

April 3,
2019

Economy News

Government mulling announcing amnesty scheme: Umar

Economy | Positive

While supporting the revival of wealth tax, Finance Minister Asad Umar said on Tuesday that the government is considering announcing a tax amnesty scheme before the end of current fiscal year to provide yet another opportunity to the people to disclose their undisclosed local and foreign assets, while withdrawal of withholding tax on banking transactions for non-filers would also be made in the coming budget. | [Click for more info.](#)

Government "consciously" allowed decline in tax collection on imports: Azhar

Economy | Neutral

The government has stated that it was a conscious policy decision to allow decline in tax collection on imports, which resulted in 3 percent growth in revenue this year as compared to the last fiscal year. About 40 percent revenue comes from import stage and the government consciously decided about import compression and removed taxes that were stifling commerce and businesses despite tight fiscal constraints | [Click for more info.](#)

Tax-to-GDP ratio will decrease to 12.5 percent: Pasha

Economy | Negative

Former Finance Minister Dr Hafiz Pasha has said that tax to GDP ratio would decrease to 12.5 percent from 13 percent, which is unfortunate for the country that is facing high fiscal deficit. | [Click for more info.](#)

Oil & Gas

Slowdown weighs heavy, petroleum sales down 25pc in July-March

OMCs | Negative

Both black and white oil volumetric sales declined 25 percent during July-March 2018-19 on the back of declining furnace oil sales as well as slowdown in economic activity, insipid auto sales, and increase in smuggled Iranian fuel. | [Click for more info.](#)

Oil, gas firms boards, chairs approved

OMCs | Neutral

The Federal Cabinet on Tuesday approved the reconstitution of board of directors and appointment of chairmen of state-run oil and gas companies under petroleum division. These companies include Oil and Gas Development Company Limited (OGDCL), Pakistan Mineral Development Corporation (PMDC), Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Pipelines Limited (SSGCL). | [Click for more info.](#)

Power

Rs125bn dues major hurdle in KE sell-off

KEL | Negative

The Power Division on Tuesday said K-Electric had over Rs125 billion liabilities payable to two government entities, which was the main hurdle to the sale of its shareholding. | [Click for more info.](#)

Hubco eyes Rs56.5bn to raise stake in coal projects

HUBC | Positive

Hub Power Company (Hubco), the country's biggest independent power producer, has planned to raise Rs56.5 billion through a mix of bank debts and right issue to increase its equity stake in four coal mining and power projects, a brokerage reported on Tuesday. Hubco is expected to raise \$402 million through HBL equity loan of \$208 million, commercial papers of \$60 million, non-bank term finance certificates (TFCs) of \$50 million, internal cash flows of \$34 million and right issue of \$50 million. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,015.2	27,774.1	-241.1	-0.9%
KSE100	38,354.9	38,036.0	-318.8	-0.8%
KSE30	18,132.5	17,987.1	-145.4	-0.8%
KMI30	62,710.3	62,201.3	-509.0	-0.8%

Top Five Gainers

	Open	Close	Chg.	%
PSEL	947.6	989.0	41.4	4.4%
SHEZ	436.7	445.0	8.3	1.9%
SHFA	243.1	249.5	6.3	2.6%
INDU	1,300.0	1,305.0	5.0	0.4%
MFFL	275.0	280.0	5.0	1.8%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITYR1	2.5	3.5	0.9	62.82
KEL	5.4	5.3	-0.2	8.85
UNITY	12.8	13.5	0.7	6.59
MLCF	36.1	35.8	-0.3	5.96
HUBC	77.0	75.8	-1.1	5.91

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.05	0.00	0.05
F-Corp.	1.93	-1.77	0.16
O/S Pak	1.01	-2.26	-1.25
Net	2.99	-4.03	-1.03
LIPI			
Indv.	20.55	-20.67	-0.12
Cos.	2.47	-1.37	1.10
Banks	2.24	-0.87	1.38
NBFC	0.00	-0.01	0.00
M-Funds	1.95	-2.10	-0.14
Other	0.57	-1.00	-0.43
Broker	5.70	-6.80	-1.11
Insur.	1.74	-1.38	0.36
Net	35.22	-34.18	1.03

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	62.79	0.3%
Brent oil	USD/bbl.	69.72	0.5%
Gold	USD/t oz.	1293.00	0.0%
Silver	USD/t oz.	15.16	0.3%
Coal	USD/ton	67.95	-2.9%
Steel Scrap (LME)	USD/ton	317.00	0.0%
Steel Rebar (LME)	USD/ton	488.50	1.4%
USD/PKR	Interbank	141.24	0.2%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Banks

PMRC signs MoUs worth Rs4,800m for low-cost houses

AKBL | Positive

In a ceremony held at the Pakistan Housing Conference, PMRC, in the presence of Prime Minister Imran Khan and officials of the World Bank Group, signed agreements and MoUs of PKR 4,800 million. These were signed with House Building Finance Company, Askari Commercial Bank, First Woman Bank, Bank Islami and Khushali Microfinance Bank, for low income housing finance. | [Click for more info.](#)

Miscellaneous

Govt. approves Rs.46.200 million for a project in textile garments

Textile | Positive

Planning Commission has approved funds amounting to Rs.46.200 million for a project titled "1,000 Industrial Stitching Units" to promote public private partnership to boost the value addition in the field of textile garments. | [Click for more info.](#)

Massive housing plan to boost paint & coating industry

Economy | Positive

The emergence of by local and international developers, as well as prime minister's recently announced "5 million housing units programme" is residential and commercial projects definitely a promising sign towards the growth of paint and coatings industry in Pakistan. | [Click for more info.](#)

New aviation policy seeks to revitalise sector

PIAA | Neutral

Under the policy, all airports have been advised to make use of public-private partnerships for easing up their operations and using their land for commercial purposes as well as for the promotion of tourism. It has also offered significant waivers and allowances while increasing benefits for both national and international carriers in order to boost tourism. | [Click for more info.](#)

Govt refuses to budge on impasse with FMCG importers

Economy | Neutral

The government has categorically refused to reverse its decision of imposing new labelling requirements on the imported Fast-Moving Consumer Goods (FMCGs) or even to delay their implementation in spite of pressure brought from large importers, including multinational companies (MNCs) operating in Pakistan. | [Click for more info.](#)

MoC urged to put off implementation of SRO-237 till July 31

Foods | Negative

Traders and importers of Khyber Pakhtunkhwa have expressed serious concern over stuck up of a large number of containers, loaded with food items and others goods at Karachi port following the enforcement of relevant statutory regulatory order and urged the Ministry of Commerce to postpone implementation of the SRO-237 till 31 July. | [Click for more info.](#)

14pc water shortage anticipated in early kharif

Fertilizer | Negative

The authorities anticipated better water availability after a long time during kharif season that began on April 1, however inter-provincial disagreement over distribution principles remained unresolved. | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	39,056.7	184.78	0.48%
HK - HangSeng	29,624.7	62.65	0.21%
Taiwan - TWII	10,690.3	47.67	0.45%
PHILP - PSEi	7,879.2	38.90	0.50%
KSA - Tadawul	8,934.7	38.14	0.43%
INDONESIA - IDX	6,476.1	23.45	0.36%
CHINA - Shanghai	3,176.8	6.46	0.20%
US - S&P 500	2,867.2	0.05	0.00%
US - Dow 30	26,179.1	-79.29	-0.30%
PAK (KSE-100)	38,036.0	-318.82	-0.83%

Source: Investing.com

Board Meetings

Script	Day	Agenda	Time
PAKRI	WEDNESDAY	Ann. A/c Dec-31, CY'18	10:00 AM
HASCOL	WEDNESDAY	Ann. A/c Dec-31, CY'18	11:00 AM
SRVI	WEDNESDAY	Ann. A/c Dec-31, CY'18	11:30 AM
AICL	WEDNESDAY	Ann. A/c Dec-31, CY'18	12:00 PM
PKGI	THURSDAY	Ann. A/c Dec-31, CY'18	10:00 AM
PAEL	THURSDAY	Ann. A/c Dec-31, CY'18	11:30 AM
PINL	FRIDAY	Ann. A/c Dec-31, CY'18	11:00 AM
WAVES	FRIDAY	Ann. A/c Dec-31, CY'18	11:00 AM
CSIL	FRIDAY	Ann. A/c Dec-31, CY'18	4:30 PM
PIL	FRIDAY	Ann. A/c Dec-31, CY'18	4:30 PM

Source: PSX Announcement



Political News

US says it will use all resources to blacklist Masood Azhar

The United States on Tuesday stated it will “utilise all available resources” to ensure Jaish-e-Mohammad founder Masood Azhar, was held accountable countering Chinese charges that it has circumvented UN security council’s sanctions committee to blacklist the Pakistan-based Azhar. | [Click for more info.](#)

Pakistan asks US to help resume talks with India

Foreign Minister Shah Mehmood has asked the United States to play its due role in resumption of dialogue between Pakistan and India. The demand was made during a telephonic conversation between Qureshi and his US Secretary of State Mike Pompeo, said a statement issued by the Foreign Office on Tuesday. | [Click for more info.](#)

International News

Asia Stocks Rise on Fresh Trade Hopes; Yields Rise: Markets Wrap

Asian stocks bounced with U.S. equity futures Wednesday after a report that the U.S. and China have ironed out most of their differences in trade negotiations. Treasury yields headed back up toward 2.5 percent. | [Click for more info.](#)

Oil rises for fourth day, shrugs off inventory build

Oil prices rose for a fourth day on Wednesday, holding firm despite an industry report showing that U.S. inventories rose unexpectedly last week, with supply cuts and sanctions supporting the market. | [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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