



February  
12, 2019

## Bourse snaps 4-day losing streak as exports improve

Benchmark index snap four-day losing streak with the gain of 269.75 points as the 7-months trade data show signs of improvement. As per recent data released by SBP, exports improved by 2.2%, imports declined 5.2% and overall trade deficits narrowed by 9.7% year-on-year during the first seven months on the fiscal year 2019. Investors' sentiment remained strong throughout the trading session on the back of improving macros and anticipated ~USD 10bn investment inflow to be announced during the upcoming visit of Saudi Crown Prince MBS.

During the day bourse found its support and resistance at 40269.00 points and 40637.26 points. Some of the major scrips responsible for keeping the index in the green were LUCK (+PKR 18.23), OGDC (+PKR 3.69), POL (+PKR 10.81), FFC (+PKR 1.45) and PPL (+PKR 1.86), adding ~172.71pts in the index cumulatively.

Sector-wise, the cement sector remained in the limelight as coal prices in international markets score new lows. Among major cement scrips, LUCK gained PKR 18.23 in its share value followed by DGKC (+PKR 4.57), CHCC (+PKR 3.44), KOHC (+PKR 2.56) and ACPL (+PKR 2.14).

The bourse witnessed the volumes of 165mn shares, up by 23% DoD. The traded value clocked in at PKR 6.53bn. The advance to decline ratio remained in the favour of bulls where 164 scrips advanced, 147 scrips declined and 20 remained unchanged.

Textile composite sector was the top traded sector in today's session with the share volumes of 29.2mn shares followed Cement (25.4mn shares), Power generation & distribution (17.5mn shares), Commercial banks (13.6mn shares) and Technology & communication (8.7mn shares).

## News & Corporate Announcements:

Unity Foods Limited notified in its letter to PSX that the Board of Directors of Unity Foods Limited has approved the acquisition of edible oil refinery with a capacity of 500 tons per day, situated at Port Qasim, Karachi at a total cost of approximately Rs. 850 million including transfer taxes and other pertinent costs.

Pakistan Telecommunications Limited announced its financial result for the year ended December 31, 2018. The company has stated consolidated PAT of PKR 5.7 billion for CY18, demonstrating an increase of 32% as compared to previous year PAT of PKR 4.3 billion.

Loads Limited has informed in its letter to PSX that its subsidiary, Hi-Tech Alloy Wheels Limited, has signed Technology Transfer and Supply Agreement with South Korean Company i.e. Hands Corporation Limited on February 8, 2019.

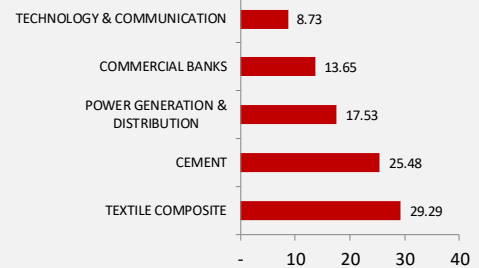
The SBP conducted an OMO on Tuesday in which it sold GoP Ijara Sukuk worth PKR 66 Billion. SBP received 18 bids worth PKR 66.50 Billion with Bids ranging between 103.2949 and 103.0200 out of which it accepted 17 bids worth PKR 66.0 billion at a Cut off Price of 103.0249.

### Market Highlights

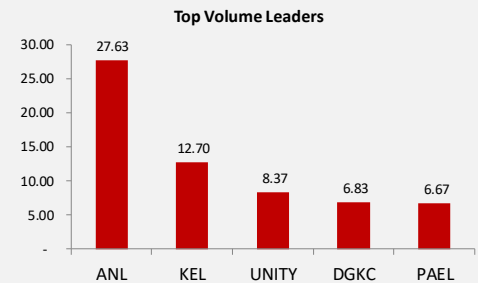
Current Index	40,596.28
Change	269.75
Percent change	0.67%
High	40637.26
Low	40269.00
Volume traded (mn shares)	91.16
Value traded (PKR mn)	5.044.

Source: PSX and AAH Research

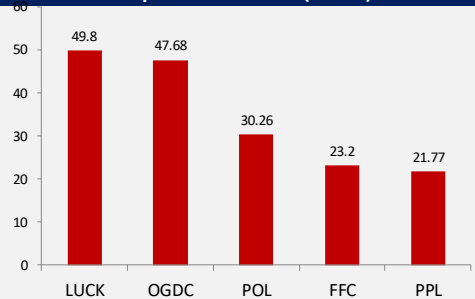
### Top-5 Traded Sectors (mn shares)



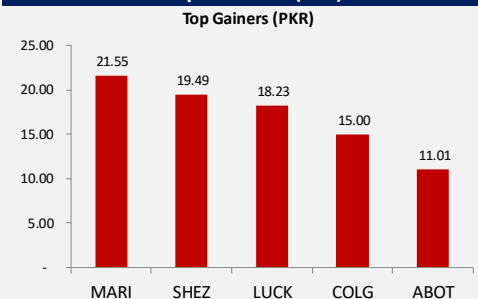
### Top-5 Volume Leaders (mn shares)



### 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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