



June 17,
2021

Rising commodities and weakening currency shake investors' confidence, subtracts 323 points form benchmark

Bourse witnessed another bearish trading session, slid benchmark KSE-100 index by 323.27 points to settle the day at 48157.63 level. Rising international oil prices, up 3% over two days, resurfaced investor's consternations over the pass-on effect in the local energy prices. The investor's confidence was further displaced by the strengthening of the greenback against the PKR as it may surge input costs for key production sectors, compressing margins in still recovering demand. We expect range bound activity in market to continue tomorrow as it is the last day before the roll over week.

Sector-wise, Technology & Communications remained in the spotlight with a total volume traded of 338mn shares. Banking sector was the second most traded which witnessed 199mn shares being traded today. Food and Personal Care sector was the third most traded sector with 83mn shares.

The major scrips that deducted from the index were HUBC (-31 pts), TRG (-28 pts), HBL (-26 pts), UNITY (-24 pts), and PSEL (-15 pts). The index found its support and resistance at 48,115.84 points and 48,544.65 points, respectively.

The total volume and value traded today were 1,117mn shares and PKR 19.6bn respectively, continuing to depict an upward trend from the previous day. The advance to decline ratio favored the bears as 113 scrips closed green, 260 closed red and 15 remained unchanged.

News & Corporate Announcements:

The government raised Rs. 1.096 trillion, through the auction of treasury bills. Another Rs. 70 billion was also raised through the auction of Pakistan Investment Bonds (PIBs).

The Cabinet Committee on Energy (CCOE) is likely to approve a plan to free liquefied natural gas (LNG)-based power plants from the economic merit order in a bid to ease pressure on a gas utility's pipeline network, but the move will put an additional burden on gas consumers.

The petroleum division has assured oil refineries to approach Finance Division, recommending to withdraw General Sales Tax (GST) on import of crude oil.

Flying Cement Company Limited (FLYNG) has announced that the company has successfully completed the installation of the new captive power plant of 12 MW at its site in Distt. Khushab and its trial operations are expected to be started next month.

Another IPO is going to hit the trading floor before ending the current fiscal year, as PSX has become the attractive marketplace for the investors owing to the government's pro-growth incentives and policy measures that keep the sentiments of investors intact.

Pakistan Mortgage Refinance Company (PMRC) announced the closing of yet another Sukuk, with HBL Islamic Banking. This sukuk will serve to make Shariah Compliant Housing Finance more accessible to the public.

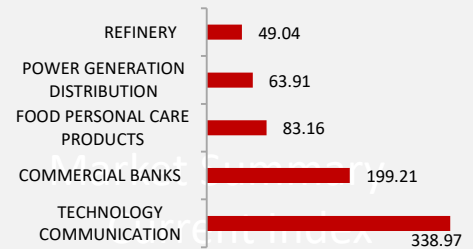
A delegation of Coca-Cola Beverages Pakistan Limited (CCI Pakistan), GM Ahmet Kursad Ertin met with the Prime Minister of Pakistan and announced an investment of USD 50 million for a Greenfield project the company plans to set up in the Haripur District, Khyber Pakhtunkhwa (KP).

Market Summary

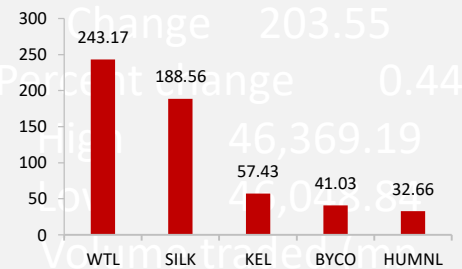
Current Index	48,157.63
Change	-323.27
Percent change	-0.67
High	48,544.65
Low	48,115.84
Volume traded (mn shares)	290.74
Value traded (PKR mn)	10.82

Source: PSX and AAH Research

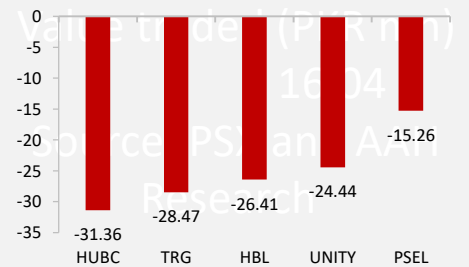
Top-5 Traded Sectors (mn shares)



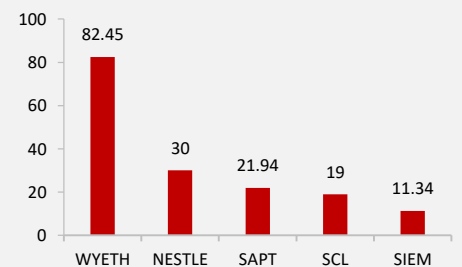
Top-5 Volume Leaders (mn shares)



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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