



April 19,
2021

Benchmark index plummets 392 points as political uncertainty strikes again

Bears take control of bourse at the beginning of the week as poor law & order situation crippled investors' confidence. Stocks opened deep in red on Monday following announcement of nationwide shutter-down strike by some faction of religio-politico party. Prevailing law and order situation caused the investors to panic and market to tank in early few hours of the day, later some recovery was seen on the back of Interior Minister's claim of ongoing negotiations with TLP. Worsening domestic Covid situation further fueled investor's bearish sentiments as 5,152 new infection cases and 73 virus related deaths were recorded, while the country experienced a record daily death toll this weekend. Although attractive earning and payout announcements were released during the day, they weren't enough to pull the market into positive territory. Going forward, we believe bourse to react to upcoming earning announcements and law and order situation of Pakistan.

The major scrips that deducted from the index were TRG (-126.03 pts), HUBCO (-30.54 pts), FFC (-22.46 pts), HBL (-18.59 pts), and PSO (-15.92 pts). The index found its support and resistance at 44,611.83 points and 45,305.63 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 158mn shares. Refinery sector was the runner up, clocking in a total volume of 35mn shares. Chemical sector was the third-most traded sector amassing a volume of 31mn shares.

The bourse witnessed a volume of 363mn shares, with the value traded clocking in at PKR 12.85bn. The advance-to-decline ratio favored the bears as 102 scrips closed green, 219 closed red and 15 remained unchanged.

News & Corporate Announcements:

Engro Fertilizers Limited reported its quarterly result today posting PAT of PKR5.7bn in 1QCY21 (EPS: PKR4.3, up 10x Y/Y). The result was accompanied with an interim cash dividend of PKR4.0/sh.

MARI announced its 3QFY21 result on Monday, company's 3QFY21 EPS clocked in at PKR 52.14 as compared to EPS of PKR 63.54 SPLY. While during 9MFY21 MARI's EPS clocked in at PKR 175.08 as opposed to EPS of PKR 174.09 SPLY. Company also announced surprise dividend of PKR 60/sh.

The Board members of Mughal Iron & Steel Industries Limited, at their Extraordinary General Meeting (EOGM), held on April 19, 2021, have approved the increase in the authorized capital of the Company from Rs3 billion divided into 300 million ordinary shares of Rs. 10/-each to Rs5 billion divided into 500 million ordinary shares of Rs. 10/-each.

Mari Petroleum Limited (MPCL) on Monday notified that an Amendment Agreement to Mari Wellhead Gas Pricing Agreement 2015 has been signed between the Government and MPCL on April 17, 2021, giving effect to the ECC decision regarding removal of a cap on dividend distribution by MPCL.

Hong Kong will suspend flights from India, Pakistan, and the Philippines from April 20 due to imported coronavirus infections, authorities said in a statement late on Sunday.

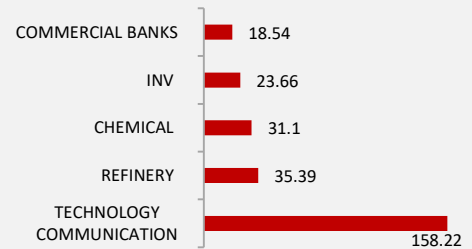
Oil prices were lower on Monday as rising coronavirus infections in India and other countries prompted concerns that stronger measures to contain the pandemic will hit economic activity & demand for commodities such as crude.

Market Summary

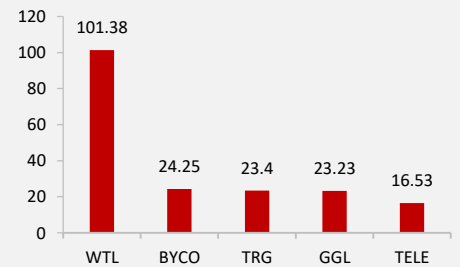
Current Index	44,913.57
Change	-392.06
Percent change	-0.87%
High	45,305.63
Low	44,611.83
Volume traded (mn shares)	131
Value traded (PKR mn)	9.39

Source: PSX and AAH Research

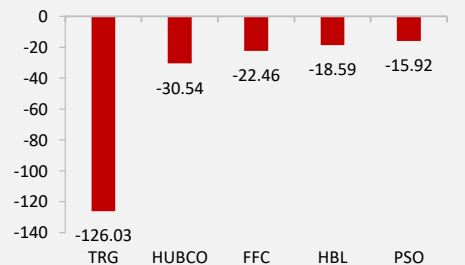
Top-5 Traded Sectors (mn shares)



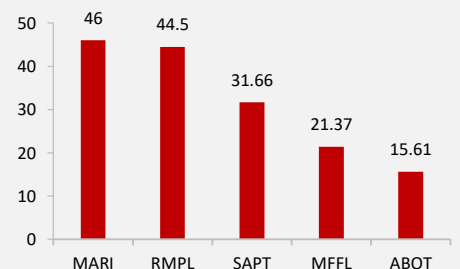
Top-5 Volume Leaders (mn shares)



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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