

February  
20, 2019

## Economy News

**India halts all trade, orders Pakistanis out**

**Economy | Negative**

The Pakistani nationals in Bikaner, Rajasthan have been asked to leave within 48 hours, as tensions soar between the two countries in the aftermath of the last week's attack in Pulwama. | [Click for more info.](#)

**Non-essential Indian items: 200 percent RD may be imposed**

**Economy | Negative**

Pakistan is likely to impose 200 per cent Regulatory Duty (RD) on non-essential Indian imports in retaliation against recent Indian measures and raise the issue of India unilaterally withdrawing the Most Favoured Nation (MFN) status to Pakistan at the World Trade Organisation (WTO) in Geneva. | [Click for more info.](#)

**Govt envisages tax-to-GDP ratio of 13.9pc over three years**

**Economy | Positive**

The government envisaged to take the tax-to-GDP ratio to 13.9 percent over the next three years from the current 11.6 percent through a score of fiscal measures. | [Click for more info.](#)

**Erdogan may visit Pakistan in March**

**Economy | Neutral**

Turkish President Recep Tayyip Erdogan is likely to make announcement of huge investment during his visit to Pakistan next month, Turk Consul General in Pakistan Tolga Ucak said on Tuesday. (The News) | [Click for more info.](#)

**South Korea ups Pakistan loan limit to \$800 million**

**Economy | Positive**

South Korea has jacked up its lending limit for Pakistan from \$500 million to \$800 million at an interest rate that is lower than offered by any other country/lender. | [Click for more info.](#)

## Oil & Gas

**47,000 consumers of Sui Northern get bills-inflated by 200-300pc**

**SNGP | Negative**

The fact finding committee on inflated gas bills, December 2018, has found that 47,000 gas consumers of Sui Northern received bills with huge increase by as much as 200-300 percent because of the 7 slab gas pricing formula with 10-143 percent growth in gas tariff imposed by govt. The committee has recommended to limit the 7 slab gas pricing formula to 5 slab structure with rationalized tariff. | [Click for more info.](#)

## Power

**Power generation falls 2.7 percent in January**

**Power | Neutral**

Power generation fell 2.7 percent year-on-year to 7,764 gigawatt hours (GWh) in January as electricity production from ex-furnace oil sources continued to decline during the month, a brokerage reported on Tuesday. | [Click for more info.](#)

**PPIB extends financial close deadlines of three power projects**

**Power | Neutral**

Private Power and Infrastructure Board (PPIB) on Tuesday allowed one year extension in the financial close deadlines of three power plants with a combined generation capacity of 1784 megawatts (MW). | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,189.6	28,956.6	-233.0	-0.8%
KSE100	40,219.5	39,957.1	-262.4	-0.7%
KSE30	19,338.9	19,216.7	-122.2	-0.6%
KMI30	67,556.2	67,190.2	-366.0	-0.5%

### Top Five Gainers

	Open	Close	Chg.	%
UPFL	7,550.0	7,600.0	50.0	0.7%
WYETH	1,101.6	1,127.0	25.4	2.3%
GATI	313.4	329.1	15.7	5.0%
BTL	272.0	285.0	13.0	4.8%
FASM	255.0	261.0	6.0	2.4%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	6.4	6.4	0.0	9.68
STPL	22.0	21.0	-1.1	6.86
PAEL	26.0	26.0	0.0	5.71
PIBTL	12.0	12.0	0.0	4.47
PTC	10.2	10.2	0.0	3.80

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.03	-0.05	-0.02
F-Corp.	5.61	-4.03	1.58
O/S Pak	1.64	-1.50	0.15
Net	7.28	-5.58	1.70
<b>LIPI</b>			
Indv.	32.42	-35.04	-2.62
Cos.	3.83	-3.70	0.14
Banks	1.03	-0.60	0.43
NBFC	0.04	-0.03	0.01
M-Funds	3.57	-4.62	-1.05
Other	0.35	-0.26	0.09
Broker	11.97	-11.40	0.57
Insur.	1.24	-0.51	0.74
<b>Net</b>	<b>54.44</b>	<b>-56.14</b>	<b>-1.70</b>

Source: NCCPL

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	55.84	-0.4%
Brent oil	USD/bbl.	66.24	-0.3%
Gold	USD/t oz.	1345.16	0.3%
Silver	USD/t oz.	16.06	0.4%
Coal	USD/ton	82.70	-0.2%
Steel Scrap (LME)	USD/ton	327.50	0.0%
Steel Rebar (LME)	USD/ton	478.00	0.0%
USD/PKR	Interbank	139.03	0.2%

Source: Bloomberg/SBP

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

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## Autos

**Belarus keen to produce farm machinery in Pakistan**

**Autos | Neutral**

Belarus is willing to support the joint production of tractors in Pakistan along with other farm machinery, said Belarus' Deputy Minister Dmitry Korchik on Tuesday. | [Click for more info.](#)

## Fertilizer

**ECC orders uninterrupted urea supply**

**FATIMA, AGL | Positive**

The Economic Coordination Committee (ECC) of the Cabinet on Tuesday directed the Ministry of National Food Security and Research for continued operation of two urea plants — Fatima Fertilizer and Agritech — beyond the current month till October to ensure sufficient supply of the fertilizer. | [Click for more info.](#)

## Banks

**SME financing reaches record Rs500bn**

**Banks | Positive**

Banks have provided record financing to the small and medium enterprises (SMEs) in the calendar 2018 crossing the Rs500 billion mark, according to data released by the State Bank of Pakistan (SBP) on Tuesday. | [Click for more info.](#)

## Transportation

**Business plan for PIA to be finalised by end of March**

**PIAA | Positive**

Pakistan International Airlines (PIA) authorities will finalize a comprehensive business plan by the end of March, 2019 with the objective of restructuring the national flag carrier to turn it into a profitable entity. | [Click for more info.](#)

**PIA decides to stop flights on Japan route**

**PIAA | Neutral**

After reprioritizing international routes, in accordance with changing traffic patterns, Pakistan International Airlines (PIA) has closed the Japan route. | [Click for more info.](#)

**PIA cuts fares on Beijing route**

**PIAA | Positive**

Pakistan International Airlines (PIA) has announced a substantial reduction in fares for its Beijing-Islamabad-Beijing route, besides offering special fares and packages to passengers travelling in groups as part of the skilled manpower for China-Pakistan Economic Corridor (CPEC) projects in Pakistan. | [Click for more info.](#)

## Miscellaneous

**Import of electrical machinery, appliances down by 17 percent in July-January**

**Economy | Neutral**

Pakistan's import of electrical machinery and appliances dropped to \$1.044 billion in July-Jan 2018-19, down by 17 percent. | [Click for more info.](#)

**PSM's 'under investigation officials' to be placed on ECL**

**Economy | Neutral**

The Economic Coordination Committee (ECC) has directed the Ministry of Industries and Production to ensure placing the names of Pakistan Steel Mills personnel, who are under investigation in the National Accountability Bureau (NAB), on the Exit Control List (ECL). | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	39,957.1	-262.40	-0.7%
INDIA - SENSEX	35,352.6	-145.83	-0.4%
HK - Hang Seng	28,228.1	-118.88	-0.4%
CHINA - Shanghai	2,755.7	1.29	0.1%
Taiwan - TWII	10,152.3	12.12	0.3%
INDONESIA - IDX	6,494.7	-3.15	-0.1%
PHILIP - PSEI	7,833.8	-76.83	-1.0%
KSA - Tadawul	8,516.6	-53.23	-0.6%
US - Dow 30	25,891.3	8.07	0.0%
US - S&P 500	2,779.8	4.16	0.2%

Source: Investing.com

### Board Meetings

Scrip	Day	Agenda	Time
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
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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

## Political News

### UN urges India, Pakistan to take immediate steps to defuse tensions

UN Secretary General Antonio Guterres on Tuesday called on India and Pakistan to take immediate steps to defuse tensions and offered to help broker a solution if both sides agree to UN mediation. | [Click for more info.](#)

## International News

### Oil near 2019 highs amid OPEC supply cuts, but rising U.S. output weighs

Oil prices hovered near 2019 highs on Wednesday, supported by OPEC-led supply cuts and U.S. sanctions on Iran and Venezuela, but capped by soaring U.S. production and expectations of an economic slowdown. | [Click for more info.](#)

### Asia Stocks Gain as Profits Buoy U.S.; Yuan Gains: Markets Wrap

Asian stocks climbed after strong earnings sentiment helped boost U.S. equities, while lingering trade concerns lifted Treasuries. The yuan built on gains amid a report the U.S. is asking China to keep its currency stable as part of the negotiations. | [Click for more info.](#)

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Source: PSX Announcement



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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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