



February
14, 2019

Bourse resumes bearish trend, drops 37.13 points

Bourse remains under influence of bears during Thursday's trading session, subtracts 37.13 points from the benchmark index. Lack of positive triggers and confusion over IMF talks were the major reasons for bourse's weak performance. Lender of last resort seems firm on their conditions, recommending the government to take harsh steps to flip fiscal deficit, do away with the government's borrowing from SBP and reduction in circular debt. Country's political landscape is expected to take a new turn after bailing off Shahbaz Sharif in Ashiyana Scheme Case.

During the day bourse found its support and resistance at 40,318.01 points and 40,589.15 points. The major laggards responsible for dragging down the market were PSO (-PKR 5.73), DGKC (-PKR 4.59), LUCK (-PKR 5.9), PAKT (-PKR 56.98) and MLCF (-PKR 2.4), cumulatively shed 88.12 pts from the index.

Sector-wise, the cement sector remained under pressure throughout the trading session as rumours circle that the government might further slash the PSDP in a bid to imply with IMF conditions. Among major cement scrips, LUCK lost PKR 5.90 from its share value followed by DGKC (-PKR 4.59), KOHC (-PKR 2.42) and MLCF (-PKR 2.40).

The bourse witnessed the volumes of 123.6mn shares, down by 23% DoD. The traded value clocked in at PKR 6.25bn. The advance to decline ratio remained in the favour of bears where 196 scrips declined, 136 scrips advanced and 20 remained unchanged.

Chemical sector was the top traded sector in today's session with the share volumes of 33.0mn shares followed Cement (23.4mn shares), Commercial banks (12.9mn shares), Power generation & distribution (7.5mn shares) and Technology & communication (5.6mn shares).

News & Corporate Announcements:

LOTCEM has announced its financial result for the year ended on 31st December 2018. The company reported 4QCY18 EPS of PKR 0.68 on unconsolidated basis as compared to EPS of PKR 0.005 in SPLY. CY18 EPS of the company clocked in at PKR 2.93 against of EPS of PKR 0.27 SPLY.

CHCC Technologies announced financial results for 2QFY19. Company's EPS for the 2QFY19 clocked in at PKR 3.38, higher +39% QoQ and lower by -20% YoY. Whereas 1HFY19 EPS of the company clocked in at PKR 5.82, against the EPS of PKR 7.64 in SPLY. Company announced NIL dividend.

DOL announced financial results for 2QFY19. DOL's EPS for the 2QFY19 clocked in at PKR 0.83, against the EPS of PKR 0.55 in SPLY. While 1HFY19 Basic EPS of the company clocked in at PKR 3.09, against the EPS of PKR 1.03 in SPLY. Company also announced cash dividend of PKR 1/sh.

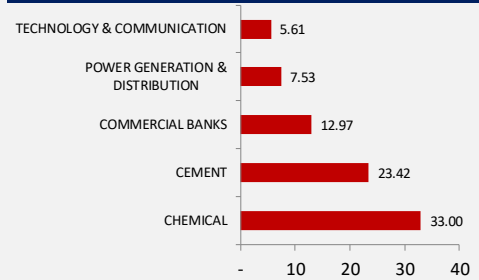
MTL announced financial results for 2QFY19. Company's EPS for the 2QFY19 clocked in at PKR 15.84, against the EPS of PKR 36.39 in SPLY. While 1HFY19 EPS of the company clocked in at PKR 41.20, against the EPS of PKR 62.73 in SPLY. Company also announced cash dividend of PKR 45/sh.

Market Highlights

Current Index	40,506.98
Change	-37.13
Percent change	-0.09%
High	40589.15
Low	40318.01
Volume traded (mn shares)	58.29
Value traded (PKR mn)	4.614.

Source: PSX and AAH Research

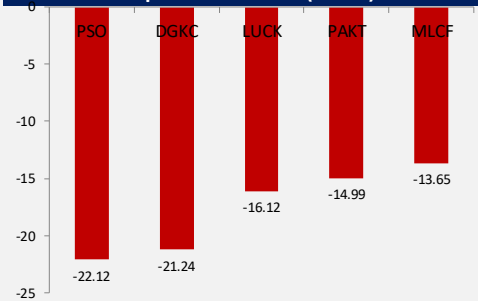
Top-5 Traded Sectors (mn shares)



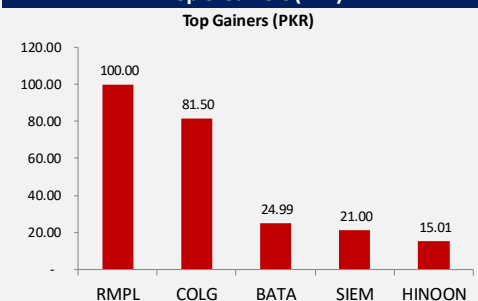
Top-5 Volume Leaders (mn shares)



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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