



May 18,
2021

Stocks persist on bullish trends

Benchmark index witnessed healthy volumes (536mn shares) on Tuesday coupled with moderate volatility, investors remained upbeat during the trading hours as depicted by profit taking on several occasions. Covid-19 positivity ratio dipped to 8.61% depicting a declining infection rate along with fewer reported cases boosted investors' morale. Remittances for Apr'21 recorded a new monthly high of \$2.8bn a jump of 56% YoY. Furthermore, a meeting of Cabinet Committee on Privatization to discuss divestment of OGDCL and PPL is set to be held tomorrow further added to investors' confidence. Going forward, we believe market to experience healthy volumes and profit booking opportunities.

The major scrips that added to the index were PSO (+50 pts), TRG (+43 pts), UNITY (+36 pts), MARI (+30 pts), and PPL (+21 pts). The index found its support and resistance at 45,618.78 points and 46,033.92 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 143mn shares. Chemical sector was the runner up, clocking in a total volume of 62mn shares. Food & Personal care sector was the third-most traded sector amassing a volume of 56mn shares.

The bourse witnessed a volume of 536mn shares, with the value traded clocking in at PKR 23.1bn. The advance-to-decline ratio favored the bears as 175 scrips closed green, 178 closed red and 20 remained unchanged.

News & Corporate Announcements:

The Economic Coordination Committee (ECC) of the Cabinet, in its meeting which is scheduled to take place on Wednesday, 19th May, 2021, will be discussing the matter regarding KE's outstanding payables and receivables and the grant of National Security Certificates (NSC).

The Cabinet Committee on Privatization (CCOP), in its meeting to be held on Wednesday, 19th May 2021, will deliberate upon the private sector's participation in the management of DISCOs.

At a CDWP meeting cleared four development projects with a cumulative estimated cost of Rs8.7billion & and recommended one project worth Rs17bn to the Executive Committee of the National Economic Council (ECNEC) for further consideration.

The overall soundness of the banking system has weakened as the major indicators such as asset quality, capital adequacy and earnings declined on QoQ basis during 1QCY21. While liquidity of the sector remained robust.

The sale of passenger cars during the month of April 2021 was recorded at 14,435 units against a total production of 14,416 units, which is around 15.60 percent lower as compared to the 17,105 units sold in March 2021.

Remittances by overseas Pakistani continued to surge, rising to an all-time high of \$2.8bn in Apr21, 56% higher than a year ago, the central bank said on Tuesday.

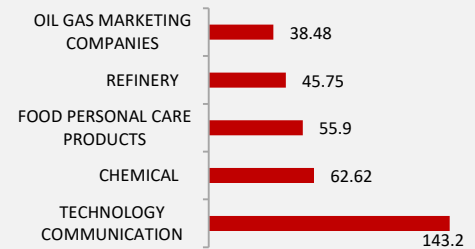
Sazgar Engineering Works Limited has decided to commence import, market, sell, and after-sales service of Completely Built-Up (CBU) vehicles under the brand name HAVAL.

Market Summary

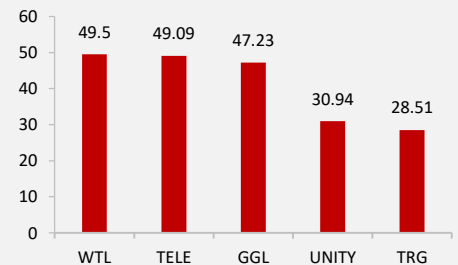
Current Index	45,981.82
Change	185.51
Percent change	0.41
High	46,033.92
Low	45,618.78
Volume traded (mn shares)	216.31
Value traded (PKR mn)	15.71

Source: PSX and AAH Research

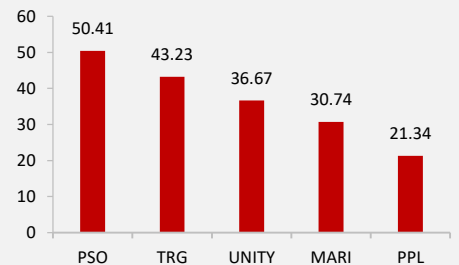
Top-5 Traded Sectors (mn shares)



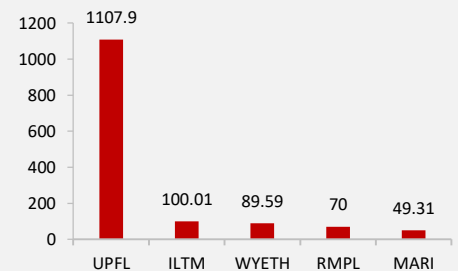
Top-5 Volume Leaders (mn shares)



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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