



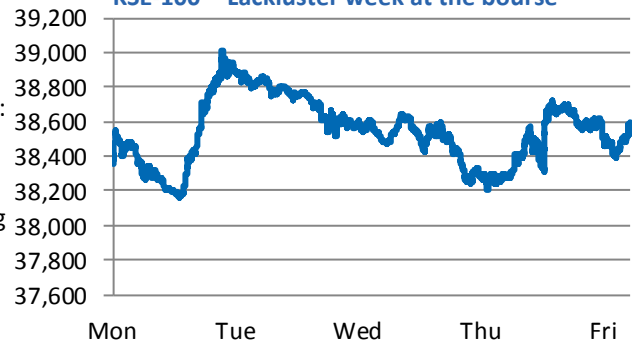
The Week in Review

For the period Mar 18, 2019 – Mar 22, 2019

News This Week

- Foreign reserves cross USD15bn mark
- Pakistan to receive loan worth USD2.1bn from China by Monday: finance ministry
- Current account deficit shrinks by 59% in February
- USD800-USD900mn Malaysian investment likely during Mahathir's visit
- ECC defers PIA's PKR96bn payables to CAA
- 1700cc and above: FED imposed on locally-made cars and SUVs
- Wapda to begin civil work on Mohmand Dam next week
- Govt reshuffles SNGPL's top management on overbilling inquiry
- Another power tariff hike on the cards

KSE-100 – Lackluster week at the bourse



Stock Market Overview

- During the outgoing week, KSE100 index remained flat amid lack of triggers, closing at 38,531pts. Market participation remained dull as evident from decrease in ADT which declined by 10.1%WoW, on the other hand ADTV increased by 6.6%WoW. Foreign investors were net buyers, exhibiting an inflow of USD3.1mn.
- OLPL, BAFL, PPL, MCB and PKGS were the major gainers while PSMC, INIL, UNITY, HUBC, and HASCOL were the major losers in the benchmark KSE-100 this week.

KSE-100 –Lackluster week at the bourse

Date	Open	High	Low	Close	Change	Vol (mn)
18-Mar-19	38,356	38,883	38,162	38,852	1.4%	100
19-Mar-19	38,913	39,012	38,528	38,612	-0.6%	71
20-Mar-19	38,601	38,667	38,428	38,548	-0.2%	83
21-Mar-19	38,548	38,593	38,202	38,385	-0.4%	81
22-Mar-19	38,437	38,721	38,385	38,532	0.4%	85

Market Review

During the outgoing week, KSE100 index remained flat amid lack of triggers, closing at 38,531pts. Market participation remained dull as evident from decrease in ADT which declined by 10.1%WoW, on the other hand ADTV increased by 6.6%WoW. Foreign investors were net buyers, exhibiting an inflow of USD3.1mn.

During the week, ECC allowed PIA to temporarily hold up around Rs96 billion in payments the airline owe to the Civil Aviation Authority (CAA). The committee also approved a proposal of ministry of industries and production to allocate 66mmcf additional Mari deep gas to PPIB for power generation purposes. Additionally, amid an overbilling inquiry, the government shuffled SNGPL's top management. Furthermore, the government is planning to increase electricity rates by PKR3.26/unit in coming months in order to meet revenue requirements of power distribution companies (DISCOS).

On the macro front, foreign exchange reserves held by SBP increased by USD733mn to USD8.8bn due to inflows from UAE. Additionally, the country is expected to receive USD2.1bn loan from China within the next week. Pakistan has also requested the Asian Development Bank to approve USD500mn in budgetary support before June this year, as it faces difficulties in retaining foreign exchange reserves because of mounting external financing needs. Additionally, the country's current account deficit shrunk by 59%MoM in Feb'19 to USD356mn.

Outlook

Monetary policy is due in the upcoming week where we expect a hike of 50bps, where any negative surprise would dampen the market participation.

News This Week

Economic highlights & data points

Foreign reserves cross USD15bn mark | (BR): The country's total liquid foreign exchange reserves have crossed USD15bn mark supported by arrival of inflows from UAE. According to State Bank of Pakistan's (SBP) weekly report issued on Thursday, the country's total liquid foreign reserves increased by USD744mn to USD15.71bn as on March 15, 2019 compared to USD14.97bn as on March 8, 2018.

Pakistan to receive loan worth USD2.1bn from China by Monday: finance ministry | (Dawn): The Ministry of Finance has announced that the State Bank of Pakistan (SBP) will receive a 15bn yuan loan, equivalent to USD2.1bn, from China by Monday. The loan facility, the spokesperson said, "will further strengthen foreign exchange reserves and ensure balance of payment stability."

IMF's possible tax-to-GDP demand: Tough decisions await government in forthcoming budget: Pasha | (BR): Former finance minister and prominent economist Dr Hafeez Pasha Tuesday said that the government will have to take tough decisions in budget FY20 in case the International Monetary Fund (IMF) asks it to enhance the tax-to-GDP ratio.

Current account deficit shrinks by 59% in February | (Dawn): The current account deficit (CAD) plunged by 59% in February compared to January in this fiscal FY19 which drastically reduced the deficit for the first 8 months of this fiscal. The State Bank of Pakistan reported on Friday that CAD came out at USD356mn, down from USD873mn in January; a decrease of USD517mn.

Pakistan, IMF agrees on policy direction | (The News): Pakistan and International Monetary Fund (IMF) have generally reached an agreement over the bailout program to meet the financing gap, but timing and pace of stabilisation policies are under discussion, SBP Governor said on Monday.

Sector and Corporate highlights

USD800-USD900mn Malaysian investment likely during Mahathir's visit | (Nation): Pakistan expects to receive around USD900mn investment from Malaysia by signing joint ventures in telecommunication, information technology, automobiles and halal food sectors during the visit of Malaysian Prime Minister Dr Mahathir Mohamad to Islamabad.

ECC defers PIA's PKR96bn payables to CAA | (The News): Government on Wednesday allowed state-owned ailing Pakistan International Airlines (PIA) to temporarily hold up around PKR96bn in payments the airline owe to the Civil Aviation Authority (CAA) on account of aeronautical charges and other levies, sources said on Wednesday.

1700cc and above: FED imposed on locally-made cars and SUVs | (BR): The Federal Board of Revenue (FBR) has imposed federal excise duty (FED) on locally manufactured cars and SUVs of engine capacity exceeding 1700cc and above. According to the FBR, duty on the imported motor vehicles of 1800 cc to 3000cc has been enhanced to 25% and 30% for vehicles having cylinder capacity of 3000cc or above.

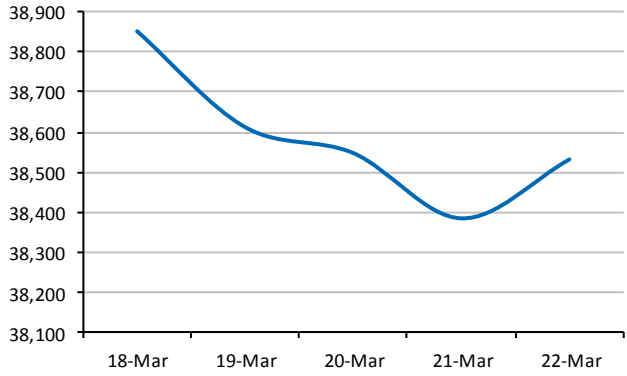
Wapda to begin civil work on Mohmand Dam next week | (The News): The government will start civil construction work on the much-awaited Mohmand Dam by next week, as it has started mobilizing machinery on site to commence work on this mega project of national importance.

Govt reshuffles SNGPL's top management on overbilling inquiry | (The News): Government has reshuffled top management of Sui Northern Gas Pipelines Limited (SNGPL), including removing the utility's acting managing director, on what sources said ongoing overbilling inquiry; although its official termed this as a routine reorganization.

Another power tariff hike on the cards | (Tribune): The electricity users are likely to face further hike in power prices as the government is planning to increase electricity rates by PKR3.26/unit in coming months in order to meet revenue requirements of power distribution companies (DISCOS). The Pakistan Tehreek-e-Insaf (PTI) government has already increased electricity tariff by 33% or PKR1.20/unit after coming into power.

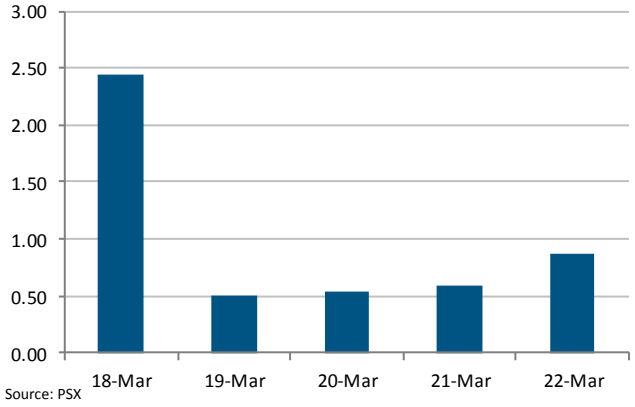
Stock Market – Outgoing week in pictorals

Chart 1: KSE-100 Index



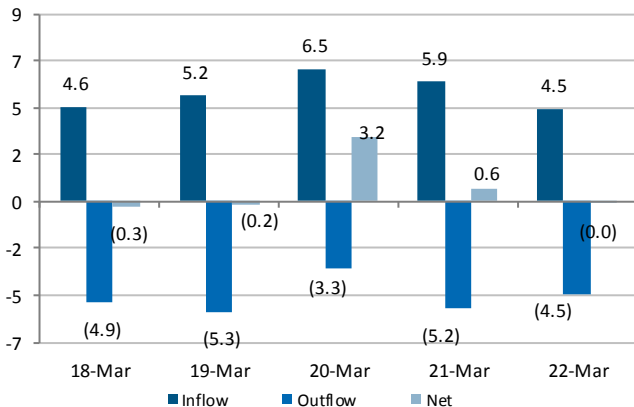
Source: PSX

Chart 2: KSE Advance/Decline Ratio



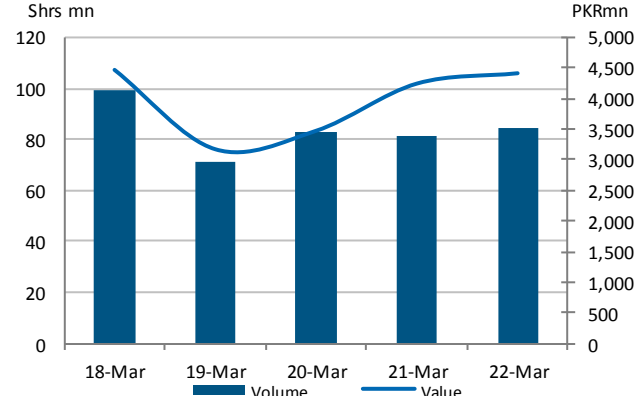
Source: PSX

Chart 3: Pak Foreign Portfolio Flows (US\$m; US\$=PKR130)



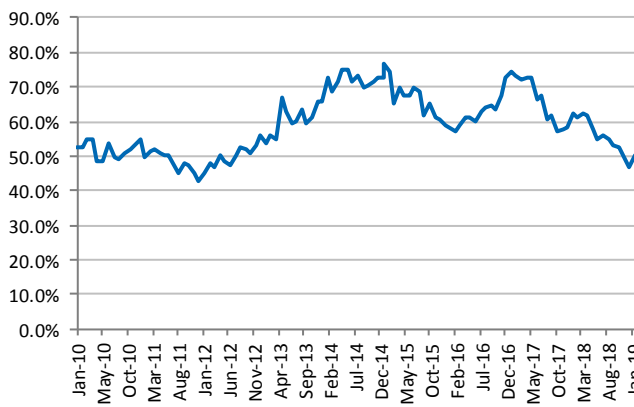
Source: PSX

Chart 4: KSE- Volume & Value



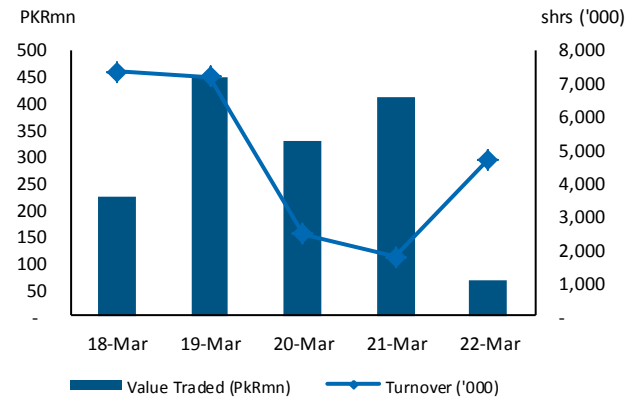
Source: PSX

Chart 5: Price to Money Ratio



Source: PSX

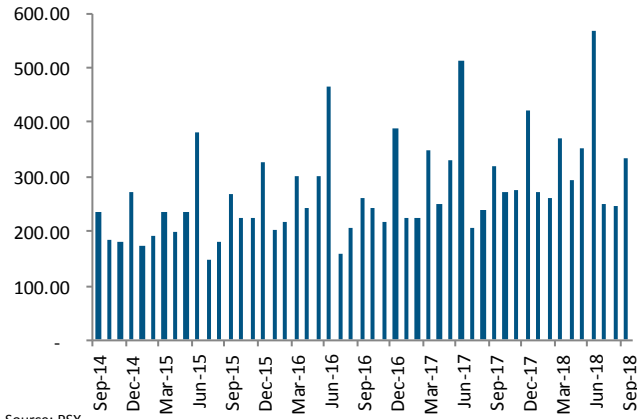
Chart 6: Off market activity



Source: PSX

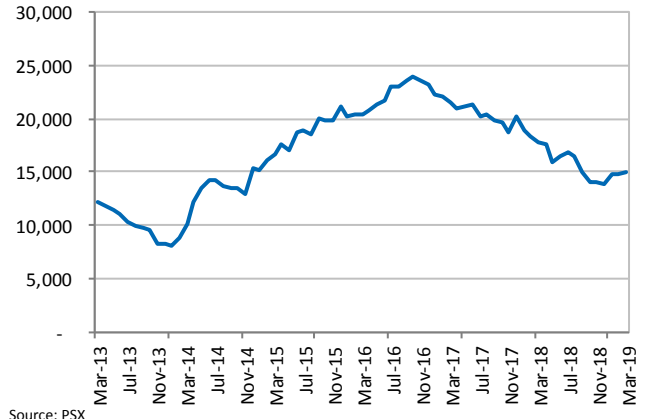
Economy Watch

Chart 7: Revenue Collection (PKRbn)



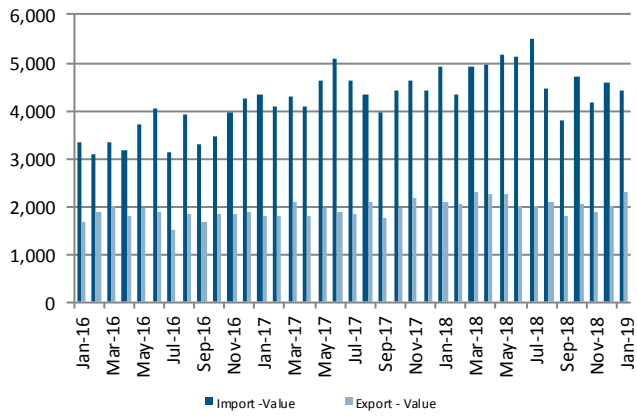
Source: PSX

Chart 8: Forex Reserves (US\$mn)



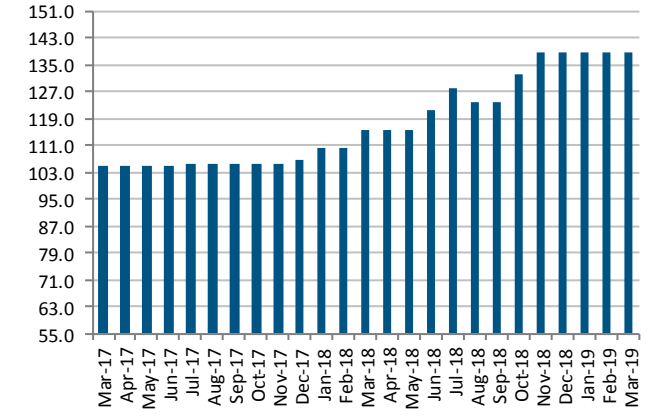
Source: PSX

Chart 9: Import & Export (US\$mn)



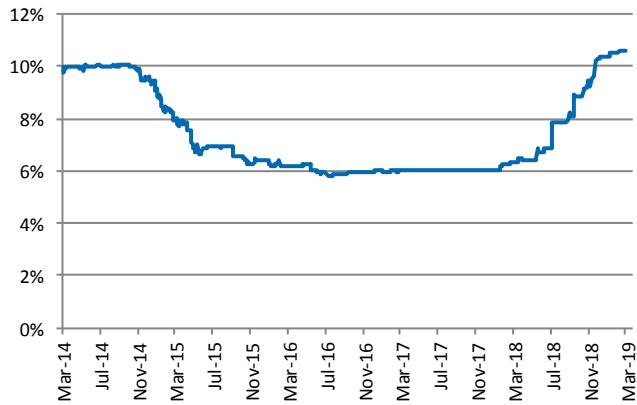
Source: PSX

Chart 10: Foreign Exchange Rate (PKR/US\$)



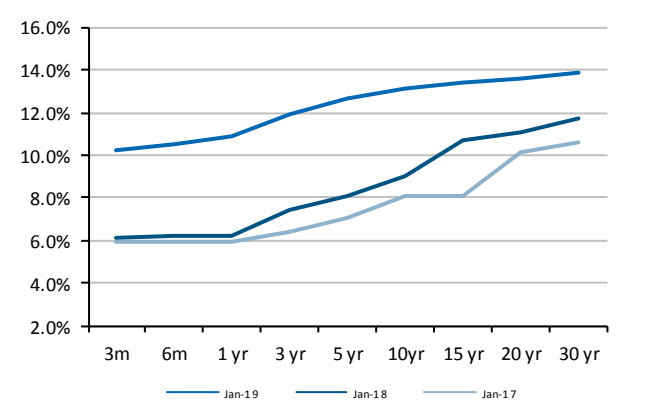
Source: PSX

Chart 11: 6-mth T-Bill Yield (%)



Source: PSX

Chart 12: Yield Curve (%)

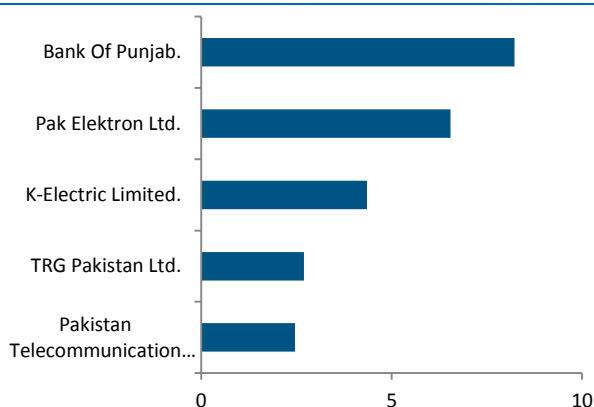


Source: PSX

Stock Market Synopsis

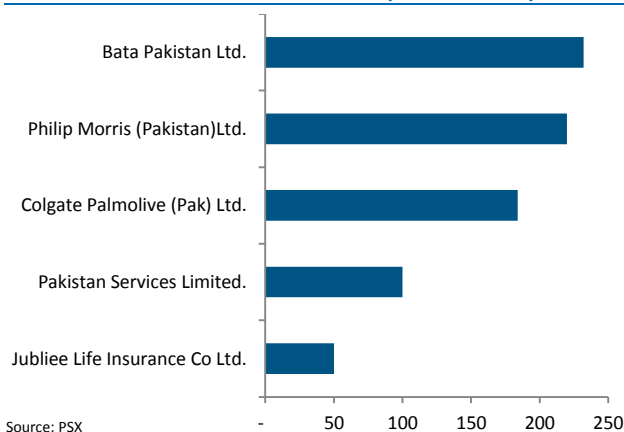
	Last week	This Week	Change	1M	3M	12M
Mkt. Cap (US \$ bn)	56.5	55.9	-1.0%	56.5	56.1	74.9
Avg. Dly T/O (mn. shares)	93.3	83.9	-10.1%	112.6	131.0	166.2
Avg. Dly T/V (US\$ mn.)	26.6	28.3	6.6%	36.1	42.0	56.2
No. of Trading Sessions	5.0	5.0	0.0	23.0	63.0	247.0
KSE 100 Index	38,307.0	38,531.9	0.6%	38,531.9	38,308.9	45,030.2
KSE ALL Share Index	28,174.0	28,197.6	0.1%	28,197.6	28,480.2	32,343.4

Chart 13: KSE-100 Active Issues (ADTO-million shares)



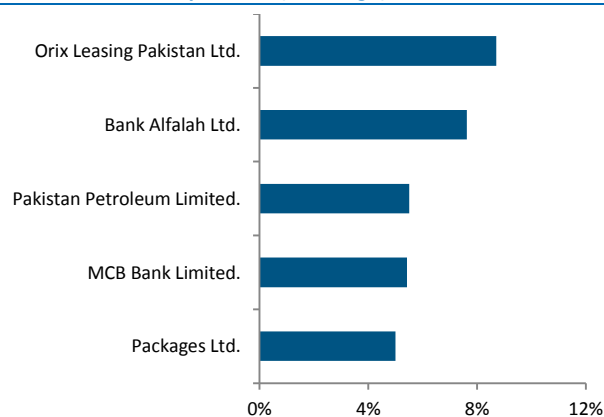
Source: PSX

Chart 14: KSE-100 Least Traded Issues (ADTO- shares)



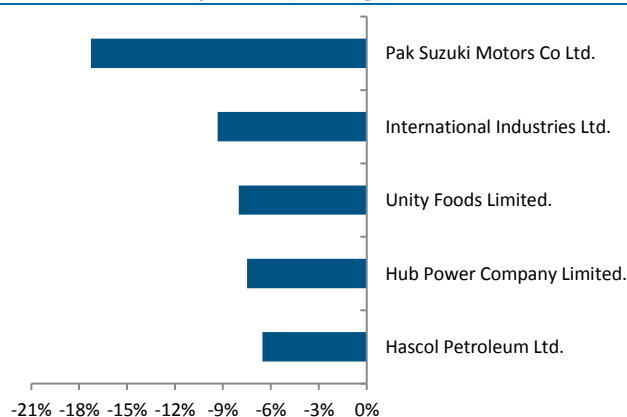
Source: PSX

Chart 15: KSE-100 Top Gainer (% change)



Source: PSX

Chart 16: KSE-100 Top Losers (% change)



Source: PSX

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