



March 6,  
2019

## Economy News

**Govt plans new amnesty scheme to boost industrial sector**

**Economy | Positive**

Government is planning another amnesty scheme to bring the undocumented money, present in the country, into the industrial sector rather than boosting revenue collection, an industry official said on Tuesday. | [Click for more info.](#)

## Oil & Gas

**Setting up of 3rd LNG terminal ordered**

**Gas | Positive**

Without a scientific study, the government on Tuesday ordered setting up of a third LNG processing terminal on a fast-track basis for completion before next winter at a new location – Jharri Creek/Chann Wadoo – and approved about Rs1.63 billion supplementary grants for security improvement and facilities for paramilitary forces. | [Click for more info.](#)

**PM orders increase in oil reserves**

**Oil | Neutral**

Chairing a meeting to review progress on energy-related projects, Khan directed for chalking out a strategy to enhance the strategic oil reserves to handle any war-like situation so that the armed forces could be provided uninterrupted supply to handle the possible aggression by India. | [Click for more info.](#)

## Power

**Mohmand Dam project: Wapda okays award of Rs165.5 billion contract to Gezhouba-Descon JV**

**Cement, Steel | Positive**

Pakistan Water and Power Development Authority (Wapda) has formally accorded approval to award the contract of Mohmand Dam to Joint Venture of Gezhouba-Descon which will construct the whole project with Rs165.523 billion. | [Click for more info.](#)

**Big gap in total billing and amount collected by Discos**

**Power | Negative**

The government has estimated that the gap between total billing to all power distribution companies (Discos) and their receivables are projected to witness a whopping rise in figures that might touch to Rs601 billion and Rs669 billion during the ongoing fiscal and next financial year respectively. | [Click for more info.](#)

**DISCOs seek Rs1.80 per unit hike in power tariff**

**IPPs | Positive**

The Task Force on Energy Reforms has failed to introduce reforms in the energy sector, as the power distributing companies (DISCOs), which are facing a revenue shortfall of Rs201 billion, have sought Rs1.80 per unit increase in power tariff. | [Click for more info.](#)

## Banks

**Govt approves revised NFIS governance structure**

**Banks | Positive**

The government on Tuesday reviewed progress made in its recently unveiled National Financial Inclusion Strategy (NFIS) designed to ensure 65 million adults have access to digital financial services by 2023. | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,981.3	28,969.2	-12.1	0.0%
KSE100	39,749.8	39,688.5	-61.2	-0.2%
KSE30	19,101.0	19,021.8	-79.2	-0.4%
KMI30	66,427.2	66,183.2	-244.0	-0.4%

### Top Five Gainers

	Open	Close	Chg.	%
RMPL	7,100.0	7,250.0	150.0	2.1%
SAPL	837.9	879.8	41.9	5.0%
PSEL	950.0	989.0	39.0	4.1%
WYETH	1,083.3	1,109.6	26.3	2.4%
BATA	1,645.0	1,667.5	22.5	1.4%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BOP	13.8	14.1	0.3	66.89
KEL	6.1	6.3	0.1	7.64
NCL	52.4	53.8	1.5	6.88
PIBTL	10.8	10.8	0.0	4.52
TRG	24.8	24.5	-0.3	3.28

### Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.02	-0.01	0.01
F-Corp.	2.30	-2.99	-0.69
O/S Pak	1.72	-1.92	-0.20
Net	4.03	-4.92	-0.89
<b>LIPI</b>			
Indv.	33.79	-34.31	-0.53
Cos.	4.39	-2.67	1.72
Banks	0.79	-1.24	-0.45
NBFC	0.66	-0.29	0.37
M-Funds	2.13	-3.66	-1.53
Other	0.55	-0.22	0.33
Broker	9.43	-9.84	-0.42
Insur.	2.36	-0.98	1.38
<b>Net</b>	<b>54.10</b>	<b>-53.22</b>	<b>0.89</b>

Source: NCCPL

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	56.05	-0.9%
Brent oil	USD/bbl.	65.32	-0.5%
Gold	USD/t oz.	1287.21	-0.1%
Silver	USD/t oz.	15.10	-0.2%
Coal	USD/ton	83.85	-0.1%
Steel Scrap (LME)	USD/ton	316.00	-1.3%
Steel Rebar (LME)	USD/ton	480.00	0.6%
USD/PKR	Interbank	138.93	-0.1%

Source: Bloomberg/SBP

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

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MORNING BRIEFING

## Miscellaneous

### Bike makers jack up prices

ATLH | **Positive**

Atlas Honda Ltd (AHL) made its third price jump in various two-wheeler models by Rs600-2,000 from Mar 1. The new price of CD70, CD Dream, Pridor 100cc, CG125 and CB150F have been fixed at Rs70,500, Rs74,500, Rs96,500, Rs116,500 and Rs191,900 versus Rs69,900, Rs73,900, Rs95,900, Rs115,900 and Rs189,900, respectively. | [Click for more info.](#)

### Telecom, info services exports increase to \$539.7m in six months

Netsol, SYS | **Positive**

Pakistan's exports of telecommunication, computer and information services have increased to \$539.71 million, registering 3.78 per cent growth in first half of current fiscal year. The earning made through these exports was \$520.043 million during same period last year. | [Click for more info.](#)

### FBR collects Rs.455 million withholding tax on foreign transactions in seven months

Economy | **Positive**

The Federal Board of Revenue (FBR) has collected Rs455 million during July-January 2019 period as withholding tax imposed on foreign transactions through payment cards, sources said on Tuesday. | [Click for more info.](#)

### ECC approves Rs8bn additional budget for armed forces

Economy | **Neutral**

The Economic Coordination Committee (ECC) of the cabinet on Tuesday approved nearly Rs8 billion supplementary budget to meet the additional needs of the Pakistan Air Force (PAF) and civilian armed forces. | [Click for more info.](#)

## Political News

### Pakistan, India tension begins to deflate

In a welcome development, which will go a long way in de-escalating the present tensions which have led to a war-like scenario between Pakistan and India, senior diplomats of both sides met at the Foreign Office on Tuesday where significant announcements were made. | [Click for more info.](#)

## International News

### Asian Stocks Trade Mixed; Aussie Slips on GDP Data: Markets Wrap

Asian stocks traded mixed Wednesday after their U.S. peers struggled to make headway in the absence of market-moving catalysts. The Australian dollar sank after weak data on the economy spurred traders to raise bets on interest-rate cuts. | [Click for more info.](#)

### Oil falls as rising U.S. production counters OPEC supply cuts

Oil prices fell more than 0.5 percent on Wednesday as bullish output forecasts by two big U.S. producers outweighed recent OPEC-led efforts to rein in crude production. | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	39,688.5	-61.24	-0.2%
INDIA - SENSEX	36,442.5	378.73	1.1%
HK - Hang Seng	28,961.6	2.01	0.0%
CHINA - Shanghai	3,054.3	26.67	0.9%
Taiwan - TWII	10,305.3	12.12	0.3%
INDONESIA - IDX	6,441.3	-47.14	-0.7%
PHILP - PSEi	7,670.6	-4.85	-0.1%
KSA - Tadawul	8,561.4	-4.05	-0.1%
US - Dow 30	25,806.6	-13.02	-0.1%
US - S&P 500	2,789.7	-3.16	-0.1%

Source: Investing.com

### Board Meetings

Script	Day	Agenda	Time
SHEL	WEDNESDAY	Ann. A/c Dec-31, CY'18	10:00 AM
BATA	WEDNESDAY	Ann. A/c Dec-31, CY'18	2:30 PM
PMPK	THURSDAY	Ann. A/c Dec-31, CY'18	2:00 PM
SKRS	THURSDAY	Ann. A/c Sep-30, MY'18	3:00 PM
AMBL	FRIDAY	Ann. A/c Dec-31, CY'18	11:00 AM
PRIC	FRIDAY	Ann. A/c Dec-31, CY'18	5:00 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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