



Stocks surge 5.5pc after Saudi funding

In the outgoing week, investors celebrated the success of Prime Minister Imran Khan in cajoling Saudi Arabia to announce a package of \$6 billion (\$3bn cash for balance of payment support along with another \$3bn as deferred oil import payments extendible up to three years). The KSE-100 index recorded stellar gains of 2,126 points (5.53 percent) and closed well above the 40,000-level at 40,556 points. On Wednesday, the market rallied by 1,556 points, marking the second highest gain since June 2017.

Hubco profit jumps, IMC's earnings dip

Indus Motor Company (IMC) recorded 1QFY19 PAT at Rs3.5bn (EPS: Rs44.63), down 3.3pc, from Rs3.63bn (EPS: Rs46.17) from same period last year. The earnings declined mainly due to increase in cost of inputs on account of rupee devaluation against all major currencies. IMC CEO Ali Asghar Jamali said the market has witnessed a slowdown on the back of rising interest rates and the restriction on non-filers from buying vehicles among other factors such as Eid holidays and consumer expectations of new models and variants. The board also declared an interim cash dividend of Rs32.50 per share from Rs30 in corresponding quarter last year.

\$6bn bailout package is a big breather

The Kingdom of Saudi Arabia has pledged to meet half of the \$12 billion financing gap that Pakistan faces for the current fiscal year. Coming again to Islamabad's rescue - third in two decades - Riyadh promised to place a \$3bn deposit with the State Bank of Pakistan (SBP) and provide up to \$3bn worth of oil supplies on credit both for a year. That is a big breather. Coupled with even half of such support from China, it will significantly reduce Pakistan's external account gap and help restore market confidence. International lending partners are coming on board with foreign exchange reserves rebuilding to a respectable level, which will qualify the country for programme loans. Prime Minister Imran Khan's first visit to China comes later this week.

Pharma sector attracts meagre \$26m FDI

Foreign investment in the pharmaceutical sector remains lacklustre mainly due to government regulations and counterfeit drug production despite expectations of pharma-related expenditure to double in next 10 years. The sector attracted a paltry sum of \$26.4 million in foreign direct investment during the first quarter of 2018-19.

BoC to promote Pak-China trade linkages

The Bank of China (BoC) on Thursday said that it will play an active role in establishing and promoting mutual trade linkages between Pakistani and Chinese companies. During a meeting with the Sialkot exporters held at Pakistan Sports Goods Manufacturers and Exporters Association (PSGMEA), BoC's Head of Business Development Sun Hui said that development of B2B contacts between businessmen Pakistan and China would improve bilateral trade.

Government appoints interim SECP chairman

Tahir Mehmood has been appointed as the acting Chairman of Securities and Exchange Commission Pakistan (SECP) on Wednesday. The government also notified the appointment of Jameel Ahmed as the Deputy State Bank of Pakistan. He was previously working as the executive director in the central bank. The notification was issued after Finance Minister Asad Umar arrived back from his visit to Saudi Arabia. Former chairman Shaukat Hussain had earlier tendered his resignation on 19 Oct which was subsequently accepted by the finance ministry.

China, Japan show united front on 'free and fair' trade

China and Japan displayed a united front on "free and fair" trade as leaders of Asia's two biggest economies met on Friday in Beijing. The visit by Japanese Prime Minister Shinzo Abe, along with hundreds of Japanese businessmen, took place against the backdrop of the festering trade dispute between China and the US that has resulted in both sides imposing billions of dollars in tariffs on each other's exports. "I believe we need to take to a new level a free and fair trade system," Abe said after meeting with Chinese President Xi Jinping. The two sides signed a slew of agreements, including a currency swap deal and plans to work together in other markets.

Saudis trumpet \$56bn deals as moot ends amid partial boycott

Saudi Arabia said it signed \$56 billion of deals at an investment conference this week and expected the United States to remain a key business partner despite a partial boycott of the event over the killing of Saudi journalist Jamal Khashoggi. More than two dozen top officials and executives from the United States and Europe, including US Treasury Secretary Steven Mnuchin and chief executives of big banks, boycotted the investment conference over the killing of Khashoggi inside the Saudi consulate in Istanbul on October 2.

EU eyes Brexit customs deal to break deadlock

European Union negotiators are looking at ways to promise Britain a customs deal that could stretch Brussels' Brexit red lines but might break a deadlock over the Irish border, EU sources close to the talks have told Reuters. Accounts of how British and EU negotiators came close to a deal on Oct 13 focus on how Prime Minister Theresa May balked at an EU demand for a "backstop" clause.

New law to have "significant impact" on UAE's financial sector

The news laws announced on Sunday will have a significant impact on the UAE's financial sector. "It is a significant step towards comprehensive development of the financial sector in the UAE and reinforcement of Central Bank's independence and regulatory powers. This will promote effective control over the financial sector in line with international best practices and standards," said Mubarak Rashed Al Mansouri, Governor of the Central Bank of the UAE. In addition to spelling out specific licensing requirements for financial activities the law strengthens the bank's enforcement powers to impose a broad range of administrative, financial sanctions and penalties on licensed financial institutions that are in violation of the provisions of this law.

Analysts see Brent oil at \$80 again

Analysts see Brent crude oil making its way back up towards \$80 (Dh293.8) per barrel as US sanctions on Iran come into effect from next month. US reimposed sanctions on Iran, the third biggest oil producer within OPEC group, earlier this year and asked all importing countries to stop buying oil from them. The issue raised concern about supply shortages in the market and pushed oil prices higher with Brent

trading at a four-year high of \$85 per barrel earlier this month. But oil prices fell last week after Saudi Arabia reassured oil markets that it would meet any demand that materializes due to disruption in supplies following US sanctions on Iran.

Egypt in strong comeback from economic crisis

Egypt is on its way to a sustainable economic recovery, thanks to fiscal and structural adjustment programmes in recent years and funding from the International Monetary Fund (IMF) and its GCC allies, analysts and economists have said. Amid the recent Emerging Market (EM) sell-off that triggered sharp currency devaluations and a spike in inflation, Egypt remains stable even as it faces fiscal and current account deficits, high inflation and foreign capital outflows from its domestic debt market.



Up-Coming Events Pakistan

Conference on The Convergence of Financial & Cyber Crimes

Date: 24th November, 2018

Venue: Mövenpick Hotel, Karachi

IDEAS (10th International Defence Exhibition and Seminar)

Date: 27th November, 2018

Venue: Expo Centre, Karachi

Up-Coming Events UAE

Smart City Expo Dubai 2018

Date: 26th November, 2018

Venue: Metropolitan Hotel, Dubai

Metropolitan Hotel

Date: 03rd December, 2018

Venue: Dubai



PAKISTAN STOCK EXCHANGE

Karachi Stock Exchange as on 26th October, 2018

Company Name	Closing Value	Volume
Adamjee Insurance	44.15	3,704,000
EFU General Insurance	107.79	3,000
IGI Insurance	79.94	100
Jubilee Gen Ins.	65.11	500
Pak Reinsurance	31.12	56,500



CURRENCY EXCHANGE RATES

as on 29th October, 2018

Currency	Current Week	Last Week
U.S.Dollar	132.55	135.15
Euro	149.00	156.00
UK Pound Sterling	169.00	176.75
UAE Dirham	36.01	36.85



WEATHER FORECAST

as on 29th October, 2018

Karachi	37/22 ^o C	FAIR	
Islamabad	28/16 ^o C	HAZE	
Lahore	30/18 ^o C	SMOKE	