



April 12,  
2021

## Rising virus tally triggers bearish sentiments, benchmark tanks 208 points

Benchmark index witnessed a bearish start on Monday after last week's alternating frenzy of bulls and bears. Rising virus severity with more than 5,000 new infections and 114 casualties reported in a single-day, dampened investors' confidence. Improving economic indicators and progressing geopolitical ties failed to impress markets bulls. Pakistan's monthly remittances increased 44% YoY to ~ USD 2.7bn in Mar'21, providing further strengthen on external front. In addition, Pakistan's growing popularity in the global trade has attracted Russia and Germany to improve bilateral trade ties, pursue developments and explore investment opportunities. Going forward, we believe bourse to react to upcoming earning announcement, however, volume might remain dull during the holy month.

The major scrips that deducted from the index were ENGRO (-44 pts), PSO (-25 pts), OGDC (-21 pts), SEARL (-20 pts), and UBL (-15 pts). The index found its support and resistance at 44,758.34 points and 45,267.43 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 216mn shares. Chemical sector was the runner up, clocking in a total volume of 47mn shares. Food Personal Care Products sector was the third-most traded sector amassing a volume of 34mn shares.

The bourse witnessed a volume of 503mn shares, with the value traded clocking in at PKR 19.97bn. The advance-to-decline ratio favored the bears as 129 scrips closed green, 200 closed red and 25 remained unchanged.

## News & Corporate Announcements:

Germany expressed intent to increase investment in Pakistan's diverse sectors and boost trade relations. The German foreign minister termed the visit of FM Qureshi a "good opportunity" for the launch of new German initiatives and projects in Pakistan.

The Pakistan Single Window (PSW) Act 2021, which paves the way for ease in imports & exports will bring about \$500 million annual savings & reduce cargo clearance time from days to hours, Prime Minister Imran Khan.

Remittances by overseas Pakistani extended their unprecedented streak of above \$2 billion for the 10th consecutive month in March'21 as it rose to \$2.7 billion, up by 20% compared to the last month and 44% compared to March 2020.

The Securities and Exchange Commission of Pakistan (SECP) has proposed amendments in the SECP Act 1997 to establish 'independent capital market tribunals' to facilitate regulated stock market participants to appeal against the decisions of the SECP.

The UK government has added Pakistan to the list of undesirable 21 high-risk countries with unsatisfactory money laundering and terrorist financing controls.

While the country reported the highest number of single-day deaths since June last year, 5,050 more people contracted Covid-19 on Sunday. The number of critical patients reached all-time high of 4,920 and that of active cases crossed 70,000 mark.

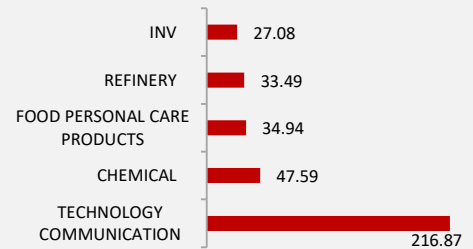
Pakistan Stock Exchange (PSX) hosted Governor State Bank of Pakistan (SBP), Dr Reza Baqir at its Gong Ceremony to mark the beginning of a new chapter of cooperation between SBP and PSX on multiple initiatives.

### Market Summary

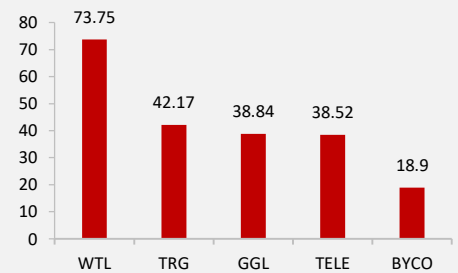
Current Index	44,978.05
Change	-208.43
Percent change	-0.46
High	45,267.43
Low	44,758.34
Volume traded (mn shares)	173.41
Value traded (PKR mn)	14.22

Source: PSX and AAH Research

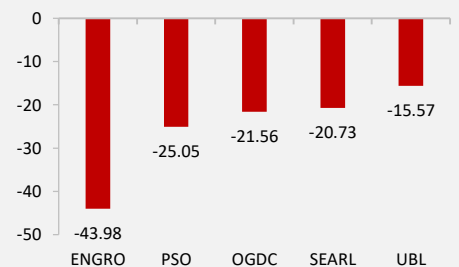
### Top-5 Traded Sectors (mn shares)



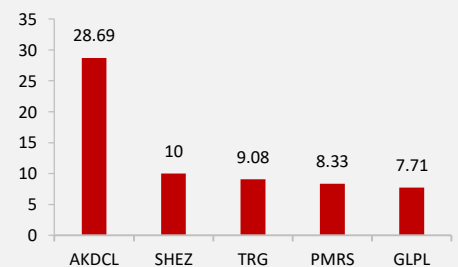
### Top-5 Volume Leaders (mn shares)



### 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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