



June 10,
2019

KSE-100 index sheds 937 points a day before budget 2019/20

Bourse remained under pressure throughout today's trading session and closed 937pts down at 34,567pts in anticipation of extremely harsh budgetary measures prior to enter IMF program. In addition, rupee depreciation against dollar during the day further dampened the market sentiment.

During the session, the index found its support and resistance at 34,468.16 and 35,505.29pts, respectively. The major scrips responsible for putting downward pressure on the index down were ENGRO (-PKR 9.29), HBL (-PKR 3.89) and PPL (-PKR 5.40) cumulatively eroding 183.95 points from the benchmark index.

Top traded scrips of the day were K-Electric Limited (KEL +4.40%), Bank Of Punjab (BOP -5.45%), Unity Foods Limited (UNITY -8.12%), Lotte Chemical Pakistan Ltd (LOTCHEM -5.89%) and Oil & Gas Development Company Ltd (OGDC -3.23%) with the traded volumes of 18.52 mn, 7.33 mn, 4.30 mn, 3.67 mn and 2.94 mn shares respectively.

The ready market witnessed a trading activity with a volume of 91.73 mn shares as compared to the previous session of 124.63 mn shares, decreased by 26.39 % DoD with a value of PKR 3.48 bn.

On the sector front, activity was mainly concentrated in power generation & distribution (20 mn), followed by commercial banks with a volume of 14.70 mn shares, cement (7.45 mn), oil & gas marketing companies (6.59 mn) and technology & communication (5.91 mn).

News & Corporate Announcements:

The Upcoming budget will be overwhelmingly negative for the capital markets as well as industries such as Cements, Steels, Automobiles and consumers sectors due to slow down in economy, limited spending by the government, and tax measures. On the other hand, Banks and E&P are expected to benefit from the current environment.

Prime Minister Imran Khan has said that austerity needs to be exercised at all levels in view of current fiscal situation.

The Pakistani Rupee (PKR) opened today's interbank session at 149/150, i.e. 40 paisa weaker than previous session's closing quote of 148.60 per US Dollar (USD).

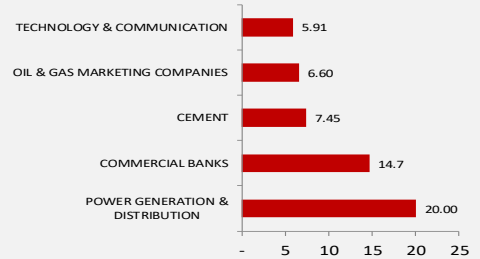
Prime Minister Imran Khan has once again appealed the nation to fully avail the asset declaration scheme in order to help the country stand on its own feet and lift the people out of poverty.

Market Highlights

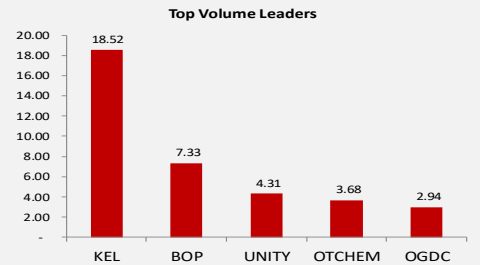
Current Index	34,567.55
Change	-937.74
Percent change	-2.71%
High	35,505.29
Low	34,468.16
Volume traded (mn shares)	74.88
Value traded (PKR mn)	3,314.

Source: PSX and AAH Research

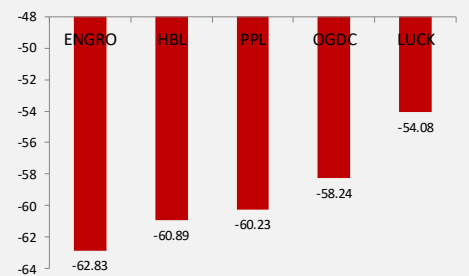
Top-5 Traded Sectors (mn shares)



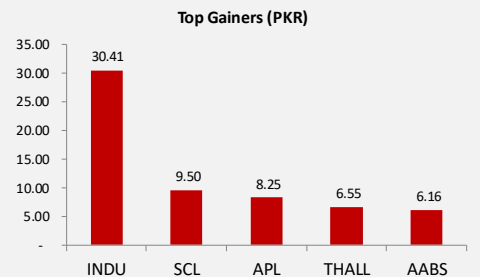
Top-5 Volume Leaders (mn shares)



Top-5 Index Movers (Points)



Top-5 Gainers (PKR)



Data Source: PSX

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سرمايه کاری سمجھداری پاکستان



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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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