



May 17,
2021

Bulls regain control after a week-long holiday

Benchmark index witnessed healthy volumes following week-long pause in corporate activity, bulls lead the KSE-100 index to accumulate 621.64 points during the day and close at 45,796.31 points. During Eid holidays, variety of positive indicators surfaced uplifting investors' confidence, to begin with, SBP's Governor, Dr Reza Baqir, provided optimistic GDP growth prediction of 3% and 4% for FY21 and FY22, respectively. MSCI implemented changes to their EM and small cap index, shuffled local scrips, including some additions and deletions. Dip in the fiscal deficit to PKR 1.65tn in 9MFY21 also added to pro-recovery momentum. Going forward, we believe market to track on public friendly budget prospects while rising inflationary pressure may hurdle positive developments

The major scrips that added to the index were TRG (134.66), LUCK (93.84), UNITY (34.11), MCB (31.89), and MLCF (24.49). The index found its support and resistance at 45,174.67 points and 45,806.98 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 128mn shares. Chemical sector was the runner up, clocking in a total volume of 52mn shares. Power Gen & Distribution sector was the third-most traded sector amassing a volume of 44mn shares.

The bourse witnessed a volume of 437mn shares, with the value traded clocking in at PKR 20.32bn. The advance-to-decline ratio favored the bulls as 251 scrips closed green, 108 closed red and 23 remained unchanged.

News & Corporate Announcements:

Bank Al Habib Limited (BAHL) has successfully completed the sale and purchase transaction for the 'Centrepoint Building' after the completion of all necessary formalities and obtaining of all approvals and consents.

Oil and Gas Development Company Limited (OGDCL) as an operator (100%) of Jandran Exploration License has discovered gas from its exploratory well Jandran X-04, which is in District Barkhan, Baluchistan Province.

The Oil and Gas Regulatory Authority (OGRA) has prepared a summary for the Petroleum Division to revise prices of POL products for the period of next two weeks. The authority has proposed an increase of Rs1.25/liter in petrol prices while diesel prices are recommended to surge by Rs3.25/liter.

WorldCall Telecom Limited has received a Public Announcement of Intention (PAI) from ARY communications Limited and ARY Digital FZ LLC, to acquire more than 51% of the Issued and Paid-up Share Capital of WorldCall Telecom Limited together with management control.

Balochistan Mineral Exploration Company (BMEC) – a joint venture of the government of Balochistan and government of Pakistan and the concession holder of EL199 consisting of Reko diq and Tanjeel reserves – has received a proposal from the National Resources Private Limited (NRL) on unsolicited basis to develop and implement the Tanjeel reserves as a starter project, followed by development of the vast Reko diq area reserves.

At least 74 people lost their lives due to the third wave of the novel coronavirus infection while 3,232 fresh cases have reported in the last 24 hours, National Command and Operation Centre (NCOC) said on Monday.

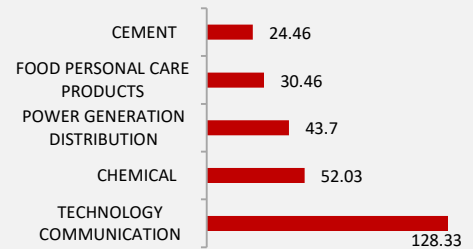
Minister for Energy Hammad Azhar says the federal government and K-Electric have agreed in principle to resolve most of their long-standing disputes regarding additional supply, payment procedures, and subsidy disbursements.

Market Summary

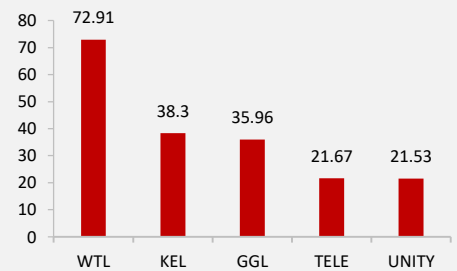
Current Index	45,796.31
Change	621.64
Percent change	1.38
High	45,806.98
Low	45,174.67
Volume traded (mn shares)	201.90
Value traded (PKR mn)	15.22

Source: PSX and AAH Research

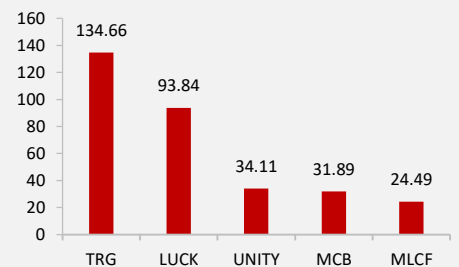
Top-5 Traded Sectors (mn shares)



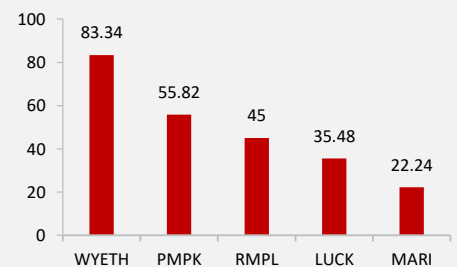
Top-5 Volume Leaders (mn shares)



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.

Analyst Certification ^{AC}

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