



April 15,
2021

Benchmark drops 81 points as third Covid wave continue to derail market fundamentals

Benchmark index witnessed a bearish trading session today on Thursday. The KSE-100 index shed 81 points to close at 45,230.18 while volumes remained low due to shorter trading hours practiced during Ramadan. Investors' fears rose and their confidence dampened as NCOC announced imposition of broader lockdown along with fresh restrictions. Covid crisis continued its negative spell on market as 5,395 new infection cases and 118 deaths were recorded in the past 24 hours. Furthermore, recent comments by IMF's country representative, Teresa Sanchez, on government's commitment to hike power tariffs by PKR 5 per unit by Jun'21 also added bearish sentiments. On political front, government's recent decision to ban TLP made investors worried regarding imminent law and order situation of the country. Going forward, we expect the market to react to upcoming announcement season.

The major scrips that deducted from the index were TRG (-17.4 pts), LUCK (-16.9 pts), BAHL (-14.3 pts), HBL (-13.8 pts), and JLICL (-8.1 pts). The index found its support and resistance at 45,174.89 points and 45,447.49 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 188mn shares. Refinery sector was the runner up, clocking in a total volume of 23mn shares. Chemical sector was the third-most traded sector amassing a volume of 21mn shares.

The bourse witnessed a volume of 348mn shares, with the value traded clocking in at PKR 12.60bn. The advance-to-decline ratio favored the bears as 129 scrips closed green, 189 closed red and 21 remained unchanged.

News & Corporate Announcements:

IMF's SDR to provide short-term debt relief to Pakistan: The newly created International Monetary Fund's (IMF) Special Drawing Rights (SDR) would augment sovereigns' foreign exchange reserves, most tangibly for lower-rated sovereigns with thin external buffers.

The overall production of petroleum commodities has witnessed an increase of 7.94 percent during the eight months of the financial year 2020-21 as compared to the corresponding period of last year.

The Federal Cabinet has approved the Interior Ministry's summary to ban Tehreek-e-Labbaik Pakistan under the anti-terrorism law. A notification of the order will be issued by the ministry later today. The ban will be placed under Section 11-B of the Ant-Terrorism Act, 1997, which gives the government powers to ban an organization participating in terrorism.

The State Bank of Pakistan (SBP) conducted an Open Market Operation on Thursday in which it injected Rs.166.65 Billion into the market for 1 Day.

PM, Uzbek president agree to boost bilateral ties. They also exchanged views on issues of regional and global interest, including the situation of the COVID-19 pandemic.

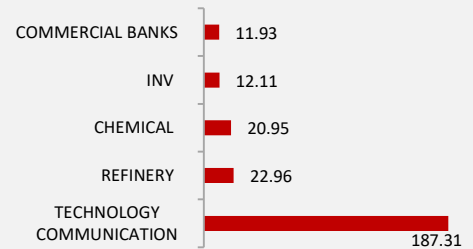
Oil prices were lower on Thursday though holding near one-month highs after futures jumped in the previous as the International Energy Agency (IEA) and others upgraded forecasts for oil demand as major economies recover from the pandemic.

Market Summary

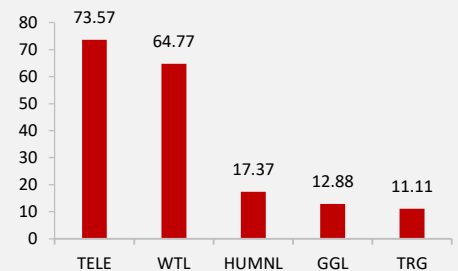
Current Index	45,230.18
Change	-81.04
Percent change	-0.18
High	45,447.49
Low	45,174.89
Volume traded (mn shares)	85.24
Value traded (PKR mn)	7.87

Source: PSX and AAH Research

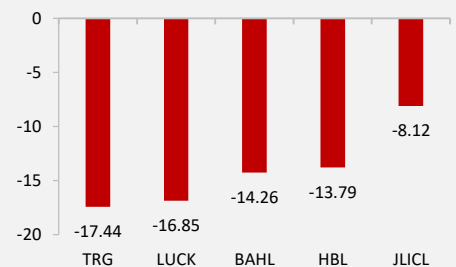
Top-5 Traded Sectors (mn shares)



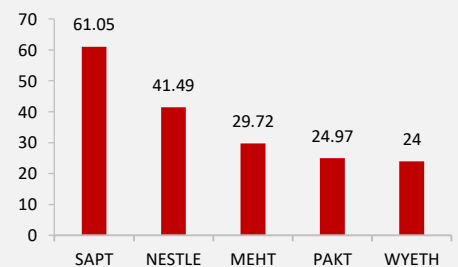
Top-5 Volume Leaders (mn shares)



Top-5 Index Movers (Points)



Top-5 Gainers (PKR)



Data Source: PSX

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106



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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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THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst
zubair@abaalihabib.com

Behroze Atique Bahalim – Research Analyst
behroze@abaalihabib.com

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

Zaheer Ahmed - Head of Institutional Sales
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Salman Ahmed - Head of Retail Sales
(021) 32412491

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Office (PSX Building)

Room # 419, 419 A & 421, 4th Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi
Contact: 021-32429665
Cell: [+92 3312766771](tel:+923312766771)



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