



June 18,
2019

Bears return to PSX as benchmark index falls 2.5% in two sessions

KSE-100 index remained in the correction mode for the second day in a row as investors resorted to profit taking which pulled the index below 35k mark. On the economic front, Qatar is expected to invest ~\$22bn in different sectors in upcoming visit, however it also failed to ignite any excitement among investors as political uncertainty returned to upper house. Consequently, KSE-100 index made an intraday low of 560.21 points before it settled at 34,681.72pts with a loss of 487.10 points.

The major scrips responsible for putting downward pressure on the index down were MCB (-PKR 3.45), PPL (-PKR 2.38) and MARI (-PKR 49.89) cumulatively eroding 84.7 points from the benchmark index. During the session, the index found its support and resistance at 34,608.61 and 35,186.09pts, respectively.

Top traded scrips of the day were Maple Leaf Cement Factory Ltd (MLCF - 4.13%), TRG Pakistan Ltd. (TRG -4.62%), Pakistan Intl. Bulk Terminal Ltd (PIBTL -0.35%) and K-Electric Limited (KEL -3.75%) with the traded volumes of 14.72mn, 7.33mn, 5.56mn and 4.82mn shares respectively.

The ready market witnessed trading activity with a volume of 104.13mn shares as compared to the previous session of 128.13mn shares, decreased by 18.73% DoD with a value of PKR 4.03bn.

On the sector front, activity was mainly concentrated in cement (27.89mn), followed by technology & communication with a volume of 11.54mn shares, chemical (8.17mn), commercial banks (7.02mn) and transport (6.14mn).

News & Corporate Announcements:

Pakistani rupee (PKR) appreciated by 16 paise against US Dollar (USD) in today's interbank session as the currency closed the day's trade at PKR 156.81 per USD, against yesterday's closing of PKR 156.96 per USD.

Pakistan's trade deficit for 11 months (July-May) FY19 was USD 29.21 billion compared to a deficit of USD 33.81 billion from the corresponding period from FY18.

Adviser to the Prime Minister on Finance, Revenue and Economic Affairs, Dr. Abdul Hafeez Shaikh, witnessed the signing ceremony of following three loan agreements worth \$918 million with the World Bank today.

Federal government has allocated a hefty amount of Rs48 billion in public sector development programme (PSDP) 2019-20 to ameliorate socio-economic conditions of tribal people.

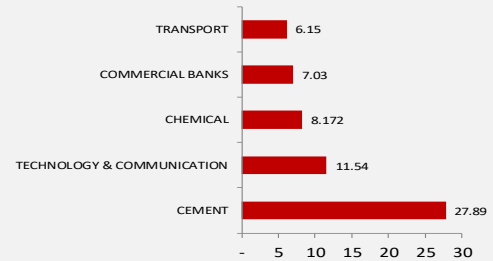
Analysts believe that the incumbent government is heading to right direction as per its manifesto and in order to stimulate business activities in the country.

Market Highlights

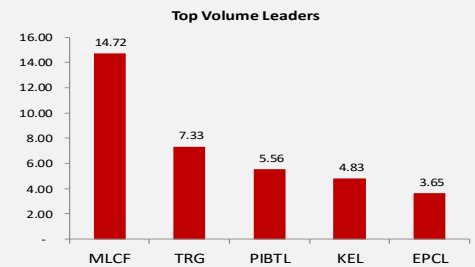
Current Index	34,681.72
Change	-487.10
Percent change	-1.4%
High	35,186.09
Low	34,608.61
Volume traded (mn shares)	82.05
Value traded (PKR mn)	3,610.

Source: PSX and AAH Research

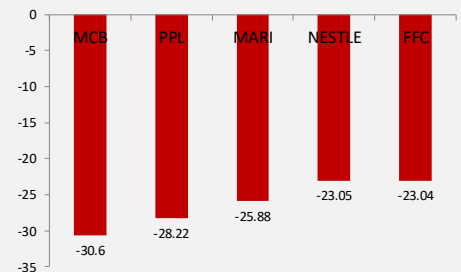
Top-5 Traded Sectors (mn shares)



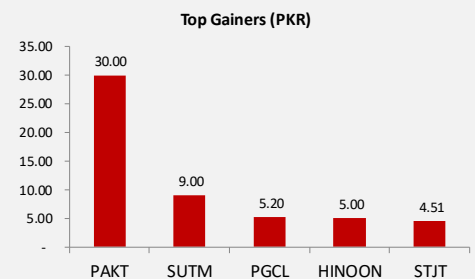
Top-5 Volume Leaders (mn shares)



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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