



March 8,
2019

Economy News

Foreign funding dips to \$2.32bn amid IMF delay

Economy | Negative

Despite significantly higher needs, Pakistan received a paltry \$2.324 billion of budgeted foreign assistance in first half (July-December) of the current fiscal year, apparently due to the inability of the PTI government to secure an umbrella support from the International Monetary Fund (IMF). | [Click for more info.](#)

China commits \$1bn for 20 social sector projects

Economy | Positive

A 13-member expert group from China has shortlisted around 20 projects for implementation within a year in all the four provinces and special areas — Azad Jammu & Kashmir and Gilgit-Baltistan — to be funded with Chinese grant under socioeconomic cooperation. | [Click for more info.](#)

As revenue shortfalls bite, PM beseeches business leaders to pay taxes

Economy | Neutral

The tax authority has failed to meet all collection targets in the ongoing fiscal year. Between July-February, the body missed collection target by Rs235 billion as total revenue clocked in at Rs2.328 trillion. "Reforming FBR is essential. Until that is done, we will not be able to meet our expenses," said the prime minister while assuring the business community that he will try his best to fix the FBR. | [Click for more info.](#)

Forex reserves rise to \$14.956 billion

Economy | Positive

Pakistan's foreign exchange reserves rose \$141 million, or 0.95 percent, to \$14.956 billion during the week ended March 1, the central bank said on Thursday. The foreign exchange reserves held by the State Bank of Pakistan increased \$80 million to \$8.116 billion. | [Click for more info.](#)

Power

NTDC submits plan to increase power generation capacity

Power | Positive

The National Transmission and Despatch Company (NTDC) has submitted an Indicative Generation Capacity Expansion Plan (IGCEP) 2018-40 to the National Electric Power Regulatory Authority (Nepra). | [Click for more info.](#)

Autos

Withdrawal of restriction on non-filers to boost car sales

Autos | Positive

Withdrawal of restriction on non-filers to own cars is expected to rev up muted auto sales in the country, giving an edge to local carmakers over importers who would continue to face the ban, industry analysts said on Thursday. | [Click for more info.](#)

Banks

Private sector borrowing jumps 92pc

Banks | Positive

Private sector borrowing has jumped over 92 per cent to Rs600.5 billion during July-Feb22 compared to Rs312bn in the same period last year, according to latest data released by the State Bank of Pakistan (SBP) on Thursday. The jump in borrowing comes at a time when SBP has raised interest rates to 10.25pc from 5.75pc in January 2018. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,839.8	28,657.5	-182.3	-0.6%
KSE100	39,568.1	39,294.1	-274.0	-0.7%
KSE30	18,944.1	18,783.7	-160.5	-0.8%
KMI30	65,943.5	65,298.2	-645.3	-1.0%

Top Five Gainers

	Open	Close	Chg.	%
BATA	1,667.5	1,750.9	83.4	5.0%
INDU	1,285.0	1,349.3	64.3	5.0%
WYETH	1,165.1	1,223.3	58.3	5.0%
PMPK	2,950.0	2,979.9	29.9	1.0%
PSMC	313.5	329.2	15.6	5.0%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BOP	14.0	13.8	-0.2	8.51
STPL	20.7	20.3	-0.5	5.72
LOTCEM	14.8	15.0	0.2	5.39
DOL	22.4	23.0	0.7	3.99
KEL	6.2	6.1	-0.1	3.13

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.03	0.00	0.03
F-Corp.	1.57	-2.81	-1.24
O/S Pak	1.23	-0.95	0.29
Net	2.84	-3.76	-0.92
LIPI			
Indv.	24.07	-21.70	2.37
Cos.	1.25	-0.89	0.37
Banks	0.77	-0.51	0.26
NBFC	0.01	0.00	0.00
M-Funds	1.68	-2.93	-1.25
Other	0.60	-0.27	0.33
Broker	5.96	-6.32	-0.37
Insur.	1.96	-2.75	-0.79
Net	36.29	-35.37	0.92

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	56.35	-0.5%
Brent oil	USD/bbl.	65.90	-0.6%
Gold	USD/t oz.	1287.04	0.1%
Silver	USD/t oz.	15.05	0.2%
Coal	USD/ton	80.95	-1.0%
Steel Scrap (LME)	USD/ton	326.00	1.6%
Steel Rebar (LME)	USD/ton	479.00	0.0%
USD/PKR	Interbank	138.90	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Miscellaneous

Pharmaceutical exports increase 2.7pc in seven months FY19

Pharmaceutical | Positive

Pharmaceutical products worth \$122.181 million were exported during the first seven months of the current financial year as compared to the exports of \$118.942 million in the corresponding period of last year, registering an increase of 2.72pc. Meanwhile, the country also earned \$350.508 million during the July 2018-Jan 2019 period by exporting other chemicals, as compared to \$313.045 million received during the same period last year. | [Click for more info.](#)

FBR nets Rs50bn undocumented properties in July-January

Economy | Positive

The Federal Board of Revenue (FBR) documented Rs50 billion worth of undeclared properties under a tax amnesty scheme during the first seven months of the current fiscal year of 2018/19, sources said on Thursday. | [Click for more info.](#)

Turkey proposes measures to enhance bilateral trade

Economy | Positive

Turkish government has presented proposals on the strategic economic framework (SEF) to Pakistan, envisaging five times increase in bilateral trade volume, free trade agreement, and building of infrastructure connectivity, finance ministry said on Thursday. | [Click for more info.](#)

Finance ministry objects to diversion of Rs24 bn CPEC funds

Economy | Positive

The Ministry of Finance has raised objections over diversion of Rs24 billion funds from the China Pakistan Economic Corridor (CPEC) and other initiatives towards discretionary programme for parliamentarians under SDGs achievement programme and sought certification from the Planning Division for not revising upward the development budget. | [Click for more info.](#)

Political News

Saudi Arabia vows all-out support to Pakistan in settling disputes with India

Saudi Arabia on Thursday assured Pakistan of Kingdom's complete support in seeking peaceful settlement of all outstanding disputes with India, according to a statement issued by the Foreign Office. | [Click for more info.](#)

India's divisive policies marginalising Muslims, other minorities: UN HR chief

United Nations Human Rights chief Michelle Bachelet has warned India that its "divisive policies" have extensively marginalised Muslims and other minorities in the country. | [Click for more info.](#)

International News

Stock Slide Extends to Asia Amid Growth Worries: Markets Wrap

Stocks in Asia tracked declines in the U.S. after a European Central Bank cut to economic forecasts reignited concern on global growth and sent global bond yields lower. The euro fell to the lowest since 2017. | [Click for more info.](#)

Oil prices drop as ECB warns on weaker economy, U.S. supply soars

Oil prices fell on Friday after the European Central Bank (ECB) warned economic weakness would continue and as U.S. crude output and exports chase new records, undermining efforts by producer club OPEC to tighten global markets. | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	39,294.1	-274.00	-0.69%
INDIA - SENSEX	36,725.4	89.32	0.24%
HK - Hang Seng	28,779.5	-258.15	-0.89%
CHINA - Shanghai	3,106.4	4.32	0.14%
Taiwan - TWII	10,311.7	-45.47	-0.44%
INDONESIA - IDX	6,458.0	16.68	0.26%
PHILP - PSEi	7,881.8	60.45	0.77%
KSA - Tadawul	8,479.2	-55.00	-0.64%
US - Dow 30	25,473.2	-200.23	-0.78%
US - S&P 500	2,748.9	-22.52	-0.81%

Source: Investing.com

Board Meetings

Script	Day	Agenda	Time
AMBL	FRIDAY	Ann. A/c Dec-31, CY'18	11:00 AM
PRIC	FRIDAY	Ann. A/c Dec-31, CY'18	5:00 PM
SKRS	MONDAY	Ann. A/c Sep-30, CY'18	3:00 PM
PKGS	TUESDAY	Ann. A/c Dec-31, CY'18	11:30 AM
AGIC	WEDNESDAY	Ann. A/c Dec-31, CY'18	11:00 AM
PMRS	WEDNESDAY	1Q A/c Dec-31, MY'19	11:00 AM
CHAS	WEDNESDAY	1Q A/c Dec-31, MY'19	11:00 AM

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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