



April 14,
2021

Bourse rises by 262 points as government envisages 4.2% growth in the next year

The benchmark index witnessed a bullish trading session on Wednesday, gained 262.65 points in truncated trading hours to close at 45,311.22 points. Volumes were low as expected (341.9mn) as shorter trading hours are practiced during the Holy month of Ramadan. Investors responded positively to the GDP growth forecast up-gradation to 2.9% by the Ministry of Finance. Winding down of nation-wide protests by a religious party and subsequent clearance of main business hubs by LEAs also elevated investors' spirits. Stellar 4.85%YoY growth in large scale manufacturing readings for Feb'21 further boosted investors' confidence in the economy as it recovers at faster than expected pace. Covid continued its deadly presence in the country as highest death toll of 135 was recorded yesterday, highest single day toll in third Covid wave. Going forward, we expect the market to track cues stemming from announcements season with comparatively dimmed volumes at least till the end of Ramazan.

The major scrips that added to the index were TRG (32 pts), FFC (19 pts), HBL (19pts), LUCK (18 pts), and ATRL (17 pts). The index found its support and resistance at 45,048.57 points and 45,347.40 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 96mn shares. Investment sector was the runner up, clocking in a total volume of 51mn shares. Refinery sector was the third-most traded sector amassing a volume of 29mn shares.

The bourse witnessed broad volume of 342mn shares, with the value traded clocking in at PKR 16.58bn. The advance-to-decline ratio favored the bulls as 187 scrips closed green, 137 closed red and 24 remained unchanged.

News & Corporate Announcements:

Prime Minister Imran Khan and President of Uzbekistan Shavkat Miromonovich Mirziyoyev will have a virtual summit today (Wednesday). During the virtual summit, the leaders will review the entire spectrum of bilateral relations including political, trade, economic, security, connectivity and people-to-people exchanges.

Minister for Planning, Development and Special Initiatives Asad Umar on Tuesday said that more than 1.3 million people had so far been vaccinated against COVID-19 in the country. Addressing a press conference here, the minister informed that as of now, 900,000 vaccines are available in the country while more would be procured in coming days.

Prime Minister Imran Khan will lay the foundation stone of a low-cost housing project in Sargodha. It will be a part of the Naya Pakistan Housing Scheme. Under the scheme, the Frontier Works Organization will construct 1,175 houses at six locations. The government has so far received 33,528 applications for the scheme.

The government of Pakistan has retired Rs30.96 billion during the week ended April 02, 2021, which brings its total net borrowing for the ongoing fiscal year 2021 to Rs638.87 billion. As of the prior week, the government had borrowed a net sum of Rs669.83 billion.

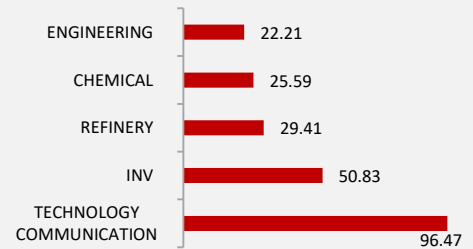
Most markets rose in Asian trade Wednesday as investors shook off a forecast-topping US inflation print and concerns over Johnson & Johnson's vaccine, instead turning their attention to the earnings season.

Market Summary

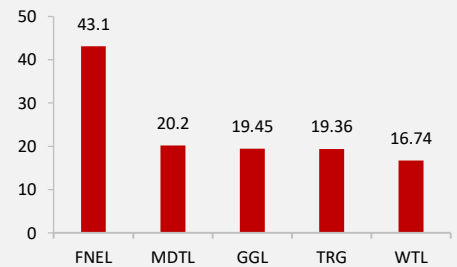
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|---------------------------|-----------|
| Current Index | 45,311.22 |
| Change | 262.65 |
| Percent change | 0.58 |
| High | 45,347.40 |
| Low | 45,048.57 |
| Volume traded (mn shares) | 135.65 |
| Value traded (PKR mn) | 11.62 |

Source: PSX and AAH Research

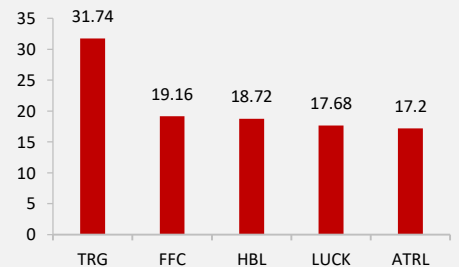
Top-5 Traded Sectors (mn shares)



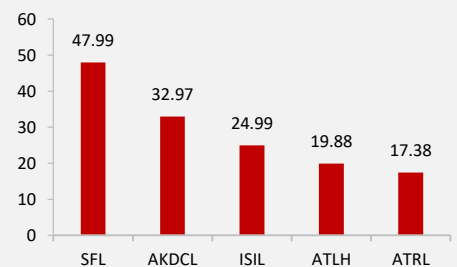
Top-5 Volume Leaders (mn shares)



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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