

## ECONOMIC PACKAGE

The PM has unveiled the long-awaited economic package

Tuesday, 24 March, 2020

**The prime minister of Pakistan Imran Khan has just announced the long-awaited economic package, the details for which are mentioned below:**

- Rs200bn has been announced for Labor.
- Rs100bn has been allocated for industry tax refunds which were paid with delays previously. Furthermore, deferred interest and principal payments would also be arranged for industry players in order to address an ongoing liquidity crunch
- Rs100bn has been allocated to the SME and agriculture sectors. Deferred interest and principal payments and concessional loans would also be arranged. Furthermore, the input cost would also be reduced.
- Rs150bn has been allocated to the poor. Rs3,000 per person would be paid for a period of 4 months.
- The government has decided to expand Panah Gahs to accommodate more people.
- Rs50bn has been allocated for utility stores in order to ensure an uninterrupted food supply chain.
- Rs280bn has been allocated for wheat procurement.
- The government has decided to cut Rs15/- liter on Petrol, Kerosene and diesel.
- The consumers with the usage of less than 300 electricity units and with the gas bills less than Rs2,000 would be allowed to pay their utility bills in 3 monthly installments.
- Rs50bn has been allocated to the health workers.
- Taxes would be removed or reduced on various food items.
- Rs100bn has been allocated to the emergencies.
- Rs25bn has been allocated for NDMA which would be utilized for the procurement of kits etc.
- The package on the construction sector would be announced later.
- The MPC meeting is currently going on in SBP, the result of which would be announced at the end of the meeting.

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### DEFINITION OF TERMS

<b>TP</b>	Target Price	<b>DDM</b>	Dividend Discount Model	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>JPB</b>	Justified Price to Book

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

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To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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Stock Rating	Expected Total Return
BUY	Greater than 15%
HOLD	Between -5% to 15%
SELL	Less than and equal to -5%

Sector Rating	Sector Outlook
Overweight	Positive
Market Weight	Neutral
Underweight	Negative

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