

Topline Market Review

KSE-100 Index: 41,238 (+718 pts/+1.77%)

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Market rejoiced amended finance bill by the new Govt.



KSE-100

Key Numbers

KSE-100 Index (Sep 18, 2018)	41,238.07
Change (Points)	717.60
Change (%)	1.77%
YTD (Since Dec 29, 2017)	1.9%
KSE Mkt Cap. (Rs bn)	8,446
KSE Mkt Cap. (US\$ bn)	68.0
Total Volume (shares mn)	166.5
Total Value (Rs bn)	7.5
Total Value (US\$ mn)	60.7
Total Future Value (Rs bn)	2.6
Total Future Value (US\$ mn)	20.6

Source: PSX

Top 10 Traded Stocks

Symbol	Value (US\$m)	Vol. (mn shares)	Closing (Rs)	Change (Rs)	Change
MLCF	3.7	9.5	49.1	2.3	5.0%
HBL	3.1	2.7	145.5	2.2	1.6%
NML	3.1	2.6	144.0	2.1	1.5%
UNITY	3.1	10.4	36.2	1.7	5.0%
LUCK	2.9	0.7	492.2	24.4	5.0%
EFERT	2.5	3.9	79.9	2.8	3.6%
DGKC	2.4	2.9	100.3	5.0	5.0%
SNGP	2.3	3.1	94.1	3.3	3.5%
DOL	1.6	6.8	29.9	0.6	2.2%
LOTCEM	1.6	13.2	14.7	0.5	3.5%

Source: PSX

- Despite opening on a negative note, Pakistan equities recovered in today's trading session as the new govt. announced long-awaited amendment in FY19 Budget (previously announced by the Govt. in May 2018). Presented by Finance Minister Asad Umar, the new finance bill contained measures that will positively impact select sectors as index was rallied by 718 points.
- Withdrawal of restrictions on non-tax filers to purchase new motor vehicles attracted bulls to Automobile sector with HCAR and PSMC closing at their respective upper locks (+5%).
- Investors flocked to take entry into cement stocks as 1) increase in development budget by 10% YoY (vs. spent in FY18) though down from previously set target of Rs1tn, 2) no change in CPEC and Dam construction related budget and 3) withdrawal of restrictions on non-tax filers from buying immovable property with value exceeding Rs5mn will likely be positive for the construction sector.
- Due to aforesaid reasons, traded volumes were up 15% while value traded increased by 38%.

- Pakistan Petroleum Limited (PPL) announced its result for FY18, wherein EPS clocked in at Rs23.24, up by 32% YoY. The increase in earnings was due to ~4ppts increase in gross margins and 93% higher other income. The company also announced a cash dividend of Rs1.5/share and 15% bonus for the outgoing quarter.
- Finance Minister Asad Umar presented the budget speech, detailing the amendments the Pakistan Tehreek-i-Insaf (PTI)-led government is bringing to the federal budget announced by the PML-N government in May this year. Federal development programme has been cut by almost Rs250bn to Rs725bn. Highlights were; 1) Budget deficit to be brought down to 5.1%, 2) Increased federal excise duty on imports of luxury vehicles and duties on 'expensive' cell phones, 3) Tax relief revoked from salaried persons earning more than Rs200,000/mth, 4) Tax rate in highest income tax slab raised from 15% to 30%, 5) Customs duty increased on more than 5,000 'luxury' items and 6) Rate of withholding tax on banking transactions for non-tax filers also increased to 0.6% from 0.4%.
- Prime Minister Imran Khan is undertaking his maiden state visit to Saudi Arabia. The two-day visit is taking place on the invitation of Custodian of the Two Holy Mosques King Salman bin Abdulaziz and Crown Prince Mohammad Bin Salman. Prime Minister Imran Khan will be accompanied by Foreign Minister Shah Mahmood Qureshi, Minister for Finance Asad Umar and Adviser to the Prime Minister on Commerce Abdul Razzaq Dawood.
- Pakistan eyes nearly US\$8bn investment from China and Saudi Arabia, under the China-Pakistan Economic Corridor (CPEC), in road, energy and oil sectors, after the new government decided to pick schemes on their 'merits'.
- Sindh government announced a Rs24bn reduction in annual development program (ADP) to Rs228bn for the current FY19, as the federal transfers are estimated to fall short of the target. Chief Minister Murad Ali Shah of Sindh, presenting the budget for remaining nine months of the current fiscal year, said the ADP was previously estimated at Rs252bn when the provincial government presented budget for the first quarter of the current fiscal year. But, it was reduced due to shortfall in transfers from the federal government.

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Neutral	Stock will perform in line with the average total return of stocks in universe
Sell	Stock will underperform the average total return of stocks in universe

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Market Weight	= Weight in KSE-100 Index
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