



Stocks post robust gains in election week

With timely elections on July 25 and the Pakistan Tehreek-e-Insaf standing out as the single largest political party, investors' fears of a hung parliament or a weak coalition government at the centre were set at rest. In the outgoing week, election proceedings dominated investor sentiments, guiding stock price escalations as polling formalities were completed with few occurrences of documented discrepancies. The market greeted the end to political uncertainty with good cheer as the benchmark KSE-100 index stormed to a four-month weekly high of 1,565 points (3.8 per cent) to close at 42,786. The index rallied in all four sessions of the shortened week (Feb 25 being a holiday).

Trade gap with China rises to \$9.7bn in FY18

Pakistan's trade deficit with China has further widened to \$9.7 billion in FY18. China, the largest trade partner of Pakistan, has further increased its exports to \$11.458bn; an increase of \$1.381bn compared to FY17. However, exports to China increased by just \$120 million to \$1.744bn, creating a trade gap of \$9.7bn which accounts for over 30 per cent of the overall trade deficit of the country.

Regulator orders K-Electric to reduce tariff by Rs1.17

The National Electric Power Regulatory Authority (NEPRA) has determined about Rs1.172 per unit (kWh) reduction in power rates for consumers of K-Electric under its profit clawback mechanism. "The decrease in consumer class-wise tariff, on account of clawback of profits for financial year 2014-15, except for the lifeline consumers, based on actual units sold from Jan 1, 2016 to Dec 31, 2016 (ie 13,683.77GWh based on authority's approved target of T&D losses) works out to minus Rs1.1720/kWh, for each of the four quarters from Jan 1, 2016 to Dec 31, 2016, which is hereby approved," said the four-member regulator in its unanimous determination.

Islamic banking, finance outlook bright in Asia

The Asian Development Bank says the outlook for Islamic banking and finance in Asia is bright, given that the region is home to more than sixty per cent of the world's Muslim population, as well as Asia's growing middle class, and has strong economic and financial fundamentals. In addition, a combination of strong political support, a large investor base, and generous tax incentives are enticements to further Islamic finance in Asia.

1,320MW power plant connected to national grid

The 1,320MW coal-fired Hubco Power Plant has been connected with the national grid after the National Transmission and Despatch Company completed a new 500kV transmission line. The line will also enable the company to evacuate power from its existing plant to the national grid, according to an official source. The new coal-fired plant is being constructed under China-Pakistan Economic Corridor.

Bol directed to remove hurdles for attracting investment

Prime Minister Justice Nasir-ul-Mulk on Tuesday directed the Board of Investment (BoI) to remove bottlenecks for ensuring smooth and steady growth of investments in the country. Taking a briefing from senior BoI officials on the current status of investments in the country, the prime minister emphasized the need for strengthening coordination amongst federal and provincial governments, ministries, foreign missions and other stakeholders so as to extend maximum facilitation to the business community.



International News

Trump trade war to give fleeting boost to US growth

The United States is expected to see an exceptional surge in economic growth in the second quarter that President Donald Trump can use to trumpet the success of his economic agenda. But the unusual result, which economists say could be the strongest in four years, is partly thanks to Trump's trade wars, and those same disputes threaten to drag growth lower in the coming months and years. Current forecasts say the second-quarter GDP estimate due out Friday could show growth was anywhere between four and five percent -- the fastest pace since the third quarter of 2014.

China's Xi pledges \$14.7bn investment on South Africa visit

Chinese President Xi Jinping promised \$14.7 billion of investment on Tuesday during a state visit to South Africa, where President Cyril Ramaphosa is on a mission to kick-start economic growth after a decade of stagnation. The rand firmed more than one per cent after Ramaphosa announced China's investment pledge, which takes the amount overseas economies have committed to invest in South Africa to \$35bn since the start of the month. Those commitments will help ease worries about the health of the South African economy, which has performed poorly despite investor optimism when Ramaphosa replaced scandal-plagued Jacob Zuma in February.

China's Xi offers fresh \$295m grant to Sri Lanka

Chinese President Xi Jinping has offered Sri Lanka a fresh grant of 2 billion yuan (\$295 million), as Beijing looks to expand its influence in the tiny island country off India's southern tip. President Maithripala Sirisena of Sri Lanka, a partner in Beijing's multi-country Belt and Road infrastructure push, made the announcement on Saturday at a ceremony marking the start of construction of a Chinese-funded kidney hospital in his home constituency of Polonnaruwa, 230 km (142.92 miles) from Colombo. "When the Chinese ambassador visited my house to fix the date for this ceremony, he said that Chinese President Xi Jinping sent me another gift," Sirisena told the gathering.

Facebook faces a day of reckoning on Wall Street

The social network's user base and revenue grew more slowly than expected in the second quarter as the company grappled with privacy issues, sending its stock tumbling after hours. The company also warned that it expects revenue growth to decelerate in the next couple of quarters as it promotes new, and for now less profitable, products such as its Stories disappearing message feature. It is also allowing users to make "more choices" around data privacy amid public outcry and regulatory pressures.

Agility bid for part of Abraaj's investment business

Kuwait's Agility, one of the largest Gulf logistics companies, submitted a bid to acquire part of the investment management business of troubled Middle East private equity firm Abraaj, a document seen by Reuters on Wednesday showed. Agility is one of several potential buyers of the investment management unit of Dubai-based Abraaj, which filed for provisional liquidation in the Cayman Islands in June after months of turmoil related to a row with investors over the use of their money in a \$1 billion healthcare fund.

Canada to host meeting on WTO reform

Canada plans to convene a meeting of trade ministers to discuss how to reform the troubled World Trade Organization but the United States and China will be left out for now, an official said on Friday. The WTO is facing an increasingly serious crisis amid complaints by US President Donald Trump that the body is biased against the United States. Joseph Pickerill, a spokesman for Canadian Trade Minister Jim Carr, said the meeting would take place in October in Ottawa and played down the suggestion Beijing and Washington were being snubbed.

Up-Coming Events Pakistan

Pakistan National Youth Conference @ Educational Exhibition

Date: 11th August, 2018

Venue: Expo Center, Karachi

Up-Coming Events UAE

Business Development Training

Date: 19th August, 2018

Venue: Dubai



PAKISTAN STOCK EXCHANGE

as on 27th July, 2018

| Company Name | Closing Value | Volume |
|-----------------------|---------------|--------|
| Adamjee Insurance | 26.50 | 4,500 |
| EFU General Insurance | 133.50 | 100 |
| IGI Insurance | 305.38 | 1,000 |
| Jubilee Gen Ins. | 78.90 | 2,000 |
| Pak Reinsurance | 32.85 | 500 |



CURRENCY EXCHANGE RATES

as on 30th July, 2018

| Currency | Current Week | Last Week |
|-------------------|--------------|-----------|
| U.S.Dollar | 121.90 | 130.40 |
| Euro | 142.00 | 144.00 |
| UK Pound Sterling | 159.00 | 162.00 |
| UAE Dirham | 31.50 | 34.25 |



WEATHER FORECAST

as on 30th July, 2018

| | | | |
|-----------|----------------------|---------------|--|
| Karachi | 31/27 ^o C | MOSTLY CLOUDY | |
| Islamabad | 34/25 ^o C | FAIR | |
| Lahore | 34/28 ^o C | FAIR | |