

February
26, 2019

Economy News

FTA with US - an opportunity Pakistan should not miss

Economy | Positive

During his recent visit to Pakistan, Republican Senator Lindsey Graham, a close aide of US President Donald Trump, indicated that he could use his influence with the US government to enable Pakistan to clinch a free trade agreement (FTA) with America. | [Click for more info.](#)

Oil & Gas

SNGPL part of ECC's agenda

SNGP | Positive

Finance Minister Asad Umar-led Economic Coordination Committee (ECC) of the Cabinet will Tuesday (today) consider the approval of SNGPL as gas supplier for 1263.2MW RLNG-based public sector power generation project. | [Click for more info.](#)

2012-15 period: Rs 18.2 billion UfG loss unearthed

SNGP | Negative

Audit has unearthed an estimated Rs 18.2 billion unaccounted for gas (UfG) of the Sui Northern Gas Pipelines Limited (SNGPL) during the financial years 2012 to 2015. The performance audit report on veracity of losses claimed by SNGPL for the period 2012-15 was presented in the National Assembly on Monday. | [Click for more info.](#)

Power

Top auditor demands probe into Rs700bn hydel project losses

Power | Neutral

The Auditor General (AG) of Pakistan has demanded detailed investigations to fix responsibility for losses of almost Rs700 billion caused to the exchequer due to mismanaged development of the Neelum-Jhelum hydropower project and loss of water rights over the Jhelum River to India under an international arbitration. | [Click for more info.](#)

Autos

Poor fuel quality major barrier for eco-friendly cars

Autos | Neutral

The poor quality of petrol available in Pakistan is a major barrier to introduction of cars equipped with engines that meet the Euro 4 standards or above in this market, according to a senior executive of a South Korean auto manufacturer. | [Click for more info.](#)

Fertilizer

Fertilizer sales increase 2pc to 800,000tns in Jan

Fertilizer | Negative

Fertilizer sales increased two percent year-on-year to 800,000 tons in January mainly due to growing demand of urea during the month, a brokerage reported on Monday. | [Click for more info.](#)

Banks

Loans to private sector climb 22pc to Rs5.1trln till Dec-end

Banks | Positive

Banks' outstanding loans to private sector businesses amounted to Rs5.1 trillion at the end of December 2018, up 22 percent year-over-over, as mounting cost of production piqued appetite for working capital and liquidity, while risk-averse banking system shifted focus from government papers. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,016.8	28,792.2	-224.5	-0.8%
KSE100	40,016.1	39,606.8	-409.3	-1.0%
KSE30	19,290.0	19,090.7	-199.2	-1.0%
KMI30	67,559.9	66,957.3	-602.5	-0.9%

Top Five Gainers

	Open	Close	Chg.	%
BHAT	845.9	888.2	42.3	5.0%
SAPL	825.0	860.0	35.0	4.2%
BTL	261.5	274.6	13.1	5.0%
PRET	215.0	225.7	10.7	5.0%
GHNI	192.1	201.7	9.6	5.0%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BOP	13.4	12.8	-0.6	12.23
STPL	21.3	20.8	-0.5	5.20
UBL	142.1	137.2	-4.9	4.51
PAEL	25.2	25.1	-0.1	2.79
KEL	6.2	6.2	0.0	2.48

Portfolio Investments - Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.00	-0.01	-0.01
F-Corp.	2.28	-2.34	-0.06
O/S Pak	1.19	-1.13	0.05
Net	3.47	-3.48	-0.01
LIPI			
Indv.	19.25	-18.45	0.81
Cos.	1.71	-2.41	-0.71
Banks	1.86	-0.80	1.07
NBFC	0.00	0.00	0.00
M-Funds	1.58	-4.59	-3.01
Other	0.90	-0.61	0.29
Broker	5.69	-5.83	-0.14
Insur.	2.69	-0.99	1.70
Net	33.69	-33.68	0.01

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	55.22	-0.5%
Brent oil	USD/bbl.	64.60	-0.2%
Gold	USD/t oz.	1329.66	0.2%
Silver	USD/t oz.	15.92	0.1%
Coal	USD/ton	84.40	0.5%
Steel Scrap (LME)	USD/ton	327.00	0.0%
Steel Rebar (LME)	USD/ton	479.50	0.0%
USD/PKR	Interbank	138.75	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Asad calls for early finalisation of PPPA rules

Economy | **Positive**

Finance Minister Asad Umar chaired a high-level meeting on Monday to discuss matters pertaining to operationalisation of Pakistan Infrastructure Bank (PIB) and Public Private Partnership Authority (PPPA). The minister said the two institutions aim to play a vital role in enhancing investment-to-GDP ratio and spur overall economic growth. | [Click for more info.](#)

Miscellaneous

Textile makers cheer Archroma's non-toxic dye

ARPL | **Positive**

Swiss chemical firm Archroma kick-started production of a new non-toxic dye – known as Aniline-free indigo – popularly used in denim, giving a hope to Pakistani manufacturers who are reliant on import of the key raw material for over \$13 billion textile exports industry. | [Click for more info.](#)

Six SEZs to be rationalized by June

Economy | **Positive**

The government has given top priority to building a special economic zone in the federal capital along with three other SEZs, including Hattar (Haripur), Faisalabad and Rashakai (Nowshera), to facilitate international and local investors in the country. | [Click for more info.](#)

Global tech giants keen to invest in Pakistan

Economy | **Positive**

Two global tech giants are exploring opportunities to invest in Pakistan to benefit from the country's business-friendly policies, a minister said on Monday. | [Click for more info.](#)

Singapore offers help in building 5m low-cost houses

Economy | **Positive**

Singapore on Monday showed interest and offered Pakistan its expertise for building 5 million low cost houses in the next five years. | [Click for more info.](#)

Political News

No bail, Nawaz back in jail

The Islamabad High Court (IHC) on Monday dismissed former prime minister Muhammad Nawaz Sharif's petition seeking suspension of his seven-year jail sentence in the Al-Azizia reference on medical grounds. | [Click for more info.](#)

International News

Stocks Mixed as Traders Await Next Step on Trade: Markets Wrap

Asian stocks were mixed on Tuesday, with several markets slipping as the rush of optimism on U.S.-China trade talks from early Monday faded some. The pound advanced on the possibility of a Brexit delay. | [Click for more info.](#)

Oil steadies after selloff; market eyes Trump intervention

Oil prices edged higher on Tuesday, finding steady ground after tumbling more than 3 percent in the previous session when U.S. President Donald Trump called on OPEC to ease its efforts to boost the market. | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	40,016.1	-54.58	-0.1%
INDIA - SENSEX	36,213.4	341.90	1.0%
HK - Hang Seng	28,959.3	143.00	0.5%
CHINA - Shanghai	2,961.3	0.00	0.0%
Taiwan - TWII	10,390.9	12.12	0.3%
INDONESIA - IDX	6,525.4	23.98	0.4%
PHILP - PSEi	7,962.1	30.83	0.4%
KSA - Tadawul	8,433.1	-80.18	-0.9%
US - Dow 30	26,092.0	60.14	0.2%
US - S&P 500	2,796.1	3.44	0.1%

Source: Investing.com

Board Meetings

Scrp	Day	Agenda	Time
PPVC	TUESDAY	HY A/c Dec-31, FY'19	9:30 AM
AHTM	TUESDAY	HY A/c Dec-31, FY'19	10:00 AM
ASC	TUESDAY	HY A/c Dec-31, FY'19	10:00 AM
SERF	TUESDAY	HY A/c Dec-31, FY'19	10:00 AM
SFLL	TUESDAY	HY A/c Dec-31, FY'19	10:00 AM
GLPL	TUESDAY	HY A/c Dec-31, FY'19	10:30 AM
MDTL	TUESDAY	HY A/c Dec-31, FY'19	10:30 AM
ARPAK	TUESDAY	HY A/c Dec-31, FY'19	11:00 AM
DKL	TUESDAY	HY A/c Dec-31, FY'19	11:00 AM
GHGL	TUESDAY	HY A/c Dec-31, FY'19	11:00 AM
NESTLE	TUESDAY	Ann. A/c Dec-31, CY'18	11:00 AM
OML	TUESDAY	HY A/c Dec-31, FY'19	11:00 AM
PAKL	TUESDAY	HY A/c Dec-31, FY'19	11:00 AM
FANM	TUESDAY	HY A/c Dec-31, FY'19	11:30 AM
GGGL	TUESDAY	HY A/c Dec-31, FY'19	11:30 AM
HAFL	TUESDAY	HY A/c Dec-31, FY'19	11:30 AM
MFL	TUESDAY	HY A/c Dec-31, FY'19	11:30 AM
STJT	TUESDAY	HY A/c Dec-31, FY'19	11:30 AM
TREET	TUESDAY	HY A/c Dec-31, FY'19	11:30 AM
BPL	TUESDAY	HY A/c Dec-31, FY'19	12:00 NOON
DGKC	TUESDAY	HY A/c Dec-31, FY'19	12:00 NOON
ELSM	TUESDAY	HY A/c Dec-31, FY'19	12:00 NOON
FCIBL	TUESDAY	HY A/c Dec-31, FY'19	12:00 NOON
JOPP	TUESDAY	HY A/c Dec-31, FY'19	12:00 NOON
PACE	TUESDAY	HY A/c Dec-31, FY'19	12:00 NOON
PSYL	TUESDAY	HY A/c Dec-31, FY'19	12:00 NOON
PIOC	TUESDAY	HY A/c Dec-31, FY'19	12:00 NOON
REWM	TUESDAY	HY A/c Dec-31, FY'19	12:00 NOON
SAIF	TUESDAY	HY A/c Dec-31, FY'19	12:00 NOON
SAPT	TUESDAY	HY A/c Dec-31, FY'19	12:00 NOON
SRSM	TUESDAY	HY A/c Dec-31, FY'19	12:00 NOON
FFLM	TUESDAY	HY A/c Dec-31, FY'19	12:30 PM
GVGL	TUESDAY	HY A/c Dec-31, FY'19	12:30 PM
BAPL	TUESDAY	HY A/c Dec-31, FY'19	1:30 PM
UDPL	TUESDAY	HY A/c Dec-31, FY'19	1:30 PM
GGL	TUESDAY	HY A/c Dec-31, FY'19	2:00 PM
GATM	TUESDAY	HY A/c Dec-31, FY'19	2:30 PM
NML	TUESDAY	HY A/c Dec-31, FY'19	2:30 PM
SERT	TUESDAY	HY A/c Dec-31, FY'19	2:30 PM
SCL	TUESDAY	HY A/c Dec-31, FY'19	3:00 PM
SCBPL	TUESDAY	Ann. A/c Dec-31, CY'18	3:00 PM
TRIPF	TUESDAY	Ann. A/c Dec-31, CY'18	3:00 PM
SFL	TUESDAY	HY A/c Dec-31, FY'19	3:30 PM
SEL	TUESDAY	HY A/c Dec-31, FY'19	3:30 PM
ASL	TUESDAY	HY A/c Dec-31, FY'19	4:00 PM

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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