

September 19, 2022

## KSE 100 index lost 159pts to close at 41,520

Lack of positive triggers kept the market to close in a negative zone amid floods caused losses of over \$30bn with government borrowing rises by 21% to Rs58bn for budgetary support despite of Saudi's extension of \$3bn deposit. Bourse made an intraday low of 175pts, before finally closing at 41,521 loosing 159pts (-0.38% DoD). EPCL, HBL and HUBC contributed the most to today's decline

Total volume traded 77mn shares vs. 122mn shares compared to previous day. Sector-wise, Technology and Oil remained on top with a volume traded of 44.45mn, 12.9mn shares, followed by Power and Chemical with the volume of 12.4mn shares and 12.11mn shares, respectively. Moreover, Company specific, TRG, TPLP and HASCOL remained top volume leaders exchanging 24.7mn, 11.32mn and 10.78mn, respectively.

## News and corporate announcements

- Pakistan received an advance confirmation from Saudi Arabia on Sunday to roll over its existing \$3 billion deposit maturing in December and an assurance from the International Monetary Fund (IMF) for its support to flood relief and reconstruction efforts.
- A preliminary assessment from the World Bank (WB) reveals that up to 15.4 million more Pakistanis will fall into poverty and the primary budget deficit could widen to 2.8% of the nation's economy as a result of the flood. The assessment reveals that the country's economy will still grow in the range of 1.4% to 2.4% in the current fiscal year.
- Minister of State for Finance Dr. Aisha Ghaus Pasha said Friday the recent floods caused total accumulated losses of over \$30 billion in accordance with an initial assessment. For the upcoming Ninth Review under the Extended Fund Facility, the IMF has slapped conditions for raising electricity prices further and discouraging more tax exemptions. It also imposed conditions to achieve a primary surplus of Rs153 billion for the current fiscal year.
- The borrowing for budgetary support rose by 21 percent during a little over first two months of this fiscal year (FY23). According to the State Bank of Pakistan (SBP), the federal and provincial governments borrowed Rs 58.11 billion during July 1, 2022 to Sep 2, 2022 for budgetary support from the domestic banking system compared to Rs 48.18 billion in the same period of last fiscal year (FY22), depicting an increase of Rs 10 billion.

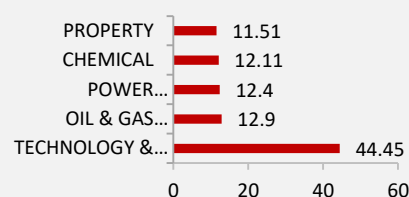
## Closing Note

### Market Summary

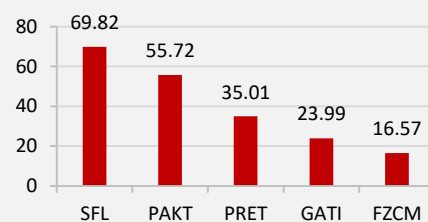
Current Index	41,520.59
Change	-158.90
Percent change	-0.38
High	41,896.62
Low	41,504.64
Volume traded (mn shares)	77.93
Value traded (PKR bn)	6.51

Source: PSX and AAH Research

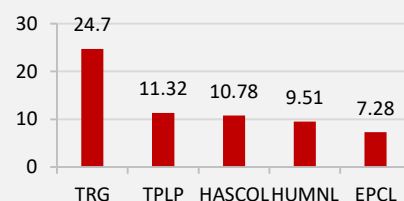
### Top Traded Sectors



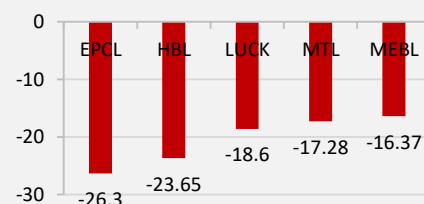
### Top Gainers



### Top Volume Leaders



### Top Movers



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## Rating Criteria

**Rating** - Expected Total Return

**Buy** - Greater than 10%

**Hold** - Neither Buy nor Sell

**Sell** - Less than and equal to -10%

## Valuation Methodology

To arrive at our 12-months Price Target, ABA Ali Habib Research uses different valuation methods which include: 1). DCF methodology, 2). Relative valuation methodology, and 3). Asset-based valuation methodology. In this report, our PT is founded on FCFF based DCF methodology.

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