



August 22, 2022

## KSE 100 index witnessed a decline of 444pts to close at 42,827

KSE 100 remained volatile and in red zone throughout the session whereas volume also remained dry mainly due to higher SPI exceeding 42% coupled with historic budget deficit of 5.3tr, which led the market to make an intraday low of 483pts, before finally closing at 42,827 loosing 444pts (-1.03% DoD). PSEL, HBL, and UBL contributed the most to today's rally.

Total volume traded at 90.57mn shares vs. 114mn shares compared to previous day. Sector-wise, Refinery and Technology remained on top with a total volume traded of 58.22mn shares, followed by Power and Commercial banks with the volume of 28.48mn shares and 16.85mn shares, respectively. Moreover, Company specific, PRL, KEL and WTL remained top volume leaders exchanging 17.52mn, 14.68mn and 12.96mn, respectively.

## News and corporate announcements

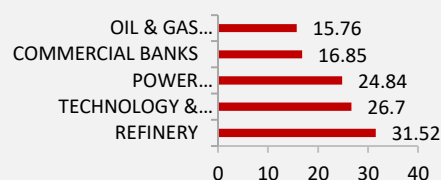
- Despite ballooning economic size after rebasing national accounts, Pakistan's budget deficit escalated to a historic height by touching Rs 5.259 trillion, equivalent to 7.9 per cent of Gross Domestic Product, in the last fiscal year.
- As Pakistan continues to reel through political and economic instability, inflation is consistently on the rise with the Sensitive Price Index (SPI) showing an increase of 3.35 per cent in the week that ended on August 18. Shattering old records, the year-on-year increase went up to 42.31 per cent
- After a long time, the open market is running short of US dollars, which increased the price compared to the interbank rate of the greenback. The Forex Association of Pakistan reported the dollar traded at a price of Rs218 in the open market on Saturday, while the inter-bank dollar rate was Rs214.65 on Friday.
- Federal Minister for Finance Miftah Ismail has said that the Tariff Policy Board would soon come up with imposition of regulatory duty on luxury and non-essential imported items. The federal minister said that it would ensure that our limited foreign exchange was spent on essential items and not on luxury goods. Miftah Ismail said in order to meet with international obligations, the government has issued an SRO to reverse the ban on import of luxury items. The goods stuck at the ports would gradually be released with penalty surcharge of up to 100 percent of assessed value

### Market Summary

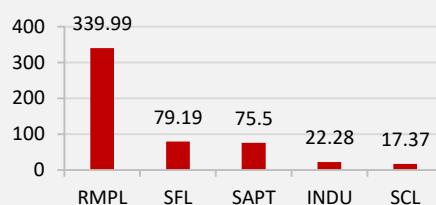
Current Index	42,826.66
Change	-443.99
Percent change	-1.03
High	43,314.19
Low	42,787.86
Volume traded (mn shares)	90.57
Value traded (PKR bn)	3.90

Source: PSX and AAH Research

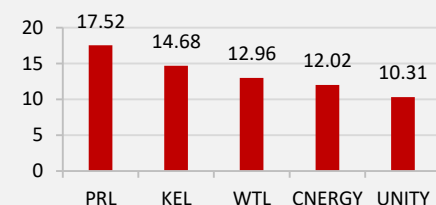
### Top Traded Sectors



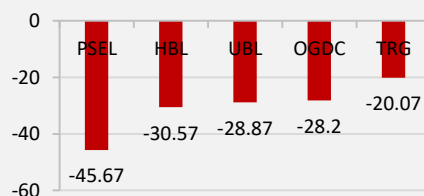
### Top Gainers



### 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.

## Analyst Certification <sup>AC</sup>

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