



February  
25, 2019

## Economy News

**Pakistan, China set to ink FTA-II by June 2019**

**Economy | Positive**

Pakistan and China are set to ink much-awaited second free trade agreement by June 2019 and to this effect a technical experts' delegation from Islamabad will leave for China by end of February. | [Click for more info.](#)

**\$1bn Chinese investment in social sector expected to be announced**

**Economy | Positive**

The Chinese experts will be evaluating a number of social sector projects being proposed by all the provinces including Gilgit-Baltistan and Azad Jammu and Kashmir. The ministry of Planning and Development, has already sought the proposals from the provinces for the Chinese grant. | [Click for more info.](#)

**Pakistan has made only 'limited progress': FATF**

**Economy | Neutral**

Pakistan has made only "limited progress" on curbing money laundering and terrorism financing, failing to show a proper understanding of the risks posed by Islamic State, Al Qaeda and others, the Paris-based Financial Action Task Force said. | [Click for more info.](#)

**PTI govt revises growth target to 6.7% for FY23**

**Economy | Negative**

The Pakistan Tehreek-e-Insaf (PTI) government has slightly adjusted downwards the projected economic growth rate to 6.7% at the end of its five-year term, which it wants to achieve on the back of expansionary fiscal policies, which is clearly in conflict with a possible International Monetary Fund (IMF) programme. | [Click for more info.](#)

## Oil & Gas

**IMF stresses end to gas subsidy for domestic consumers**

**Economy | Negative**

International Monetary Fund (IMF) is exerting pressure on PTI government to end the subsidy to all gas consumers' categories and charge from them the full cost of the gas that currently stands at average price of Rs629 per MMBTU as per the determination of Ogra in last year. | [Click for more info.](#)

**Government likely to allow private sector to import LNG: minister**

**Gas | Positive**

Allowing the private sector to import liquefied natural gas (LNG) is under serious consideration by the Petroleum Division. Private-sector players have approached the government seeking permission to import gas to meet idle capacity of LNG terminals at competitive rates. | [Click for more info.](#)

## Power

**Neelum Jhelum Hydropower Company rejects new tariff**

**Power | Negative**

Neelum Jhelum Hydropower Company that operates 969 megawatts of run-of-the-river hydroelectricity plants has rejected the tariffs set by the power regulator as it said the rates wouldn't be enough to generate much-needed revenue for debt repayment. | [Click for more info.](#)

**Wapda clears contract given to DESCON-led group**

**DOL | Positive**

The Water and Power Development Authority (WAPDA) on Friday gave a green signal to Design Engineering Services and Construction Limited (DESCON) engineering-led consortium to initiate civil and electro-mechanical works on the Mohmand Dam Hydropower project. | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,019.7	29,016.8	-2.9	0.0%
KSE100	40,070.7	40,016.1	-54.6	-0.1%
KSE30	19,329.0	19,290.0	-39.0	-0.2%
KMI30	67,567.6	67,559.9	-7.7	0.0%

### Top Five Gainers

	Open	Close	Chg.	%
INDU	1,275.7	1,297.2	21.4	1.7%
THALL	436.7	451.1	14.4	3.3%
PSMC	262.8	275.9	13.1	5.0%
HCAR	221.2	232.2	11.1	5.0%
GATI	350.0	360.0	10.0	2.9%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BOP	13.4	13.4	-0.1	7.35
PAEL	25.3	25.2	-0.1	5.63
OGDC	153.0	154.2	1.2	4.23
LOTCEM	16.1	15.7	-0.4	4.14
UBL	149.6	142.1	-7.5	4.04

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.07	-0.12	-0.05
F-Corp.	1.27	-2.64	-1.37
O/S Pak	1.43	-1.83	-0.40
Net	2.76	-4.58	-1.82
<b>LIPI</b>			
Indv.	44.15	-43.99	0.16
Cos.	2.62	-2.62	0.01
Banks	1.33	-0.36	0.97
NBFC	0.28	0.00	0.28
M-Funds	4.26	-4.70	-0.44
Other	1.30	-1.06	0.24
Broker	16.40	-16.46	-0.06
Insur.	1.99	-1.33	0.66
<b>Net</b>	<b>72.34</b>	<b>-70.52</b>	<b>1.82</b>

Source: NCCPL

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	57.26	0.0%
Brent oil	USD/bbl.	67.10	0.0%
Gold	USD/t oz.	1330.52	0.1%
Silver	USD/t oz.	15.95	0.2%
Coal	USD/ton	84.00	1.2%
Steel Scrap (LME)	USD/ton	327.00	2.0%
Steel Rebar (LME)	USD/ton	479.50	0.3%
USD/PKR	Interbank	138.78	-0.1%

Source: Bloomberg/SBP

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

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MORNING BRIEFING

## Autos

**Hyundai Nishat Motors launches two new vehicles**

**NML | Positive**

Hyundai Nishat Motors Ltd officially unveiled Santa Fe and Grand Starex vehicles on Saturday. The Sante Fe is a 5 seater SUV and the Grand Starex is a family minivan. The unveiling shows that this is the segment that Hyundai Nishat Motors intends to be a competitor in as part of its plan to enter Pakistan's auto market. | [Click for more info.](#)

## Banks

**Government tasks NBP with increasing remittance inflow**

**NBP | Positive**

The government has tasked state-owned National Bank of Pakistan (NBP) with stepping up efforts to attract higher worker remittances into the country's foreign currency reserves and help increase foreign income to fix the faltering national economy. | [Click for more info.](#)

**Banking cards' data worth \$3.5m stolen for online sale**

**MEBL | Negative**

Pakistani banks' payment cards data worth an estimated \$3.5 million have been put on sale at a secretive online hub of stolen card data, depicting the second big infringement on the vulnerable banking system in six months. Most of the stolen data were related to the country's biggest Islamic bank Meezan Bank, Moscow-based anti-fraud firm the Group IB said. | [Click for more info.](#)

**Bankers stress FATF demands should be met**

**Banks | Negative**

Bankers in Pakistan see negative impact of FATF fresh warning for Pakistan and said the government must understand the full impact of further downgrading from current grey list. | [Click for more info.](#)

**Islamic banks to help govt borrow \$1.45bn**

**Banks, IPPs | Positive**

Pakistan will likely turn to Islamic banks to borrow another Rs200 billion (\$1.45bn) to try and ease the financial crunch in its power sector, a senior finance ministry official said on Friday. The government is trying to clear power sector government payment arrears amid warnings by power producers that they could go out of business if they are not paid. | [Click for more info.](#)

**Financing schemes launched for energy, agri projects**

**MEBL, BIPL | Positive**

The State Bank of Pakistan (SBP) has launched three Shariah Compliant Refinance Schemes for investments in the renewable energy and agri-related projects to provide level playing field to Islamic banking system. | [Click for more info.](#)

## Textile

**Aptma sees \$15bn exports in FY19**

**Textile | Positive**

All Pakistan Textile Mills Association (APTMA) on Friday said the government should rest assured that export growth in the last five months of this fiscal would average 10 percent, while by the end of FY2019 exports would reach \$15 billion, the highest ever. | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	40,016.1	-54.58	-0.1%
INDIA - SENSEX	35,871.5	-26.87	-0.1%
HK - Hang Seng	28,816.3	186.38	0.7%
CHINA - Shanghai	2,804.2	52.42	1.9%
Taiwan - TWII	10,322.9	12.12	0.3%
INDONESIA - IDX	6,501.4	-36.39	-0.6%
PHILP - PSEI	7,962.1	30.83	0.4%
KSA - Tadawul	8,554.1	6.64	0.1%
US - Dow 30	26,031.8	181.18	0.7%
US - S&P 500	2,792.7	17.79	0.6%

Source: Investing.com

### Board Meetings

Scrip	Day	Agenda	Time
BHAT	MONDAY	HY A/c Dec-31, FY'19	10:00 AM
INDU	MONDAY	HY A/c Dec-31, FY'19	10:00 AM
CEPB	MONDAY	HY A/c Dec-31, FY'19	10:30 AM
KCL	MONDAY	HY A/c Dec-31, FY'19	10:30 AM
SGPL	MONDAY	HY A/c Dec-31, FY'19	10:30 AM
PREMA	MONDAY	HY A/c Dec-31, FY'19	11:00 AM
ANL	MONDAY	HY A/c Dec-31, FY'19	11:00 AM
BTL	MONDAY	HY A/c Dec-31, FY'19	11:00 AM
DEL	MONDAY	HY A/c Dec-31, FY'19	11:00 AM
ESBL	MONDAY	HY A/c Dec-31, FY'19	11:00 AM
GFIL	MONDAY	HY A/c Dec-31, FY'19	11:00 AM
HATM	MONDAY	HY A/c Dec-31, FY'19	11:00 AM
JUBS	MONDAY	HY A/c Dec-31, FY'19	11:00 AM
MTIL	MONDAY	HY A/c Dec-31, FY'19	11:00 AM
PNSC	MONDAY	HY A/c Dec-31, FY'19	11:00 AM
POML	MONDAY	HY A/c Dec-31, FY'19	11:00 AM
SMTM	MONDAY	HY A/c Dec-31, FY'19	11:00 AM
SUJH	MONDAY	HY A/c Dec-31, FY'19	11:00 AM
CJPL	MONDAY	HY A/c Dec-31, FY'19	11:30 AM
FHAM	MONDAY	HY A/c Dec-31, FY'19	11:30 AM
IDRT	MONDAY	HY A/c Dec-31, FY'19	11:30 AM
NEXT	MONDAY	HY A/c Dec-31, FY'19	11:30 AM
TRSM	MONDAY	HY A/c Dec-31, FY'19	11:30 AM
BIFO	MONDAY	HY A/c Dec-31, FY'19	12:00 PM
FASM	MONDAY	HY A/c Dec-31, FY'19	12:00 PM
MUREB	MONDAY	HY A/c Dec-31, FY'19	12:00 PM
SHCI	MONDAY	HY A/c Dec-31, FY'19	12:00 PM
TOWL	MONDAY	HY A/c Dec-31, FY'19	12:00 PM
HMM	MONDAY	HY A/c Dec-31, FY'19	12:30 PM
SGABL	MONDAY	HY A/c Dec-31, FY'19	1:00 PM
IDSM	MONDAY	HY A/c Dec-31, FY'19	1:30 PM
AKGL	MONDAY	HY A/c Dec-31, FY'19	2:00 PM
DIIL	MONDAY	HY A/c Dec-31, FY'19	2:00 PM
HMIM	MONDAY	HY A/c Dec-31, FY'19	2:30 PM
PSEL	MONDAY	HY A/c Dec-31, FY'19	2:30 PM
UBDL	MONDAY	HY A/c Dec-31, FY'19	2:30 PM
BUXL	MONDAY	HY A/c Dec-31, FY'19	3:00 PM
BYCO	MONDAY	HY A/c Dec-31, FY'19	3:00 PM
PHDL	MONDAY	HY A/c Dec-31, FY'19	3:00 PM
AGIL	MONDAY	HY A/c Dec-31, FY'19	3:30 PM
DCL	MONDAY	HY A/c Dec-31, FY'19	3:30 PM
DSFL	MONDAY	HY A/c Dec-31, FY'19	4:30 PM
DWAE	MONDAY	HY A/c Dec-31, FY'19	5:30 PM
ADMM	MONDAY	HY A/c Dec-31, FY'19	5:45 PM
TRG	MONDAY	HY A/c Dec-31, FY'19	8:00 PM

Source: PSX Announcement



## Miscellaneous

### Cement exports up 50.4pc in 7 months

Cement | **Positive**

The buoyancy in cement exports is continuing as its exports have increased by a healthy 67.27% in Jan 2019. According to the data released by the All Pakistan Cement Manufacturers Association (APCMA), the cement industry exported 0.58 million tons of cement in Jan 2019 against exports of mere 0.35 million tons during Jan 2018. | [Click for more info.](#)

### Naya Pakistan Housing Scheme under cards

Cement, Banks | **Positive**

The meeting discussed all the matters pertaining to layout, population of nearby localities, distance from other cities, cost of land, design, legal framework, development model, sales & marketing and subsidy in detail. The minister said 2.5 million housing units would be built up in Punjab and all the stakeholders would be taken into confidence in this connection. | [Click for more info.](#)

### Failure to export sugar on time: SBP tells banks to slap penalty of 15 percent of contract value

Sugar | **Negative**

The State Bank of Pakistan (SBP) has asked banks to impose a penalty of 15 percent of total contract value on sugar exporters, in case they fail to export sugar within the stipulated time period against the quota allocated. | [Click for more info.](#)

### Telecom operators worried over delay in licence renewal

Telecoms | **Negative**

Anxiety is growing among mobile phone service providers as the deadline for expiry of their operating licences approaches fast. The government has delayed the procedure for the renewal of their licences by over a year at least. The delay may be a serious setback for cellular services and will adversely impact phone users. | [Click for more info.](#)

### Super Tax, tax credit: PBA suggests legal amendments to Finance Bill

Banks | **Positive**

Pakistan Banks Association (PBA) has proposed procedural and legal amendments to the Finance Supplementary (Second Amendment) Bill 2019 in respect of Super Tax on banking industry and tax credit to banks regarding additional advances disbursed to micro, small and medium enterprises. | [Click for more info.](#)

### Chinese consortium ready to take over PSM

Economy | **Positive**

The Pakistan Steel Mills Board is likely to propose the federal government to hand over the steel mill to a Chinese consortium on built operate transfer (BOT) basis for 30 years. | [Click for more info.](#)

### 20 tariff lines: Indonesia grants duty-free access

Economy | **Positive**

Indonesia has granted duty-free access to Pakistan on 20 tariff lines under the Preferential Trade Agreement (PTA), which constitute 33 percent of Pakistan's bilateral export to Indonesia. | [Click for more info.](#)

### EFTA shows interest to sign Free Trade Agreement with Pakistan

Economy | **Positive**

The European Free Trade Association (EFTA) – a trade organisation consisting of Iceland, Liechtenstein, Norway and Switzerland – has shown its interest to sign a Free Trade Agreement (FTA) with Pakistan. | [Click for more info.](#)



## Political News

### PTI MNA conveys PM's message to Modi

PTI MNA and Patron-in-chief of Pakistan Hindu Council Dr Ramesh Kumar Vankwani met Indian Prime Minister Narendra Modi, Minister for External Affairs Sushma Swaraj and State Minister for Foreign Affairs and former Indian army chief general VK Singh in New Delhi on Saturday. | [Click for more info.](#)

### Trump terms Indo-Pak row 'very dangerous situation'

US President Donald Trump voiced alarm Friday at the "very dangerous situation" between India and Pakistan, warning that New Delhi was considering "very strong" action after an attack in occupied Kashmir. | [Click for more info.](#)

## International News

### Stocks Gain in Asia, Yuan Rises on Trade Optimism: Markets Wrap

Asian stocks climbed with U.S. futures and the yuan rose after U.S. President Donald Trump postponed the date for boosting tariffs on Chinese imports, in the latest sign of progress in bilateral trade talks. | [Click for more info.](#)

### Oil prices firm on hopes for U.S., China trade deal

Oil prices rose on Monday as Washington and China appeared to edge closer to a trade deal, dampening fears over the outlook for global economic growth. | [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%

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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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