

February
28, 2019

Economy News

Rupee falls to 3-mth low of 139.25 as geopolitical tensions escalate

Economy | Negative

The rupee fell nearly three-month low to settle at 139.25 against the US dollar on Wednesday as escalating tension between neighbouring India and Pakistan weakened buyers' sentiments to restrain greenback inflows in the interbank market, traders and analysts said. | [Click for more info.](#)

US-based Cargill to invest in port infrastructure

Economy | Positive

Cargill, the US-based company with global outreach, which is operating for over three decades in Pakistan, is expanding its footprint in the country by diversifying operations mainly into port infrastructure. | [Click for more info.](#)

\$2.705 billion foreign aid received in seven months

Economy | Positive

The country provisionally received \$2.705 billion foreign assistance in the first seven months (July-January) of current financial year 2018-19 against \$6.882 billion during the same period of last year (2017-18), showing a reduction of about 60 percent. | [Click for more info.](#)

Oil & Gas

Up to Rs.9.44 increase in POL prices proposed

Oil | Positive, Economy | Negative

The Oil and Gas Regulatory Authority has recommended up to Rs.9.44 per litre increase in the prices of petroleum products for the month of March. | [Click for more info.](#)

FBR strikes Rs2bln stashed in OMC official's bank account

OMC | Negative

Federal Board of Revenue (FBR) officials have dug up an amount of Rs.2 billion stashed away in the bank account of a senior executive of an oil marketing company (OMC), sources said on Wednesday. | [Click for more info.](#)

Power

Electricity bills' collection rises to Rs243.6bln in Nov-Jan

Power | Positive

Government collected Rs243.642 billion on account of electricity bills in the three months (November-January), up 19 percent year-on-year, as tariff hike, recovery drive and fuel price adjustment improved the power sector's collection, energy ministry said on Wednesday. | [Click for more info.](#)

China invests \$2.7bn in Kohala Hydro project: officials

Power | Positive

As another major development in Sino-Pak cooperative partnership in energy sector, China Three Gorges Corporation (CTGC) is set to construct 1124 MW Kohala Hydropower project along the Neelum Jhelum, the officials informed. | [Click for more info.](#)

First-ever \$1.658b power project achieves financial close

IPPs | Positive

The first-ever 878 kilometers (kms) long High Voltage Direct Current (HVDC) Transmission Line Project from Matiari to Lahore entailing an investment of US\$ 1.658 billion has achieved financial close. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,342.2	28,245.4	-96.8	-0.3%
KSE100	38,821.7	38,692.7	-129.0	-0.3%
KSE30	18,703.2	18,662.5	-40.8	-0.2%
KMI30	65,268.2	64,967.2	-301.0	-0.5%

Top Five Gainers

	Open	Close	Chg.	%
PAKT	2,415.0	2,516.3	101.3	4.2%
MTL	825.1	838.1	13.0	1.6%
SITC	310.8	321.7	11.0	3.5%
POML	199.3	209.2	9.9	5.0%
SRVI	741.0	750.0	9.0	1.2%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BOP	12.4	12.2	-0.1	35.08
KEL	6.0	5.9	-0.2	19.82
FCCL	21.4	20.8	-0.6	12.13
EPCL	36.5	35.8	-0.6	11.97
LOTCEM	14.4	13.9	-0.5	11.84

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.01	-0.01	0.00
F-Corp.	3.28	-3.94	-0.67
O/S Pak	2.93	-2.88	0.05
Net	6.22	-6.83	-0.61
LIPI			
Indv.	53.15	-59.00	-5.85
Cos.	5.46	-3.23	2.23
Banks	6.90	-3.23	3.67
NBFC	0.50	-0.03	0.47
M-Funds	6.80	-9.67	-2.87
Other	1.54	-0.57	0.96
Broker	15.12	-17.56	-2.44
Insur.	7.54	-3.10	4.43
Net	96.99	-96.38	0.61

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	56.95	0.0%
Brent oil	USD/bbl.	66.20	-0.3%
Gold	USD/t oz.	1318.91	-0.1%
Silver	USD/t oz.	15.76	2.5%
Coal	USD/ton	84.00	0.2%
Steel Scrap (LME)	USD/ton	322.00	-1.5%
Steel Rebar (LME)	USD/ton	472.50	-0.9%
USD/PKR	Interbank	139.38	0.3%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Govt revives blocked renewable energy projects

Power | **Positive**

The government on Wednesday decided to allow partial revival of renewable energy projects blocked in March last year by the PML-N government subject to a revised tariff mechanism and greater decisive role to National Transmission and Despatch Company (NTDC) to provide interconnection facility. | [Click for more info.](#)

Miscellaneous

Repatriation of profit dips 33pc in seven months

Economy | **Positive**

The repatriation of profit and dividends declined 33 per cent to \$918 million during the first seven months of this fiscal year from \$1.343 billion in the corresponding period last year, showed data released by the State Bank of Pakistan (SBP) on Wednesday. | [Click for more info.](#)

Govt decides to get PIA's NY hotel renovated

PIAA | **Positive**

The government is getting renovated New York's Roosevelt Hotel – owned by the bleeding national flag carrier Pakistan International Airlines (PIA) – at a cost of US\$27 million to convert it into a 'mixed-use' building believing that this change will make it more profitable. | [Click for more info.](#)

FBR team raids auto firm's office

Autos | **Neutral**

The Directorate of Intelligence and Investigation, Inland Revenue, FBR, Lahore conducted a search and seizure operation at the business premises of M/s. United Auto Industries. It is an assembler/manufacturer of automobiles, situated at 47-B, Johar Town, Lahore. | [Click for more info.](#)

PM to announce Rs3,500/maund indicative price for cotton

Cotton | **Positive**

Prime Minister Imran Khan will announce Rs3,500 per maund (40kg) indicative price for cotton in the next month with an aim to control speedily declining cotton cultivation area in the country. | [Click for more info.](#)

South Korea increases Pakistani manpower quota by 11pc

Economy | **Positive**

South Korea has increased the quota of Pakistani manpower by 11pc in a bid to facilitate the latter with employment opportunities. Previously, Pakistan could only export 900 workers to South Korea. Following an increase in the quota, Pakistan could now export over 1,000 workers. | [Click for more info.](#)

Political News

Cabinet to discuss situation today

A meeting of the federal cabinet has been convened today (Thursday) to discuss the current situation, following Indian incursion and Pakistan's befitting response to it. | [Click for more info.](#)

International News

Asian Stocks Fall Back; Treasuries Pare Losses: Markets Wrap

Stocks in Asia slipped Thursday following a topsy-turvy U.S. session that saw shares finish flat, giving no fresh impetus to a global equity rally that's losing steam. Treasury yields retreated after rising Wednesday. | [Click for more info.](#)

Oil firm on falling U.S. fuel inventories, but record output drags on prices

U.S. oil prices were firm on Thursday amid a fall in U.S. inventories and as OPEC cuts supply, but record U.S. crude output of 12.1 million barrels per day (bpd) prevented prices rising further. | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	38,692.7	-128.98	-0.3%
INDIA - SENSEX	35,905.4	-68.28	-0.2%
HK - Hang Seng	28,757.4	-14.62	-0.1%
CHINA - Shanghai	2,953.8	12.31	0.4%
Taiwan - TWII	10,389.2	12.12	0.3%
INDONESIA - IDX	6,525.7	-15.27	-0.2%
PHILP - PSEi	7,889.1	-99.04	-1.2%
KSA - Tadawul	8,472.5	16.28	0.2%
US - Dow 30	25,985.2	-72.82	-0.3%
US - S&P 500	2,792.4	-1.52	-0.1%

Source: Investing.com

Board Meetings

Scrip	Day	Agenda	Time
ARM	THURSDAY	HY A/c Dec-31, FY'19	9:30 AM
LPGL	THURSDAY	HY A/c Dec-31, FY'19	9:30 AM
BNWM	THURSDAY	HY A/c Dec-31, FY'19	10:00 AM
FLYNG	THURSDAY	HY A/c Dec-31, FY'19	10:00 AM
PPL	THURSDAY	HY A/c Dec-31, FY'19	10:00 AM
CENI	THURSDAY	Ann. A/c Dec-31, CY'18	10:30 AM
CFL	THURSDAY	HY A/c Dec-31, FY'19	10:30 AM
FCEL	THURSDAY	HY A/c Dec-31, FY'19	10:30 AM
ADOS	THURSDAY	HY A/c Dec-31, FY'19	11:00 AM
AHCL	THURSDAY	HY A/c Dec-31, FY'19	11:00 AM
KOIL	THURSDAY	HY A/c Dec-31, FY'19	11:00 AM
PASL	THURSDAY	HY A/c Dec-31, FY'19	11:00 AM
DSIL	THURSDAY	HY A/c Dec-31, FY'19	11:30 AM
STPL	THURSDAY	HY A/c Dec-31, FY'19	12:00 PM
SILK	THURSDAY	Ann. A/c Dec-31, CY'18	12:00 PM
POWER	THURSDAY	HY A/c Dec-31, FY'19	12:30 PM
KOHP	THURSDAY	HY A/c Dec-31, FY'19	1:00 PM
SEARL	THURSDAY	HY A/c Dec-31, FY'19	2:00 PM
BIPL	THURSDAY	Ann. A/c Dec-31, CY'18	2:30 PM
SAPL	THURSDAY	Ann. A/c Dec-31, CY'18	2:30 PM
UPFL	THURSDAY	Ann. A/c Dec-31, CY'18	2:30 PM
TRPOL	THURSDAY	HY A/c Dec-31, FY'19	2:45 PM
BOP	THURSDAY	Ann. A/c Dec-31, CY'18	3:00 PM
HSPI	THURSDAY	HY A/c Dec-31, FY'19	3:00 PM
KHTC	THURSDAY	HY A/c Dec-31, FY'19	3:00 PM
DBCI	THURSDAY	HY A/c Dec-31, FY'19	3:30 PM
DNCC	THURSDAY	HY A/c Dec-31, FY'19	3:30 PM
TSPL	THURSDAY	HY A/c Dec-31, FY'19	4:15 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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