



April 17,
2019

Buzz in banking sector drags the benchmark index 629 points lower

Bearish trend gains momentum as the benchmark index recorded a single day drop of 6293.38 points, anchored at 36,752.57 points. Bourse opened the Wednesday's trading session at the positive note, the market soon turned bearish as SBP's propose new banking regulation to transfer different government deposits to Treasury Single Account (TSA). Currently, federal and government deposits make up PKR 1.9 trillion, approx. 14% of the total deposits of the banking sector, transferring these deposits out of the banking system can create grave liquidity issues for some banks. During the session, the index found its support and resistance at 36,692.21 ppts and 37,418.67 ppts, respectively. The major laggards responsible for dragging down the market were HBL (-PKR 6.26), HUBC (-PKR 2.09), NESTLE (-PKR 199), OGDC (-PKR 1.49) and BOP (-PKR 1.0), cumulatively shed 212.8 ppts from the index.

Sector-wise, the banking sector remained under pressure as the government deposits make up a significant portion of the banks' total deposits. Among major banks, HBL lost PKR 6.26 from its share value followed by ABL (-PKR 2.57), MCB (-PKR 2.56), NBP (-PKR 2.05) and HMB (-PKR 1.70).

The bourse witnessed the volumes of 172mn shares, while the traded value clocked in at PKR 4.9bn. The advance to decline ratio remained in the favour of bulls where 265 scrips declined, 67 scrips advanced and 17 remained unchanged.

Commercial banks sector was the top traded sector in today's session with the share volumes of 64.7mn shares, followed by Vanaspati & allied industries (27.3mn shares), Cement (21mn shares), Chemical (7.7mn shares) and Inv. Banks / inv. Cos. / Securities cos (6.8mn shares).

News & Corporate Announcements:

Pakistan Telecommunication Limited announced its financial result for the 1st quarter ended on March 31st 2019. The company's EPS for the 1QCY19 clocked in at PKR 0.39 against EPS of PKR 0.36 in 1QCY18. Company did not announce any cash dividend or bonus for the period.

Engro Powergen Qadirpur Limited (EPQL) has reported its Profit after Tax for the quarter ended March 31, 2019, at PKR 713,000. Moreover, the company's Earnings per Share (EPS) stood at Rs. 2.2, which is almost the same as that of same period last year.

With regards to the Public Announcement of Intention (POI) made by OBS Healthcare (Pvt.) Limited to acquire 90.99% shares and control of Globe Textile Mills Limited. AKD Securities Limited has intimated that the time for announcement has lapse. Therefore POI stays withdrawn.

The federal cabinet has deferred its decision on the proposed tax amnesty scheme after it failed to evolve consensus with some ministers saying it could pose political and constitutional challenges for the authorities.

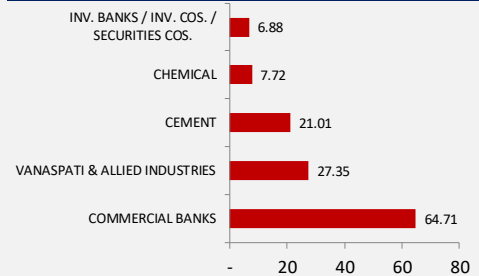
The Lahore High Court on Wednesday granted an eight-day extension in pre-arrest bail to the Leader of the Opposition in Punjab Assembly Hamza Shehbaz.

Market Highlights

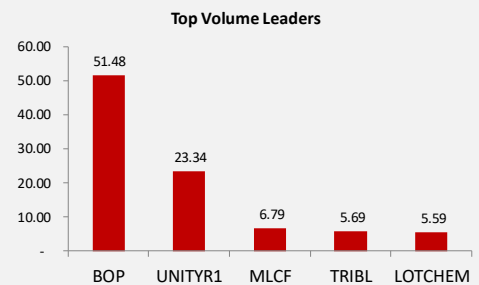
Current Index	36,752.57
Change	-629.38
Percent change	-1.68%
High	37418.67
Low	36692.21
Volume traded (mn shares)	123.0
Value traded (PKR mn)	4.508.

Source: PSX and AAH Research

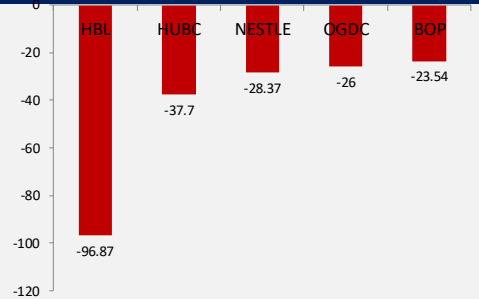
Top-5 Traded Sectors (mn shares)



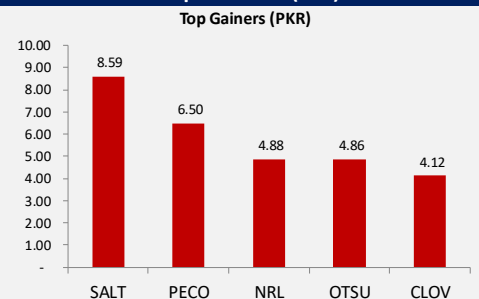
Top-5 Volume Leaders (mn shares)



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.

Analyst Certification ^{AC}

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