



April 10,  
2019

## KSE-100 index drops 550 points, posts worst close since Jun'16

Benchmark index drops 550.65 points as bourse returns to its bear-run after a dead cat bounce of 208 points in Tuesday's trading session. KSE-100 index closed at 36,579.32 points on Wednesday, marking its lowest closed since 1<sup>st</sup> June 2016. Macroeconomic worries and growth woes weigh heavy on investors' sentiments as International Monetary Fund trimmed country's growth estimated to 2.9% in FY19 and 2.8% in FY20, calling for structural reform to tweak twin deficit problem. During the session, the index found its support and resistance at 36,464.85 ppts and 37,170.36 ppts, respectively. The major laggards responsible for dragging down the market were LUCK (-PKR 19.14), PSO (-PKR 8.76), OGDC (-PKR 1.75), HBL (-PKR 1.53) and PPL (-PKR 2.08), cumulatively shed 149.2 ppts from the index.

Sector-wise, the cement sector remained under pressure as cement prices in Northern region tumbles PKR 20-25 per bag. Among major auto scrips, LUCK lost PKR 19.14 from its share value followed by DGKC (-PKR 3.92), CHCC (-PKR 2.65), BWCL (-PKR 1.66) and MLCF (-PKR 1.63).

The bourse witnessed the volumes of 141mn shares, while the traded value clocked in at PKR 4.1bn. The advance to decline ratio remained in the favour of bears where 272 scrips declined, 44 scrips advanced and 21 remained unchanged.

Vanaspati & allied industries sector was the top traded sector in today's session with the share volumes of 27.4mn shares Technology & communication (25.0mn shares), Cement (19.5mn shares), Power generation & distribution (12.6mn shares) and Commercial banks (8.9mn shares).

## News & Corporate Announcements:

Worldcall Telecom Limited has announced its financial result for the year ended on 31<sup>st</sup> December 2018. The company's LPS for the 4QCY18 clocked in at PKR -0.39 against LPS of PKR -1.27 SPLY. Whereas, CY18 LPS of the company clocked in at PKR -0.18 against of EPS of PKR 1.86 SPLY. Company did not announce any payout.

The Board of Directors of Loads Limited, in their meeting held on 10<sup>th</sup> April, have approved investments up to PKR 8 billion in associated companies, subject to the approval of shareholders.

Masood Textile Mills Limited through its letter to PSX has notified that it is now authorized to raise funding to the extent of PKR 5,000 million via Sukuk issue, in order to meet its working capital requirements.

According to Fitch Solutions, the Pakistani banking sector will continue to face headwinds in 2019 and 2020, on the back of rising interest rates and slowing economic growth. Moreover, it believes that the government's direct borrowing from the State Bank of Pakistan (SBP) increases the risk of reduced transparency and could potentially lead to higher inflation in the country.

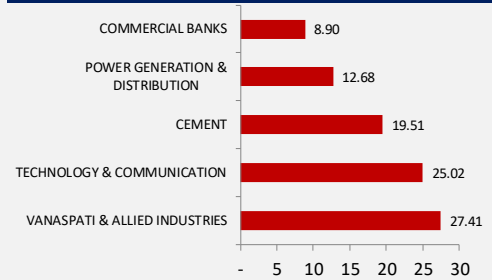
A consortium consisting of Habib Bank Ltd and Citibank from Pakistan side and China International Capital Corporation and China Development Bank has won the contract to serve as the financial adviser and lead manager for the country's Panda bond flotation to be held in the near future.

### Market Highlights

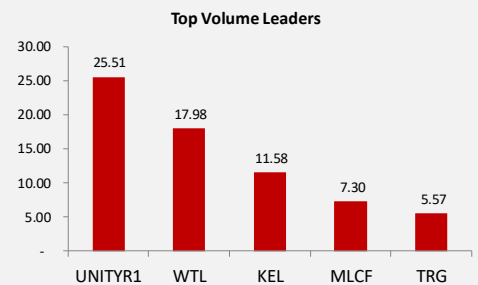
Current Index	36,579.32
Change	-550.65
Percent change	-1.48%
High	37170.36
Low	36464.85
Volume traded (mn shares)	73.29
Value traded (PKR mn)	3.617.

Source: PSX and AAH Research

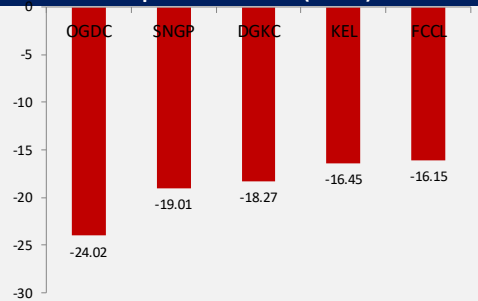
### Top-5 Traded Sectors (mn shares)



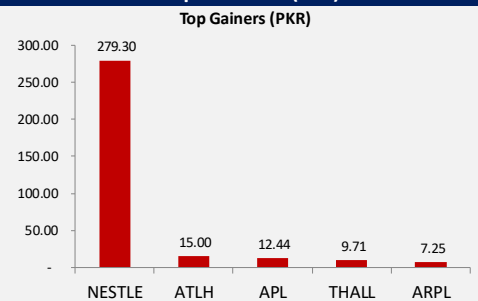
### Top-5 Volume Leaders (mn shares)



### Top-5 Index Movers (Points)



### Top-5 Gainers (PKR)



Data Source: PSX

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DAILY CLOSING NOTE



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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 FCF based DCF methodology.

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