

April 9,
2019

Economy News

PSX MD served notice for breach of employment contract

PSX | Negative

Richard Morin, managing director of the Pakistan Stock Exchange (PSX), has been served a show cause notice by a bourse's committee, asking him to explain his simultaneous working with a Canadian wealth management company, sources said on Monday. | [Click for more info.](#)

Global forces conspiring to put Pakistan on FATF black list: Qureshi

Economy | Negative

Foreign Minister Shah Mehmood Qureshi has claimed that some international forces are conspiring to put Pakistan on the black list of the Financial Action Task Force (FATF) and the government was making efforts to foil these designs. | [Click for more info.](#)

Three US Congressmen oppose IMF bailout for Pakistan

Economy | Negative

Some Congress members have written letter to both US Secretary of State and Treasury for extending opposition to Islamabad's attempt for obtaining IMF bailout package and stated that this amount could be used to pay back Chinese loans under CPEC initiative. | [Click for more info.](#)

PM approves detailed plan of action for Pak-Turkey Strategic Economic Framework

Economy | Positive

Prime Minister Imran Khan, at a high level meeting Monday, approved the detailed Plan of Action for Pak-Turkey Strategic Economic Framework. The Plan of Action will be shared with the Turkish side for finalization and formal signing of the Strategic Economic Framework as early as possible. | [Click for more info.](#)

Dollar gains 9 paise, closes at Rs141.39

Economy | Neutral

The exchange rate of Dollar increased by 9 paise in interbank and traded at Rs 141.39 against Rs 141.30, State Bank of Pakistan (SBP) reported on Monday. However according to Forex Association of Pakistan the open market rate of Dollar closed at Rs 142.80. | [Click for more info.](#)

Amnesty scheme from April 15

Economy | Positive

The government has agreed in principle to launch an asset declaration scheme probably through presidential ordinance from April 15. The proposed scheme would cover declaration of undisclosed assets, Benami assets, sales and income before June 30, 2018, tax rates ranging from 5 percent to 10 percent with certain exceptions, assets to be valued at prescribed rates, Benami property declaration, foreign assets to be converted into money and remitted to rupee accounts in Pakistani banks/deposited into declarant's own foreign currency bank account in Pakistan. | [Click for more info.](#)

Trade deficit dips 14pc to \$23.4bn in nine months

Economy | Positive

The government's battle against bloated trade deficit is finally bearing fruit as it shrank by 14 per cent to \$23.45 billion in the first nine months of the current fiscal year from \$27.29bn in the corresponding period last year. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,506.6	27,110.5	-396.1	-1.4%
KSE100	37,521.8	36,921.9	-599.9	-1.6%
KSE30	17,734.6	17,473.3	-261.3	-1.5%
KMI30	61,630.5	60,253.4	-1377.0	-2.2%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	7,294.4	7,484.0	189.6	2.6%
SITC	296.4	308.9	12.5	4.2%
WYETH	922.4	927.5	5.1	0.6%
IGIHL	172.5	176.9	4.5	2.6%
GADT	239.6	243.9	4.3	1.8%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	5.2	5.0	-0.3	10.90
FCCL	19.5	18.5	-1.0	9.51
UNITYR1	3.8	3.6	-0.2	8.06
BOP	12.9	12.7	-0.2	7.52
MLCF	36.1	34.3	-1.8	4.89

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.00	-0.01	-0.01
F-Corp.	4.00	-2.37	1.63
O/S Pak	1.53	-0.93	0.61
Net	5.54	-3.31	2.23
LIPI			
Indv.	19.15	-20.61	-1.46
Cos.	3.10	-2.85	0.24
Banks	2.13	-0.92	1.21
NBFC	0.20	-0.57	-0.37
M-Funds	2.12	-3.36	-1.24
Other	0.52	-0.05	0.47
Broker	6.63	-6.78	-0.15
Insur.	1.61	-2.56	-0.95
Net	35.46	-37.69	-2.23

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	64.42	0.0%
Brent oil	USD/bbl.	71.05	-0.1%
Gold	USD/t oz.	1298.74	0.1%
Silver	USD/t oz.	15.25	0.0%
Coal	USD/ton	70.50	1.2%
Steel Scrap (LME)	USD/ton	315.00	0.0%
Steel Rebar (LME)	USD/ton	483.00	0.0%
USD/PKR	Interbank	141.52	0.0%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Autos

Volkswagen plans \$135m investment in auto plant in Pakistan

Autos | Negative

German automaker Volkswagen has planned to invest \$135 million to set up a plant for manufacturing and assembling of vehicles in Pakistan, in collaboration with a local partner, a senior official said on Monday. | [Click for more info.](#)

15 automakers awarded Greenfield status under ADP

Autos | Negative

Under the Auto Development Policy 2016-2021, 15 new companies have been awarded the Greenfield status while two companies have been awarded the Brownfield status for the revival of automobile sector units in the country. According to an official source, the committed investment so far is more than \$1,169 million. The investors that have been granted the Greenfield status would manufacture cars, light commercial vehicles, SUVs and heavy commercial vehicles. | [Click for more info.](#)

Banks

Islamic banking profit soars 48pc

MEBL, BIPL | Positive

Profits of the Islamic banking industry increased by 48 per cent during the quarter Oct-Dec 2018, a report issued by the State Bank said on Monday. "Profit before tax of Islamic banking industry was recorded at Rs34 billion by end December, 2018 compared to Rs23bn in the same quarter last year," according to SBP's Islamic Banking Bulletin. | [Click for more info.](#)

Pharmaceutical

Pharma firms warn of production halt

Pharmaceutical | Negative

Pakistan Pharmaceutical Manufacturers Association (PPMA) on Monday warned of stopping production of 500 essential medicines if prices are not increased, as manufacturing on prevalent prescribed prices is not viable any more. | [Click for more info.](#)

Tech. & Communication

PTCL partners with Netflix for monthly broadband bills

PTC | Positive

Pakistan Telecommunication Company Limited (PTCL) has partnered with Netflix, to enable PTCL customers to easily pay for their Netflix subscription as part of their monthly PTCL broadband bills, eliminating the need to share additional credit card or debit card details. | [Click for more info.](#)

Cabinet may approve mobile licence renewal policy today

Telecom | Positive

The Federal Cabinet is likely to approve the policy for renewal of licences of cellular companies on Tuesday (today) after incorporating legal adjustment, through which the government has estimated to generate \$1.3 billion. | [Click for more info.](#)

Miscellaneous

Govt mulls banning sugar exports as price soars

Sugar | Negative

The provincial Punjab authorities have advised the federal government to ban sugar exports to tame spiraling prices at the crushing seasons that could further fuel already high inflation, it is learnt on Monday. | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	30,077.2	140.83	0.47%
Taiwan - TWII	10,800.6	96.19	0.90%
PHILP - PSEi	7,915.6	42.45	0.54%
KSA - Tadawul	9,038.0	26.86	0.30%
US - S&P 500	2,895.8	3.03	0.10%
CHINA - Shanghai	3,244.8	-1.76	-0.05%
INDONESIA - IDX	6,425.7	-48.28	-0.75%
US - Dow 30	26,341.0	-83.97	-0.32%
INDIA - SENSEX	38,700.5	-161.70	-0.42%
PAK (KSE-100)	36,921.9	-599.90	-1.60%

Source: Investing.com

Board Meetings

Scrip	Day	Agenda	Time
WTL	TUESDAY	Ann. A/c Dec-31, CY'18	3:00 PM
NRL	THURSDAY	3Q. A/c Mar-31, FY'18	10:30 AM
ACPL	THURSDAY	3Q. A/c Mar-31, FY'18	12:00 PM
ATRL	THURSDAY	3Q. A/c Mar-31, FY'18	1:00 PM
POL	THURSDAY	3Q. A/c Mar-31, FY'18	3:00 PM
APL	THURSDAY	3Q. A/c Mar-31, FY'18	4:00 PM
SEPL	FRIDAY	3Q. A/c Mar-31, FY'18	10:00 AM

Source: PSX Announcement



French delegation of 23 companies arrives

Economy | **Positive**

A French delegation of 23 companies active in various sectors has arrived on a four-day visit to the country to explore the opportunities for investment in various sectors. | [Click for more info.](#)

FY08-16: PBS approves rebasing of CPI

Economy | **Neutral**

The Governing Council of Pakistan Bureau of Statistics (PBS) has approved the proposal of rebasing the Consumer Price Index (CPI) from financial year 2007-08 to financially year 2015-16. | [Click for more info.](#)

WHT collection on sale of goods, services falls to Rs145bln in Jul-Feb

Economy | **Negative**

Withholding tax collection from sale of goods and services fell 14.2 percent to Rs145.3 billion during the first eight months of the current fiscal year of 2018/19 as government slashed development spending and economic activities slowed down, sources said on Monday. | [Click for more info.](#)

Political News

Kartarpur Corridor: India's proposal accepted: FO

Pakistan has accepted India's proposal for a meeting of technical experts of two countries on Kartarpur Corridor to be held on April 16, the Foreign Office said. | [Click for more info.](#)

International News

Asian Stocks Trade Mixed; Treasury Yields Steady: Markets Wrap

Asian stocks were mixed Tuesday after the threat of new tariffs on European goods from President Donald Trump damped risk appetite. Treasuries steadied alongside the dollar, while oil rose to a five-month high. | [Click for more info.](#)

Oil prices hit highest in five months as Libya fighting tightens supply

Oil prices on Tuesday reached their highest since November as concerns over exports from war-torn Libya stoked tightness in the market, with global supply already hit by OPEC-led production cuts and U.S. sanctions on Iran and Venezuela. | [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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