



March 13,
2019

Benchmark breaks the bear spell, gains over 32 points

In the lukewarm trading activity benchmark index snapped the bearish trend with a gain of 32.44 points on Wednesday that helped index closed at 38,928.93 points. In mid-day trading, bourse dropped over 68 points as volumes remained subtle despite the recent government's incentive to abolish 0.02% advance tax on sale/purchase of shares. Investors sentiments remained subdued as no progress is being made by government to address key policy issues relating twin deficits and IMF bailout. During the day bourse found its support and resistance at 38,828.52 points and 39,060.58 points. The major scrips responsible for pulling the market higher were HUBC (+PKR 1.01), HBL (+PKR 1.09), UBL (+PKR 1.6), PMPK (+PKR 170.21) and DAWH (+PKR 1.06), cumulatively adding 69.23 ppts to the benchmark index.

Sector-wise, commercial banks sectors remained in the limelight as market participant accumulate scrips before March MPC meeting. Among major banking scrips, UBL gained PKR 1.6 in its share value followed by HBL (+PKR 1.09), HMB (+PKR 0.60), BAFL (+PKR 0.28) and BOP (+PKR 0.26).

The bourse witnessed the volumes of 93.5mn shares, up by 4.2% DoD. The traded value clocked in at PKR 3.2bn. The advance to decline ratio remained in the favour of bears where 168 scrips declined, 158 scrips advanced and 24 remained unchanged.

Commercial banks sector was the top traded sector in today's session with the share volumes of 32.0mn shares followed Power generation & distribution (9.5mn shares), Cement (7.7mn shares), Vanaspati & allied industries (5.9mn shares) and Chemical (5.3mn shares).

News & Corporate Announcements:

Pakistan State Oil Company Limited in its notification to PSX has announced that Syed Jehangir Ali Shah has joined as acting Chief Executive Officer/ Managing Director for the period of 90-days.

Bahria Town (Pvt) Ltd furnished before the Supreme Court a final proposal by raising its offer to a total of Rs485 billion as full and final settlement for all the three cases pertaining to its projects in Malir, Rawalpindi and Murree.

The ongoing Rabi season will have to face 33 percent water shortage instead of 38 percent earlier forecast by the Indus River System Authority.

Pakistan's Ambassador to the United States, Dr. Asad M. Khan, conveyed Islamabad's perspective on the situation in the South Asian region during conversations on various subjects with three U.S. Congressional leaders he met on Capitol Hill in Washington

Prime Minister Imran Khan tasked his ministers and independent experts to prepare a blueprint of parallel tax machinery that will go after tax evaders amid his growing frustration with the poor performance of 'old' Federal Board of Revenue.

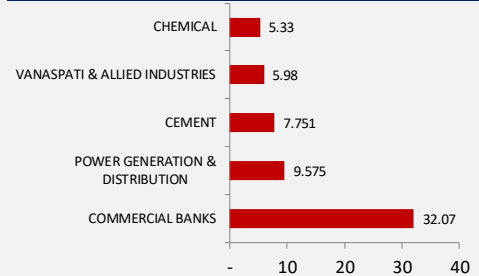
Foreign Minister Shah Mehmood Qureshi said on Wednesday that the utmost priority of Prime Minister Imran Khan's government is to 'fix the economy'.

Market Highlights

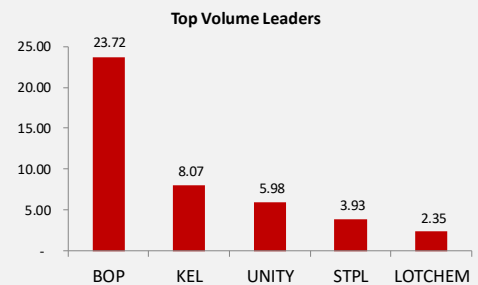
Current Index	38,928.93
Change	32.44
Percent change	0.08%
High	39060.58
Low	38828.52
Volume traded (mn shares)	67.53
Value traded (PKR mn)	2.714.

Source: PSX and AAH Research

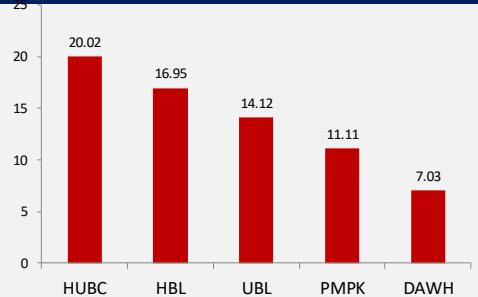
Top-5 Traded Sectors (mn shares)



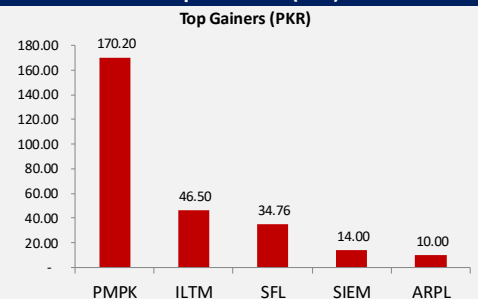
Top-5 Volume Leaders (mn shares)



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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