International News

### **Oil hits three-month high on OPEC cuts, U.S. sanctions on Iran, Venezuela**

Oil prices rose to their highest levels since November last year on Monday, lifted by OPEC-led supply cuts and U.S. sanctions on Iran and Venezuela. | [Click for more info.](#)

### **Asia Stocks Climb on Trade Optimism; Oil Advances: Markets Wrap**

Asian stocks rose Monday following a strong U.S. session Friday amid optimistic signs on the economy and trade discussions. | [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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## 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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