

February  
21, 2019

## Economy News

### Imports from India continue unabated

#### Economy | Neutral

As Pakistan's exports to India face suspension after Pulwama attack on Feb 14, the trading and import of Indian goods, on the other hand, has so far been moving at normal pace. Some businessmen, however, want a "tit-for-tat action" from Pakistani government in view of up to 200 per cent duty imposed by India on import of Pakistani goods. (Dawn) | [Click for more info.](#)

### Government raises Rs 301.8 billion

#### Economy | Neutral, Banks | Positive

The federal government Wednesday raised some Rs 301.8 billion through auction of long term investment bonds. The State Bank of Pakistan (SBP) on February 20, 2019 conducted auction of Pakistan Investment Bond (PIB-Floating Rate) and Pakistan Investment Bond (PIB Fixed Rate). (BR) | [Click for more info.](#)

### July-December budget deficit exceeds Rs one trillion

#### Economy | Negative

The budget deficit has increased to 2.7 percent of the GDP (or Rs 1,030 billion) during the first six months of current fiscal year (July-December 2018) in spite of Rs 248 billion surplus created by the provinces, according to the Finance Ministry. (BR) | [Click for more info.](#)

### Govt to launch Rs100,000 prize bonds: reports

#### Economy | Positive

The government has decided to launch prize bonds of Rs100,000 denomination by March, according to media reports. The investors would get 12.5 per cent profit per annum on the new bonds. An important decision in this regard was made to register the prize bonds against the investors in order to document the economy, which was largely undocumented. (PT) | [Click for more info.](#)

## Oil & Gas

### Mari Petroleum approves acquisition of two new oil exploration blocks

#### MARI | Positive

Mari Petroleum Company Limited (MPCL) Board of Directors, in a meeting held here on Wednesday, has approved the acquisition of two new blocks which have been provisionally awarded to the company on the account of being the highest bidder, in the latest bidding round arranged by the government of Pakistan. (PT) | [Click for more info.](#)

### Govt to set up new LNG terminal at Port Qasim

#### Economy | Positive

The government has decided to construct a new Liquefied Natural Gas (LNG) terminal at Port Qasim, Karachi, setting aside the concerns/reports of the Ministry of Maritime Affairs and Port Qasim Authority with regard to the feasibility of the terminal. (PT) | [Click for more info.](#)

## Power

### K-Electric, NIP sign MoU for Rs 1.8bn grid station at Bin Qasim Industrial Park

#### KEL | Positive

National Industrial Parks (NIP) and K-Electric (KE) have jointly come up with a short-term and a long-term solution to meet the electricity needs of Bin Qasim Industrial Park enterprises by signing a Memorandum of Understanding (MoU) here on Wednesday for executing this task. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,956.6	29,103.5	147.0	0.5%
KSE100	39,957.1	40,279.4	322.3	0.8%
KSE30	19,216.7	19,454.3	237.6	1.2%
KMI30	67,190.2	67,808.6	618.4	0.9%

### Top Five Gainers

	Open	Close	Chg.	%
COLG	2,000.0	2,050.0	50.0	2.5%
MARI	1,274.3	1,301.8	27.5	2.2%
GATI	329.1	345.5	16.5	5.0%
POL	472.2	481.5	9.3	2.0%
UBL	150.2	157.5	7.3	4.9%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PIBTL	12.0	11.3	-0.8	17.83
BOP	13.3	13.6	0.3	7.56
KEL	6.4	6.3	-0.1	7.02
LOTCEM	15.8	15.7	0.0	5.73
UBL	150.2	157.5	7.3	4.54

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.19	-0.11	0.08
F-Corp.	6.68	-5.94	0.74
O/S Pak	1.68	-1.75	-0.07
Net	8.56	-7.80	0.75
<b>LIPI</b>			
Indv.	44.93	-48.86	-3.93
Cos.	4.17	-3.93	0.24
Banks	2.02	-2.41	-0.40
NBFC	0.00	-0.01	-0.01
M-Funds	5.87	-2.91	2.96
Other	0.97	-1.15	-0.18
Broker	15.86	-15.41	0.45
Insur.	3.08	-2.96	0.12
<b>Net</b>	<b>76.90</b>	<b>-77.65</b>	<b>-0.75</b>

Source: NCCPL

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	57.11	1.8%
Brent oil	USD/bbl.	66.85	-0.3%
Gold	USD/t oz.	1337.66	-0.1%
Silver	USD/t oz.	15.99	-0.4%
Coal	USD/ton	82.75	0.1%
Steel Scrap (LME)	USD/ton	326.00	-0.5%
Steel Rebar (LME)	USD/ton	474.00	-0.8%
USD/PKR	Interbank	139.03	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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## Nepra raises power tariff by Rs1.80/unit, exempts KE consumers IPPs | **Positive**, Economy | **Negative**

The National Electric Power Regulatory Authority (Nepra) on Wednesday allowed Rs1.80/unit increase in electricity tariff for all the power distribution companies, except K-Electric, on account of fuel price adjustment for January. (The News) | [Click for more info.](#)

## Miscellaneous

### IGI Investments to invest 45% in equity of S.C Johnson Pakistan Economy | **Neutral**

IGI Investments (private) Limited on Wednesday announced its board of directors had approved investment of 45% in the equity of S.C Johnson and Son of Pakistan (Private) Limited. (PT) | [Click for more info.](#)

### KPT to privatize bulk cargo handling facilities Economy | **Positive**

The Karachi Port Trust (KPT), a premier port of Pakistan, has decided to privatize its bulk cargo handling facilities in a bid to match international standards. Also, the authority has planned to establish mechanized environmental friendly multipurpose clean bulk terminal with handling capacity of minimum 8 Million tons per annum (MTPA). Currently, KPT handles over 60 percent of the sea borne trade of the country which is equivalent to over 50 Million tons of cargo. (Daily Times) | [Click for more info.](#)

### Cabinet set to discuss sin tax for increasing health budget Tobacco | **Negative**

The federal cabinet is set to take up today (Thursday) a health levy draft bill aiming to impose 'sin tax' on cigarettes and sugar-sweetened beverages to raise money for health insurance scheme and fatal disease programme in line with the vision of Prime Minister Imran Khan. (The News) | [Click for more info.](#)

### Prince to launch new 800cc car PSMC | **Negative**

Regal Automobiles Industries Limited is ready to shake the local auto market with its all-new hatchback. As per reports, Prince is all geared up to release its new 800cc hatchback car that makes 40hp at 5,500rpm and 60.5Nm of torque at 3,500-4,500rpm. The car is expected to be on the road in the first half of this year. Its expected price is around Rs0.7 to 0.75 million. (PT) | [Click for more info.](#)

## Political News

### NA passes resolution rejecting India's 'baseless allegations' against Pakistan after Pulwama attack

The National Assembly on Wednesday unanimously passed a resolution strongly rejecting "baseless Indian allegations" that sought to link Pakistan — without an investigation and "any shred of evidence" — to the Pulwama attack that killed more than 40 paramilitary soldiers in occupied Kashmir (IoK). (Dawn) | [Click for more info.](#)

### Trump wishes to see Pakistan, India getting along

US President Donald Trump on Tuesday called Pulwama attack a 'horrible situation' and said it would be wonderful if Pakistan and India could get along. Answering a question about the attack in a the media appearance, he said, "I have watched; I have got a lot of reports on it. We will have comment at an appropriate time. It would be wonderful if they get along." (The News) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	40,279.4	322.31	0.8%
INDIA - SENSEX	35,756.3	403.65	1.1%
HK - Hang Seng	28,514.1	285.92	1.0%
CHINA - Shanghai	2,761.2	5.57	0.2%
Taiwan - TWII	10,272.5	12.12	0.3%
INDONESIA - IDX	6,512.8	18.12	0.3%
PHILP - PSEI	7,939.2	105.49	1.4%
KSA - Tadawul	8,567.2	50.64	0.6%
US - Dow 30	25,954.4	63.12	0.2%
US - S&P 500	2,784.7	4.94	0.2%

Source: Investing.com

### Board Meetings

Scrip	Day	Agenda	Time
MEBL	THURSDAY	Ann. A/c Dec-31, CY'18	09:00 AM
FABL	THURSDAY	Ann. A/c Dec-31, CY'18	09:30 AM
AKBL	THURSDAY	Ann. A/c Dec-31, CY'18	10:00 AM
HUBC	THURSDAY	HY A/c Dec-31, FY'19	10:00 AM
JSIL	THURSDAY	Ann. A/c Dec-31, CY'18	10:00 AM
THALL	THURSDAY	HY A/c Dec-31, FY'19	10:00 AM
FIMM	THURSDAY	HY A/c Dec-31, FY'19	10:30 AM
ATBA	THURSDAY	HY A/c Dec-31, FY'19	11:00 AM
ISIL	THURSDAY	HY A/c Dec-31, FY'19	11:00 AM
ICL	THURSDAY	HY A/c Dec-31, FY'19	11:00 AM
KOHC	THURSDAY	HY A/c Dec-31, FY'19	11:00 AM
SAZEW	THURSDAY	HY A/c Dec-31, FY'19	11:30 AM
SZTM	THURSDAY	HY A/c Dec-31, FY'19	11:30 AM
UCAPM	THURSDAY	HY A/c Dec-31, FY'19	11:30 AM
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IBLHL	THURSDAY	HY A/c Dec-31, FY'19	12:00 PM
KML	THURSDAY	HY A/c Dec-31, FY'19	12:30 PM
ITTEFAQ	THURSDAY	HY A/c Dec-31, FY'19	01:00 PM
HMB	THURSDAY	Ann. A/c Dec-31, CY'18	03:00 PM
ZTL	THURSDAY	HY A/c Dec-31, FY'19	03:00 PM
TPLI	THURSDAY	Ann. A/c Dec-31, CY'18	03:30 PM
SPEL	THURSDAY	HY A/c Dec-31, FY'19	04:30 PM
BAFL	THURSDAY	Ann. A/c Dec-31, CY'18	06:00 PM

Source: PSX Announcement

## International News

### MBS expects investment worth more than \$100 billion in India

Saudi Arabia's Crown Prince Mohammed bin Salman said on Wednesday he expected investment opportunities worth more than \$100 billion in India over the next two years as he began his first official visit amid tensions between arch foes India and Pakistan. India rolled out the red carpet for the crown prince as it seeks diplomatic support against Pakistan. (BR) | [Click for more info.](#)

### Asia Stocks Drift; Bonds Steady After Fed Minutes: Markets Wrap

Asian stocks traded mixed Thursday and Treasury yields were little changed after Federal Reserve meeting minutes hinted at an enduring bias for rate hikes. The Australian dollar climbed as jobs data topped estimates. (Bloomberg) | [Click for more info.](#)

### Oil near 2019 highs amid OPEC cuts, sanctions on Iran and Venezuela

Oil prices hovered just below 2019 highs on Thursday, bolstered by OPEC-led supply cuts and U.S. sanctions on Venezuela and Iran. (Reuters) | [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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