



February
13, 2019

Benchmark index sheds 52 points as IMF hints stringent measure

KSE-100 index dropped 52.17 points on Wednesday to close at 40,544.11 points mark as the lender of the last resort, IMF, demands the government to take stern steps to achieve fiscal consolidation. Market sentiments dropped as IMF's Resident Representative, Teresa Sanchez, stated that Pakistan must take steps to curtail circular debt, increase tax revenue and adopt market-based flexible exchange rate regime in order to ease its macroeconomic concerns.

During the day bourse found its support and resistance at 40,484.58 points and 40839.09 points. The major laggards responsible for dragging down the market were UBL (-PKR 3.35), PSEL (-PKR 52.43), ENGRO (-PKR 2.9), EPCL (-PKR 1.05) and LUCK (-PKR 3.21), cumulatively shed 95.77 ppts from the index.

Sector-wise, the automobile sector remained under pressure throughout the trading session profit booking activity was witnessed. Among major auto scrips, PSMC lost PKR 15.53 from its share value followed by AGTL (-PKR 14.00), GHNI (-PKR 9.94) and HCAR (-PKR 6.48).

The bourse witnessed the volumes of 160mn shares, down by 3% DoD. The traded value clocked in at PKR 7.26bn. The advance to decline ratio remained in the favour of bears where 194 scrips declined, 126 scrips advanced and 20 remained unchanged.

Cement sector was the top traded sector in today's session with the share volumes of 39.2mn shares followed Technology & communication (22.6mn shares), Power generation & distribution (19.4mn shares), Food & personal care products (11.4mn shares) and Chemical (11.2mn shares).

News & Corporate Announcements:

ABL has announced its financial result for the year ended on 31st December 2018. The bank reported 4QCY18 PAT of PKR 2.91bn (EPS PKR 2.54) on unconsolidated basis as compared to PAT of PKR 2.99bn (EPS PKR 2.62) in SPLY, below 3% YoY. Bank announced DPS of PKR 2 per share.

NETSOL Technologies announced financial results for 2QFY19. Company's EPS for the 2QFY19 clocked in at PKR 5.93 against the EPS of 5.38 2QFY18. Whereas 1HFY19 EPS of the company clocked in at PKR 7.43 against of EPS of PKR 6.78 SPLY. Company announced NIL dividend.

Bolan Cating Limited announced financial results for 2QFY19. BCL's LPS for the 2QFY19 clocked in at PKR 3.56, against EPS of PKR 4.20 in SPLY. While HFY19 LPS of the company clocked in at PKR 5.87, against the EPS of PKR 6.58 in SPLY.

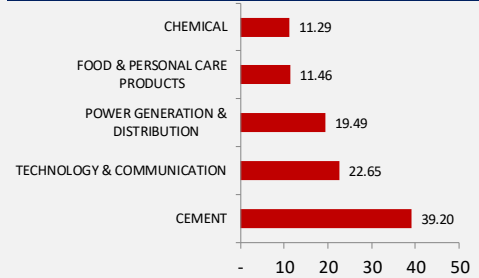
SSGC revealed its financial accounts for the period of 9MFY17. The company's unconsolidated EPS for 1QFY17 arrived at PKR 4.76, LPS for 2QFY17 at PKR -3.46 and LPS for 3QFY17 arrived at PKR -1.99. Whereas, LPS for the 9MFY17 clocked in at PKR 0.14 against the LPS of 10.84 in 9MFY16. Company did not announce any cash dividend for the period.

Market Highlights

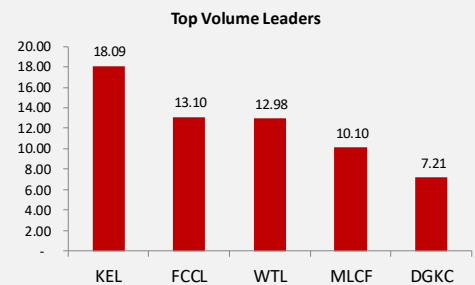
Current Index	40,544.11
Change	-52.17
Percent change	-0.13%
High	40839.09
Low	40484.58
Volume traded (mn shares)	102.3
Value traded (PKR mn)	5.946.

Source: PSX and AAH Research

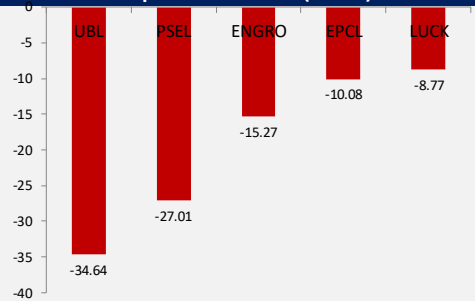
Top-5 Traded Sectors (mn shares)



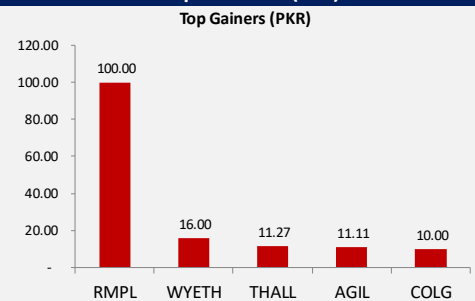
Top-5 Volume Leaders (mn shares)



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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