



October  
14, 2019

## Bourse drops 289 points as all eyes set on FATF

Benchmark index dropped over 289.43 points at the start of the week, closed the session at 34,186.26 point mark. Selling pressure was witnessed among all major sectors as the investors awaits the outcome of FATF Pakistan review which began in Paris today. Investors' interest was weak as the participant preferred being sidelined, which could be reflected in comparatively lower volumes. On political front, situation remained bleak as the opposition prepare to launch countrywide protest on 31<sup>st</sup> of October.

Bourse found its support and resistance level at 34,124.81 ppts and 34,697.34 ppts, respectively. The major laggards responsible for dragging down the market were HBL (-PKR 2.61), LUCK (-PKR 14.02), MCB (-PKR 2.89), UBL (-PKR 1.80) and SEARL (-PKR 8.02), cumulatively shed 143 ppts from the index.

Sector-wise, the cement sector remained under pressure as the prices of coal in international market surpasses USD 66/MT resistance level. Among major cement sector scrips, LUCK lost PKR 14.02 from its share value followed by ACPL (-PKR 2.09), KOHC (-PKR 1.92), DGKC (-PKR 1.14) and PIOC (-PKR 0.55).

The bourse witnessed the volumes of 137mn shares, against 287 mn shares a day before. The traded value clocked in at PKR 4.7bn. The advance to decline ratio remained in the favour of bears where 120 closed green, 208 scrips closed red and 25 remained unchanged.

Technology & communication sector was the top traded sector in today's session with the share volumes of 30.7mn shares followed by Cement (17.6mn shares), Chemical (17.1mn shares), Commercial banks (10.8mn shares) and Vanaspati & allied industries (8.4mn shares).

## News & Corporate Announcements:

Development work in different departments of Pakistan Railways (PR) Lahore Division including civil and mechanical engineering has stopped as the department is unable to make payments to the suppliers.

Car sales recorded a decline of 39% to 11,724 units in September 2019 from 19,345 units in the same month of previous year, according to data released by the Pakistan Automotive Manufacturers Association (Pama).

Paddy growers resumed their protest against rice millers in Kario Ghanwar town on Sunday, demanding the authorities concerned force the millers to pay them fair price for their crop.

Work on the Greater Karachi Water Supply Scheme, also called K-IV, has been stopped for long. The provincial government had missed several deadlines it had given for completion of the project and still no one knew that when the work on the much-needed project resume again.

The Pak Rupee continued to appreciate in the Interbank market, with the dollar being quoted at 155.98/156.03 in early trade against the previous session's close of 156.06.

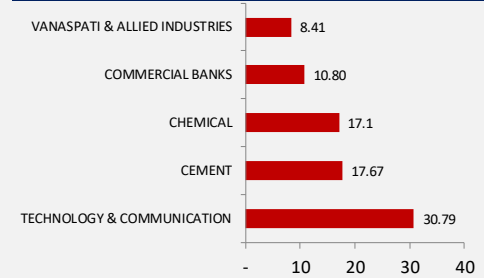
The Weekly Sensitive Price Indicator (SPI) for the Combined Group decreased by 0.44% during the week ended Oct 10, 2019 while the SPI increased by 13.97% compared to SPLY

### Market Highlights

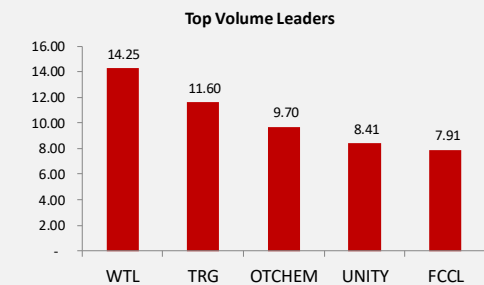
Current Index	34,186.26
Change	-289.43
Percent change	-0.85%
High	34,697.34
Low	34,124.81
Volume traded (mn shares)	99.22
Value traded (PKR mn)	4.280.

Source: PSX and AAH Research

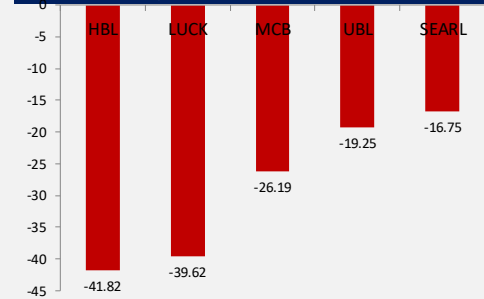
### Top-5 Traded Sectors (mn shares)



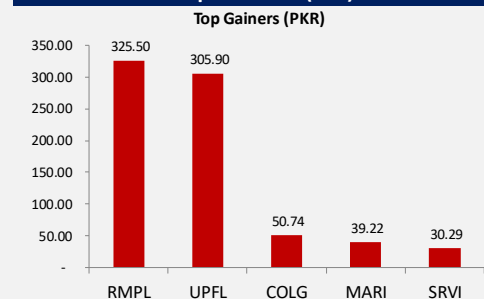
### Top-5 Volume Leaders (mn shares)



### 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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