



April 16,
2019

Bourse drops over 122 points amid lack of positive triggers

Benchmark index witnessed weaker trading activity in Tuesday's session, which led the index to close 122.13 points lower at 37,381.95 level. The lack of positive triggers and weaker domestic cues arising from possible surge in taxes and tariffs to be introduced in FY20 budget kept the bulls under the leash. Participants' sentiments remained weak as they await finalization of IMF bailout package. During the session, the index found its support and resistance at 37,339.21 ppts and 37,635.70 ppts, respectively. The major laggards responsible for dragging down the market were MCB (-PKR 2.54), POL (-PKR 6.38), PMPK (-PKR 183.66), ISL (-PKR 3.14) and PSO (-PKR 0.14), cumulatively shed 67.79 ppts from the index.

Sector-wise, the steel sector remained under pressure as the International Steels Limited kicked off 3Q result season with dismal EPS of PKR 1.41 against PKR 2.42 SPLY. Among major steel scrips, INIL lost PKR 6.10 from its share value followed by ISL (-PKR 3.14), MSCL (-PKR 0.88), MUGHAL (-PKR 0.60) and ASL (-PKR 0.20).

The bourse witnessed the volumes of 139mn shares, while the traded value clocked in at PKR 4.7bn. The advance to decline ratio remained in the favour of bulls where 176 scrips declined, 139 scrips advanced and 23 remained unchanged.

Cement sector was the top traded sector in today's session with the share volumes of 36.8mn shares, followed by Vanaspati & allied industries (21.8mn shares), Power generation & distribution (14.3mn shares), Cable & electrical goods (13.3mn shares) and Inv. Banks / inv. Cos. / Securities cos (8.3mn shares).

News & Corporate Announcements:

International Steels Limited announced its financial result for the 3rd quarter ended on March 31st 2019. The company's EPS for the 3QFY19 clocked in at PKR 1.41 against EPS of PKR 2.42 SPLY. On the other hand, 9MFY19 EPS of the company clocked in at PKR 5.42 against of EPS of PKR 7.43 SPLY. Company did not announce any cash dividend or bonus for the period.

Maple Leaf Cement Factory Limited has notified PSX through its quarterly progress report, which comprises details regarding the brown field project, that the commercial production from the new line of 7,300 tons per day is expected to commence in next week.

Attock Cement Pakistan Limited has announced through its letter to PSX that the trial production from the newly constructed plant of Iraq Project has commenced with effect from April 15, 2019. Moreover, the Company informed that was in the process of obtaining permission for the import of clinker.

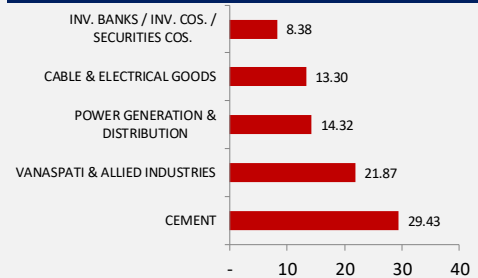
Pakistan Petroleum Limited, who is the operator of Block 8 in Iraq, spud the first exploration well, Madain-1. The block is located in Mesopotamian basin and it is surrounded by areas that have several large oil and gas fields. The well, which is being drilled on an integrated project management basis by a Chinese drilling contractor, ZEPEC.

Market Highlights

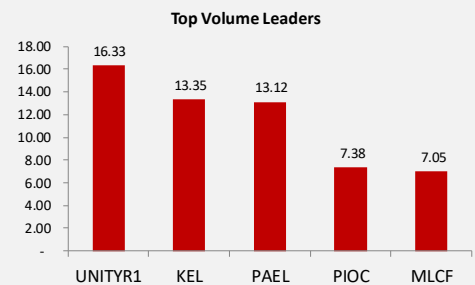
Current Index	37,381.95
Change	-122.13
Percent change	-0.33%
High	37635.70
Low	37339.21
Volume traded (mn shares)	95.32
Value traded (PKR mn)	4.230.

Source: PSX and AAH Research

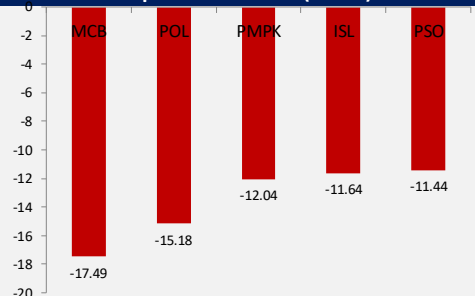
Top-5 Traded Sectors (mn shares)



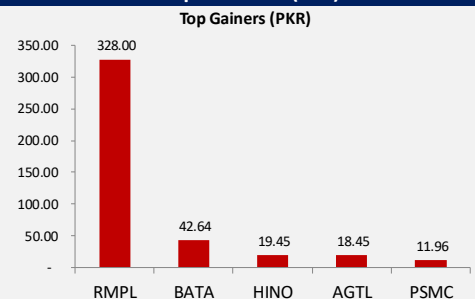
Top-5 Volume Leaders (mn shares)



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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