

## Economy News

### Pakistan sanguine about smooth sailing through FATF review

#### Economy | Neutral

Despite hectic lobbying from India, the Pakistani authorities are confident of smooth sailing in the ongoing review for gauging Islamabad's progress on envisaged targets related to curbing money laundering and terror financing, till January 2019. | [Click for more info.](#)

### India presses for Pakistan to stay on terror financing list

#### Economy | Negative

India is pressing for Pakistan to be kept on a terrorism financing watch list following an attack in occupied Kashmir. The Financial Action Task Force (FATF), a global body created to counter terrorism financing and money laundering, has been meeting in Paris this week and Pakistan has been hoping to get off a "grey list" of nations with inadequate controls over such activities. | [Click for more info.](#)

### Pakistan, IMF likely to conclude talks by April

#### Economy | Neutral

Pakistan and the International Monetary Fund (IMF) are likely to conclude talks with regard to the bailout package by April 2019. According to sources, the ongoing talks would be concluded by the mid of April before the spring meetings of the World Bank Group and the IMF, scheduled to be held in Washington from April 12-14, 2019. | [Click for more info.](#)

### Turkey's Erdogan to visit Pakistan in March

#### Economy | Positive

Turkish Consul General (CG) in Pakistan Tolga Ucak, announced that Turkish President, Tayyip Erdogan plans to visit Pakistan in March, next month. It is expected that the Turkish president is expected to make a formal investment-related announcement during his visit. | [Click for more info.](#)

### Current account deficit shrinks 16.7pc in seven months

#### Economy | Positive

Pakistan's current account deficit narrowed 16.79 percent to \$8.424 billion during the first seven months of the current fiscal year of 2018/19 due to what the government said 'credibility of interventions'. | [Click for more info.](#)

### Trade deficit in goods, services narrows 5.3pc in July-January

#### Economy | Positive

Trade deficit in goods and services narrowed 5.3 percent year-on-year to \$19.704 billion during the first seven months of the current fiscal year of 2018/19, the central bank's data showed on Thursday. | [Click for more info.](#)

### Forex reserves fall to \$14.794 billion

#### Economy | Neutral

Pakistan's foreign exchange reserves fell to \$14.794 billion during the week ended February 15, compared with \$14.895 billion in the previous week. | [Click for more info.](#)

## Power

### Energy sector: Circular debt likely to touch Rs 1.5 trillion

#### Power | Negative

The country's energy sector circular debt is likely to touch Rs 1.5 trillion if the Khan administration delays getting Rs.200 billion Sharia'h compliant financing from a consortium led by Meezan Bank. Official sources told this scribe that Power Division wants to avail Sharia'h compliant financing of up to 600 billion with Rs 200 billion required immediately. | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,103.5	29,019.7	-83.8	-0.3%
KSE100	40,279.4	40,070.7	-208.7	-0.5%
KSE30	19,454.3	19,329.0	-125.4	-0.6%
KMI30	67,808.6	67,567.6	-241.0	-0.4%

### Top Five Gainers

	Open	Close	Chg.	%
ILTM	1,615.0	1,637.0	22.0	1.4%
ABOT	666.0	678.8	12.8	1.9%
THALL	425.1	436.7	11.6	2.7%
SCL	253.0	264.0	11.0	4.3%
ARPL	549.8	560.5	10.8	2.0%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITY	21.2	20.1	-1.1	10.03
KEL	6.3	6.3	-0.1	6.06
UBL	157.5	149.6	-7.9	5.07
LOTCEM	15.7	16.1	0.3	4.89
MEBL	92.0	93.0	1.0	4.46

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.00	-0.05	-0.05
F-Corp.	7.08	-5.91	1.17
O/S Pak	2.07	-2.25	-0.18
Net	9.15	-8.21	0.94
<b>LIPI</b>			
Indv.	40.88	-40.12	0.76
Cos.	4.05	-4.25	-0.20
Banks	3.05	-1.44	1.61
NBFC	0.00	0.00	0.00
M-Funds	5.41	-6.57	-1.16
Other	0.80	-1.98	-1.18
Broker	14.37	-14.44	-0.08
Insur.	1.86	-2.54	-0.68
<b>Net</b>	<b>70.41</b>	<b>-71.35</b>	<b>-0.94</b>

Source: NCCPL

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	56.87	-0.2%
Brent oil	USD/bbl.	66.93	-0.2%
Gold	USD/t oz.	1324.90	0.1%
Silver	USD/t oz.	15.82	0.0%
Coal	USD/ton	82.65	-0.1%
Steel Scrap (LME)	USD/ton	323.00	-0.9%
Steel Rebar (LME)	USD/ton	474.00	0.0%
USD/PKR	Interbank	138.85	-0.1%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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## Autos

**Auto industry opposes 'unrestricted' incentives to EVs**

**Autos | Negative**

The country's auto industry on Thursday opposed unrestricted incentives to Electric Vehicles (EVs) as investors can misuse the incentive. | [Click for more info.](#)

## Miscellaneous

**Commerce ministry bans short-expiry edible imports**

**Economy | Neutral**

The ministry of commerce has further restricted imports to contain widening trade deficit through banning import of short-life edible products. | [Click for more info.](#)

**FBR opposes 'sin tax' on tobacco industry**

**Tobacco | Neutral**

The Federal Board of Revenue (FBR) has advised against imposition of sin tax on the tobacco industry, arguing that it would cause substantial revenue loss in the range of Rs25 to 30 billion annually. | [Click for more info.](#)

**Foreign income declaration mandatory**

**Economy | Positive**

The income tax law has made it mandatory for taxpayers to declare foreign income and assets in order to avoid penalty. Under the newly introduced section, a resident individual, who has foreign income above \$10,000 or has foreign assets above Rs100,000, was required to file statement under Section 116A of the Income Tax Ordinance, 2001. | [Click for more info.](#)

**Mohmand Dam project cost being negotiated**

**Economy | Positive**

The consultants hired for detailed engineering of Mohmand Dam are evaluating the bidding documents and negotiating cost with Chinese Gezhouba and Descon's joint venture (JV). The consultants are hopeful that the project cost will be reduced by almost Rs50 billion, claimed an official source associated with the project. | [Click for more info.](#)

**Business, investment cooperation: TDAP signs MoU with three Belgium regions**

**Economy | Neutral**

A historic memorandum of understanding (MoU) for cooperation in business and investment has been signed by the Trade Development Authority of Pakistan (TDAP) jointly with trade and investment bodies of three regions of Belgium. | [Click for more info.](#)

## Political News

**DG ISPR to address important press conference today**

According to the army's media wing, the DG ISPR will address the press conference at 3:00pm. He will remark on the significant national issues and persisting situation in the country. | [Click for more info.](#)

**We will stop 'our share of water' from flowing into Pakistan, says Indian minister**

The Indian government announced on Thursday that it would divert its share of what it claims is "unutilised water that comes into Pakistan" with the aim of improving the availability of water in the Yamuna, the second largest tributary of India's Ganges river, Hindustan Times reported. | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	40,070.7	-208.67	-0.5%
INDIA - SENSEX	35,898.4	142.09	0.4%
HK - Hang Seng	28,463.5	-166.42	-0.6%
CHINA - Shanghai	2,742.1	-9.70	-0.4%
Taiwan - TWII	10,287.9	12.12	0.3%
INDONESIA - IDX	6,537.8	24.98	0.4%
PHILP - PSEI	7,931.3	0.00	0.0%
KSA - Tadawul	8,547.5	-19.76	-0.2%
US - Dow 30	25,850.6	-103.81	-0.4%
US - S&P 500	2,774.9	-9.82	-0.4%

Source: Investing.com

### Board Meetings

Scrip	Day	Agenda	Time
DLL	FRIDAY	Ann. A/c Dec-31, CY'18	10:00 AM
JKSM	FRIDAY	HY A/c Dec-31, FY'19	10:00 AM
KSTM	FRIDAY	HY A/c Dec-31, FY'19	10:00 AM
NBP	FRIDAY	Ann. A/c Dec-31, CY'18	10:00 AM
OLPL	FRIDAY	HY A/c Dec-31, FY'19	10:00 AM
OGDC	FRIDAY	HY A/c Dec-31, FY'19	10:30 AM
FDIBL	FRIDAY	HY A/c Dec-31, FY'19	11:00 AM
PPP	FRIDAY	HY A/c Dec-31, FY'19	11:00 AM
QUICE	FRIDAY	HY A/c Dec-31, FY'19	11:00 AM
GRYL	FRIDAY	HY A/c Dec-31, FY'19	11:30 AM
MACTER	FRIDAY	HY A/c Dec-31, FY'19	11:30 AM
SNBL	FRIDAY	Ann. A/c Dec-31, CY'18	11:30 AM
PAKT	FRIDAY	Ann. A/c Dec-31, CY'18	02:00 PM
TSBL	FRIDAY	HY A/c Dec-31, FY'19	02:30 PM
BWCL	FRIDAY	HY A/c Dec-31, FY'19	03:00 PM
FECM	FRIDAY	HY A/c Dec-31, FY'19	03:00 PM
GOC	FRIDAY	HY A/c Dec-31, FY'19	03:00 PM
KASBM	FRIDAY	HY A/c Dec-31, FY'19	03:00 PM
PIM	FRIDAY	HY A/c Dec-31, FY'19	03:00 PM
PMI	FRIDAY	HY A/c Dec-31, FY'19	04:00 PM
BRR	FRIDAY	HY A/c Dec-31, FY'19	04:45 PM
PAKMI	FRIDAY	HY A/c Dec-31, FY'19	05:00 PM
FML	FRIDAY	HY A/c Dec-31, FY'19	10:00 AM
ECOP	SATURDAY	HY A/c Dec-31, FY'19	10:30 AM
SSML	SATURDAY	HY A/c Dec-31, FY'19	11:00 AM
FECTC	SATURDAY	HY A/c Dec-31, FY'19	11:30 AM
RUPL	SATURDAY	HY A/c Dec-31, FY'19	11:30 AM
SARC	SATURDAY	HY A/c Dec-31, FY'19	03:30 PM
FEROZ	SATURDAY	HY A/c Dec-31, FY'19	04:00 PM

Source: PSX Announcement



## International News

### Asia Stocks Follow U.S. Peers Lower; Bonds Steady: Markets Wrap

Asian stocks opened with modest losses following a weak U.S. session as investors mulled an uncertain economic backdrop and mixed signals on trade negotiations. Treasury yields pared Thursday's gains. | [Click for more info.](#)

### Oil prices dip as U.S. crude output hits record 12 million barrels per day

Oil prices fell on Friday after the United States reported its crude output hit a record 12 million barrels per day (bpd), undermining efforts by Middle East dominated producer club OPEC to withhold supply and tighten global markets. | [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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