



October
16, 2019

KSE-100 index pare losses on possible extension in FATF implementation deadline

Bourse gained 197.56 points on Wednesday on optimism on external front, closed at 34,281.09 points mark. Stocks opened on a positive note and surged over 351 points in early trading as news circulates that FATF retained Pakistan in grey-list for next four months. However, no official statement has been issued on this matter by FATF. Bourse found its support and resistance level at 34,083.53 ppts and 34,434.06 ppts, respectively. Some of the major scrips responsible for keeping the index in the green zone were PPL (+PKR 2.73), OGDC (+PKR 1.93), PSO (+PKR 4.24), ENGRO (+PKR 2.67) and BAHL (+PKR 1.03), adding ~121ppts in the index cumulatively.

Sector-wise, the OMCs sector remained in limelight throughout the trading session. Among major OMC sector scrips, SHEL gained PKR 7.87 in its share value followed by APL (+PKR 5.70), PSO (+PKR 4.24), HASCOL (+PKR 1.43) and HTL (+PKR 0.28).

The bourse witnessed the volumes of 151mn shares, against 156 mn shares a day before. The traded value clocked in at PKR 4.9bn. The advance to decline ratio remained in the favour of bulls where 213 closed green, 116 scrips closed red and 23 remained unchanged.

Technology & communication sector was the top traded sector in today's session with the share volumes of 22.8mn shares followed by Chemical (17.3mn shares), Power generation & distribution (14.1mn shares), Commercial banks (13.2mn shares), and Cement (12.3mn shares).

News & Corporate Announcements:

United Bank Limited (UBL) announced its financial result for 3QCY19 where in the company reported EPS of PKR4.13 taking 9MCY19 earnings to PKR11.62/share, up 46% on YoY basis. The bank also announced a cash dividend of PKR3/sh, taking cumulative dividend to PKR8/sh for 9MCY19.

Pakistan and Saudi Arabia have agreed to remain engaged and consult closely to take forward Prime Minister Imran Khan's initiative to ensure peace and security in the region.

Pakistan Telecommunication Company Limited (PTCL) has announced its financial results for the 9MCY19 ended September 30th 2019. As per the results, the company has posted net profits of Rs. 2.6 billion, i.e. around 32% lower than the earnings of same period last year.

The Sitara Chemical Industries Limited has notified the PSX that the Board of Directors in their meeting held on October 16, 2019, has granted approval to set up a project of Soap Noodles based on European Technology, this project will have production capacity of 34000 metric tons per annum, and will cost approximately Rs. 1.75 billion.

Oil and Gas Development Company Limited (OGDCL) has made four discoveries during the last three months with accumulative potential to produce 886 Barrels per Day (BPD) oil and 26.432 Million Standard Cubic Feet per Day (MMSCFD) gas.

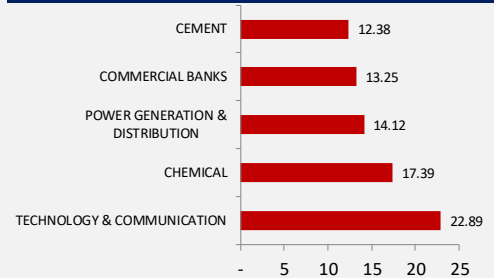
EPQL has declared earnings of Rs. 2.6 million (RS. 8.06) in its latest financial results for the nine months ended September 30, 2019. This signifies a growth of nearly 36% over the same period of last year.

Market Highlights

Current Index	34,281.09
Change	197.56
Percent change	0.58%
High	34,434.06
Low	34,083.53
Volume traded (mn shares)	94.32
Value traded (PKR mn)	4.082.

Source: PSX and AAH Research

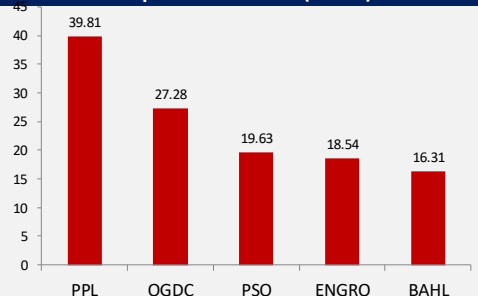
Top-5 Traded Sectors (mn shares)



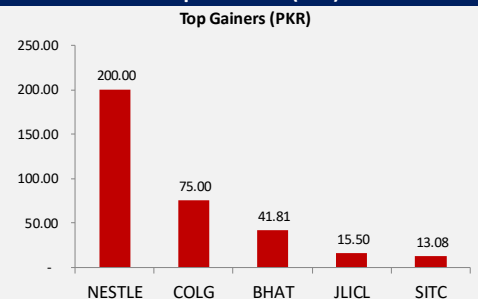
Top-5 Volume Leaders (mn shares)



Top-5 Index Movers (Points)



Top-5 Gainers (PKR)



Data Source: PSX

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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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