



October
23, 2019

Economy News

Government urged to revisit implications of IMF conditions

Economy | Neutral

The federal government should revisit the negative implications of IMF conditions which has pushed the country in serious turmoil. Pakistan Businessmen and Intellectuals Forum (PBIF) president Mian Zahid Hussain expressed these views and saying that the growth rate may slide below the projections of international institutions due to ongoing political turmoil which is set to increase. (BR) | [Click for more info.](#)

Azadi March' protest could hurt market sentiment: analysts

Capital Markets | Neutral

Uncertainty on political front after the announcement of 'Azadi March' in Islamabad by opposition parties could affect the market sentiment, forcing investors to take a back seat until the fervour dies down and clarity emerges, analysts said. (BR) | [Click for more info.](#)

Pakistan likely to grab position among top-10 global reformers

Economy | Positive

Pakistan is likely to grab position among top-10 global reformers on the Ease of Doing Business Index of World Bank. Although World Bank will formally release its Ease of Doing Business Report tomorrow (Thursday), determining the rankings of 190 countries, however on the basis of its performance Pakistan expects to jump to top ten reformers, said the official. (The Nation) | [Click for more info.](#)

Tax ombudsman finds irregularities in jewellery trade, recommends probe against FBR officials

Economy | Neutral

President Arif Alvi has rejected the Federal Board of Revenue's (FBR) representation against the Federal Tax Ombudsman (FTO). The FBR had appealed the president against the recommendations of the FTO regarding illegal gold trade and initiation of inquiry against tax officials. (Dawn) | [Click for more info.](#)

Govt documenting economy to increase tax generation

Economy | Positive

The Federal Board of Revenue (FBR) Tuesday said that incumbent government is working for documentation of the economy by bringing more sales tax filers in the tax system as currently only 41,000 people are filing sales tax in the country. (The Nation) | [Click for more info.](#)

Power

Govt likely to jack up power tariff by Rs2.97 per unit

Power | Positive Economy | Negative

The Central Power Purchasing Agency (CPPA) has asked the National Electric Power Regulatory Authority (NEPRA) to jack up electricity price by Rs2.97 per unit on account of fuel price adjustment for the month of September 2019. (PT) | [Click for more info.](#)

Korean company to begin work on 496MW hydel project soon

Power | Positive

Korean Hydro & Nuclear Power, a public sector South Korean energy company will start work on 496MW Spot Gah Hydel Power Project under the Public Private Partnership (PPP) mode soon. (BR) | [Click for more info.](#)

Turkish firms invited to invest in renewable energy sector

Power | Positive

Pakistan has invited Turkish companies to invest in power sector as upcoming renewable energy policy is to pave way for incentive-driven investment in the country. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	23,984.5	24,094.5	110.0	0.5%
KSE100	33,084.7	33,199.0	114.2	0.3%
KSE30	15,431.5	15,487.2	55.8	0.4%
KMI30	53,274.6	53,502.9	228.2	0.4%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	6,000.0	6,300.0	300.0	5.0%
BHAT	879.3	915.0	35.7	4.1%
MARI	1,021.9	1,036.6	14.7	1.4%
THALL	228.4	238.5	10.1	4.4%
FEROZ	163.9	171.6	7.7	4.7%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
LOTCEM	15.9	16.3	0.3	10.81
TRG	15.1	15.2	0.1	4.13
FFBL	17.0	16.2	-0.8	3.35
HASCOL	31.6	30.1	-1.5	2.85
DGKC	53.8	52.5	-1.3	2.81

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.02	-0.02	0.00
F-Corporates	1.18	-1.62	-0.45
O/S Pakistanies	3.46	-1.16	2.31
Net	4.66	-2.81	1.85
LIPI			
Individuals	30.58	-31.84	-1.26
Companies	5.04	-5.08	-0.04
Comm. Banks	0.67	-0.09	0.58
NBFC	0.02	-0.06	-0.04
Mutual Funds	1.89	-3.14	-1.24
Other	0.21	-0.11	0.10
Brokers Proprietary	11.25	-11.13	0.12
Insurance	0.79	-0.86	-0.08
Net	50.44	-52.30	-1.85

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	54.05	-0.8%
Brent oil	USD/bbl.	59.37	-0.6%
Gold	USD/t oz.	1489.32	0.1%
Silver	USD/t oz.	17.53	0.0%
Coal	USD/ton	67.70	-0.1%
Steel Scrap (LME)	USD/ton	239.50	-0.4%
Steel Rebar (LME)	USD/ton	405.00	0.0%
USD/PKR	Interbank	156.04	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Miscellaneous

PTI govt, APTMA forming long-term textile policy

Textile | Positive

All Pakistan Textile Mills Association (Aptma) Punjab Chairman Adil Bashir has vowed to work with the European Union (EU) on all the initiatives to ensure sustainability and growth of the textile industry in Pakistan. Talking to EU Ambassador-Designate to Pakistan Androulla Kaminara on Tuesday, Bashir said Aptma had played an active part in securing the EU GSP Plus status for Pakistan in 2014 to widen its market access. (ET) | [Click for more info.](#)

EU to help boost textile exports

Textile | Positive

The European Union (EU) and local textile industry joined hands on Tuesday to work towards ensuring sustainable growth of the country's textile sector. (Dawn) | [Click for more info.](#)

All high courts; SC summons record related to GIDC

Fertilizer | Neutral

The Supreme Court on Tuesday summoned the record related to Gas Infrastructure Development Cess (GIDC) from all the high courts. A three-member special bench, headed by Justice Mushir Alam, heard 107 petitions/appeals of various textile mills, cotton mills, sugar mills, ceramics companies, chemicals, CNG filling stations, match factories, cement companies and aluminum industries regarding the GIDC levy. (BR) | [Click for more info.](#)

Govt mulls reducing sales tax from 17pc to 12pc, Senate body told

Textile | Positive

A Federal Board of Revenue (FBR) official on Tuesday informed the Senate's Standing Committee on Commerce and Industry that the government is mulling to reduce sales tax from 17pc to 12pc, adding that the tax department would soon issue a notification pertaining to reduction of sales tax on yarn from 10 to 5pc. (PT) | [Click for more info.](#)

Country received \$3bn as earthquake assistance

Economy | Positive

Pakistan received a total of \$3 billion financial assistance from foreign countries and donors from July 2005 to September 2019 in connection with earthquakes and out of the amount, Earthquake Reconstruction and Rehabilitation Authority (ERRA) obtained \$ 2.3 billion including \$ 1.75 billion loans and \$541.58 million grants for reconstruction, rehabilitation and development projects for quake-affected people. (BR) | [Click for more info.](#)

Rashakai economic zone to be inaugurated next month

Economy | Positive

China and Pakistan on Tuesday agreed to inaugurate the first economic zone out of the nine envisaged under the Chinese-funded framework next month, as the development in the industrial area is nearing completion. (The News) | [Click for more info.](#)

Rs2.5bn allocated for M-3 Industrial City

Economy | Neutral

The Faisalabad Industrial Estate Development and Management Company (FIEDMC) has allocated Rs2.5 billion for the development projects of M-3 Industrial City. (PT) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	33,199.0	114.23	0.35%
KSA - Tadawul	7,872.7	108.65	1.40%
Taiwan - TWII	11,271.3	87.10	0.78%
PHILP - PSEI	7,955.2	64.11	0.81%
HK - HangSeng	26,786.2	60.52	0.23%
INDONESIA - IDX	6,225.5	26.51	0.43%
CHINA - Shanghai	2,954.4	14.76	0.50%
US - S&P 500	2,996.0	-10.73	-0.36%
US - Dow 30	26,788.1	-39.54	-0.15%
INDIA - SENSEX	38,963.8	-334.54	-0.85%

Source: Bloomberg

Board Meetings

Scrip	Day	Agenda	Time
AKBL	WEDNESDAY	3Q A/C - 30SEP19	9:30 AM
PKGS	WEDNESDAY	3Q A/C - 30SEP19	9:30 AM
SINDM	WEDNESDAY	1Q A/C - 30SEP19	10:00 AM
BCL	WEDNESDAY	1Q A/C - 30SEP19	10:30 AM
LPL	WEDNESDAY	3Q A/C - 30SEP19	10:30 AM
PSX	WEDNESDAY	1Q A/C - 30SEP19	10:30 AM
ORIXM	WEDNESDAY	1Q A/C - 30SEP19	11:00 AM
PKGP	WEDNESDAY	3Q A/C - 30SEP19	11:00 AM
SLCL	WEDNESDAY	1Q A/C - 30SEP19	11:00 AM
STJT	WEDNESDAY	1Q A/C - 30SEP19	11:00 AM
ALAC	WEDNESDAY	3Q A/C - 30SEP19	11:30 AM
SBL	WEDNESDAY	3Q A/C - 30SEP19	12:00 PM
SLL	WEDNESDAY	3Q A/C - 30SEP19	12:00 PM
BIFO	WEDNESDAY	1Q A/C - 30SEP19	1:00 PM
BIPL	WEDNESDAY	3Q A/C - 30SEP19	2:30 PM
NPL	WEDNESDAY	1Q A/C - 30SEP19	2:30 PM
PGLC	WEDNESDAY	1Q A/C - 30SEP19	3:15 PM
DCL	WEDNESDAY	1Q A/C - 30SEP19	3:30 PM
FML	WEDNESDAY	1Q A/C - 30SEP19	4:00 PM
DSFL	WEDNESDAY	1Q A/C - 30SEP19	4:30 PM
GATI	WEDNESDAY	1Q A/C - 30SEP19	4:30 PM
DWAE	WEDNESDAY	1Q A/C - 30SEP19	5:30 PM
DFML	WEDNESDAY	1Q A/C - 30SEP19	6:30 PM
TRG	WEDNESDAY	ANNUAL A/C - 30SEP19	7:00 PM
DWTM	WEDNESDAY	1Q A/C - 30SEP19	7:30 PM
DKTM	WEDNESDAY	1Q A/C - 30SEP19	8:30 PM
DMTM	WEDNESDAY	1Q A/C - 30SEP19	9:30 PM
DFSM	WEDNESDAY	1Q A/C - 30SEP19	10:30 PM

Source: PSX Announcement



Political News

US officials highlight rights violations in IOK, attacks on minorities in India

The United States has pressed India to respect human rights in occupied Kashmir as well as the universal right to religious freedom and immediately restore normal life in the valley by lifting the communications blockade there. (ET) | [Click for more info.](#)

Govt team to separately meet Fazl, Shehbaz, Bilawal

The government's negotiating committee on Tuesday decided to hold separate meetings with leaders of opposition parties, including Jamiat Ulema-e-Islam-Fazl (JUI-F) chief Maulana Fazlur Rehman, Pakistan Muslim League-Nawaz (PML-N) President Shehbaz Sharif and Pakistan Peoples Party (PPP) Chairman Bilawal Bhutto Zardari, to hold talks on the 'Azadi march'. (ET) | [Click for more info.](#)

It's neither sit-in nor lockdown, says Fazl

The JUI-F chief, Fazlur Rehman, has demanded that Prime Minister Imran Khan's 'selected' government must step down, paving the way for fresh elections. (The News) | [Click for more info.](#)

International News

Asian shares struggle after yet another Brexit delay

Asian shares and U.S. stock futures dipped on Wednesday after British lawmakers rejected the government's timetable to fast-track legislation for its deal to take Britain out of the European Union. (Reuters) | [Click for more info.](#)

Oil slips after U.S. inventory build, but possible OPEC cuts support market

Oil slipped on Wednesday after U.S. industry data showed a bigger-than-expected build in crude stockpiles, but possible deeper production cuts coming from OPEC and its allies prevented a further slide in prices. (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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