



Index endures another panic attack, takes damage worth 911.92 points

March 11, 2021

KSE-100 index witnessed the extent of investors' scepticism in today's trading, as the index sheds cumulative 3,057.6 points or -6.7% since the start of the week. Political uncertainty caused consecutive bearish sessions during the week. Bourse closed today's trading at 42,779.76 points which is 975 points lower than the close of CY20. Investors' sentiments remain tense, with elections of senate chairperson to be held tomorrow and strong concerns of a rate hike have been observed, with rising inflationary pressure and IMF's stringent conditions pose challenges for the government to make the ends meet. Taking cues from last week's senate elections, we recommend caution during the last trading session of the week as market will remain highly sensitive to the political situation.

The major scrips that deducted from the index were TRG (-105 pts), OGDC (-67 pts), LUCK (-40 pts), HBL (-40 pts), and ENGRO (-33 pts). The index found its support and resistance at 42,688.20 points and 43,891.00 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 89mn shares. Food & Personal Care products sector was the runner up, clocking in a total volume of 43mn shares. Cement sector was the third-most traded sector amassing a volume of 38mn shares.

The bourse witnessed a volume of 406mn shares, with the value traded clocking in at PKR 17.71bn. The advance-to-decline ratio favored the bears as 47 scrips closed green, 299 closed red and 11 remained unchanged.

News & Corporate Announcements:

Prime Minister Imran Khan assured Uzbekistan of complete facilitation in access to Pakistani ports. Mr. Khan said that Pakistan's Karachi and Gwadar ports could become "the gateway to the landlocked Central Asia as Pakistan provided the Central Asian Republics the shortest route to international seas".

Pakistan has significantly improved its score on the entrepreneurship indicator of Woman, Business and the Law (WBL) index, from 50 to 75 points, as per the WBL Report 2021.

The United States (US) stopped Turkey supplying 30 locally made attack helicopters to Pakistan, Turkish Presidential spokesperson Ibrahim Kalin said.

Federal Minister for Education Shafqat Mehmood is holding an important press conference with Special Assistant to the Prime Minister on Health Dr Faisal Sultan at the National Command and Operations Centre (NCO) to review the coronavirus situation in the country and school opening modalities.

The government increased commission for oil companies and their dealers on sale of petroleum products, allowed import of cotton from Afghanistan and Central Asian Republics through Torkham border and approved Rs7.8 billion worth of Ramazan package for Utility Stores.

The State Bank of Pakistan (SBP) has relieved the 100 percent cash margin requirement on the import of certain items/raw materials to support the manufacturing and industrial sectors.

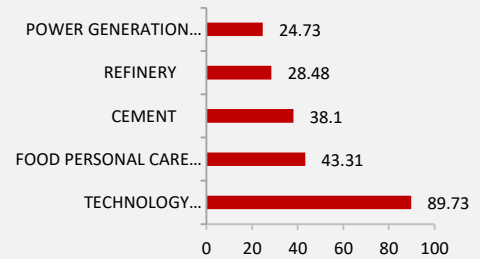
The effective expenditure control measures taken by the government have resulted in containing the overall fiscal deficit at 2.5 percent of the Gross Domestic Product (GDP) during the first half of the current fiscal year (2020-21).

Market Summary

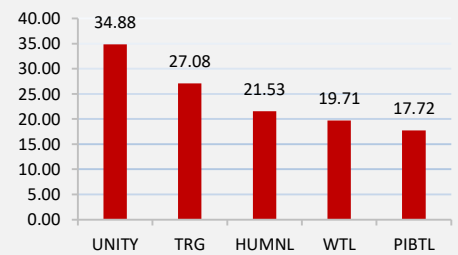
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|---------------------------|-----------|
| Current Index | 42,779.76 |
| Change | -911.92 |
| Percent change | -2.09 |
| High | 43,891.00 |
| Low | 42,688.20 |
| Volume traded (mn shares) | 196.92 |
| Value traded (PKR mn) | 12.53 |

Source: PSX and AAH Research

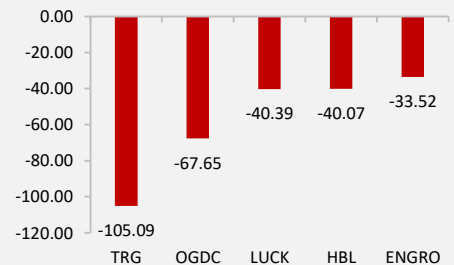
Top-5 Traded Sectors (mn shares)



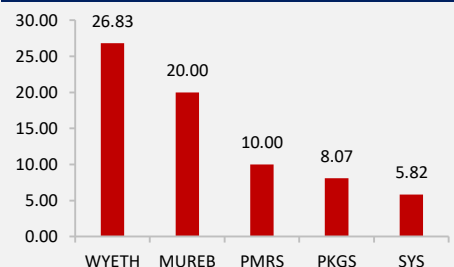
Top-5 Volume Leaders (mn shares)



Top-5 Index Movers (Points)



Top-5 Gainers (PKR)



Data Source: PSX

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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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