



March 19,  
2019

## Benchmark index drops 239 points as investors foresee stringent consolidation measures

Bears return to bourse after a single day leap, dragging the KSE100 index 239.58 points lower. Bourse started a day on positive note surging over 150 points in early hours, however, pressure mount in later hours day dragging the index over 320 points before closing at 38,612.37 points. Investors sentiments remained weaker throughout the day as the Finance Minister and the Governor SBP hints initial slowdown in the economy before getting back on the recovery track.

During the day bourse found its support and resistance at 38,528.11 points and 39,011.54 points. The major laggards responsible for dragging down the market were HUBC (-PKR 2.22), LUCK (-PKR 9.45), HBL (-PKR 2.28), UBL (-PKR 3.19) and BAHL (-PKR 0.86), cumulatively shed 125.75 ppts from the index.

Sector-wise, the cement sector remained under pressure, among major cement scrips, LUCK lost PKR 9.45 from its share value followed by DGKC (-PKR 2.04), PIOC (-PKR 1.59), MLCF (-PKR 1.53) and ACPL (-PKR 1.46).

The bourse witnessed the volumes of 70.8mn shares, down by 29% DoD. The traded value clocked in at PKR 3.1bn. The advance to decline ratio remained in the favour of bears where 197 scrips declined, 107 scrips advanced and 15 remained unchanged.

Cable & electrical goods sector was the top traded sector in today's session with the share volumes of 16.4mn shares followed Commercial banks (12.8mn shares), Cement (7.0mn shares), Technology & communication (5.0mn shares) and Oil & gas marketing companies (3.4mn shares).

## News & Corporate Announcements:

GlaxoSmithKline Pakistan Limited has announced its financial result for the year ended December 31, 2018. Company's PAT arrived at PKR 1.07 billion, showing a 52% increase as compared to last year. The EPS of the company stood at Rs. 9.18.

Pakistan Oxygen Limited announced in its letter to PSX that the Board of Directors of PAKOXY in its meeting held on March 18, 2019 formally approved an investment plan of approximately Rs.5.1 billion to set-up the latest and most efficient Air Separation Unit (ASU) in Pakistan.

The Asian Development Bank (ADB) has approved \$9 million in Project Readiness Financing (PRF) to support the preparation and design of urban sector projects in Khyber Pakhtunkhwa, which will support the government in accelerating the delivery of infrastructure in the province.

BP conducted an open market operation on Tuesday in which it purchased GOP Ijara (GIS-FRR-02) worth Rs.2.80 Billion on deferred payment (Bai-Muajjal) for 6 and 12 months.

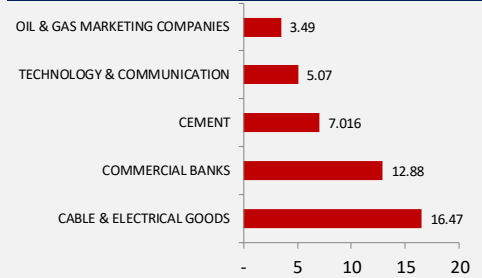
Food group imports into the country during first 8 months of current financial year decreased by 8.25 percent, whereas exports increased by 1.08 percent as compared the corresponding period of last year.

### Market Highlights

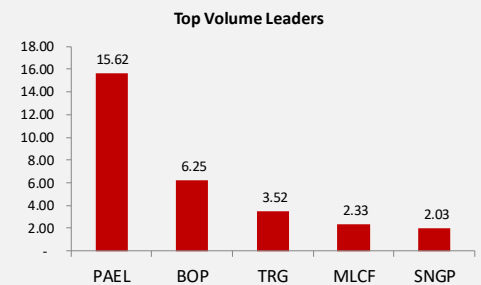
Current Index	38,612.37
Change	-239.58
Percent change	-0.62%
High	39011.54
Low	38528.11
Volume traded (mn shares)	54.79
Value traded (PKR mn)	2.793.

Source: PSX and AAH Research

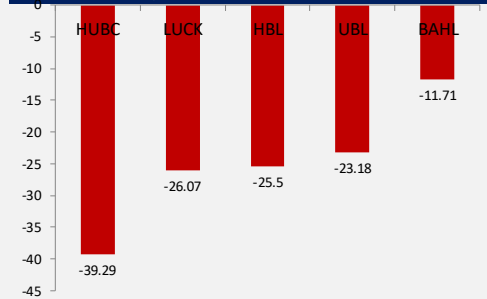
### Top-5 Traded Sectors (mn shares)



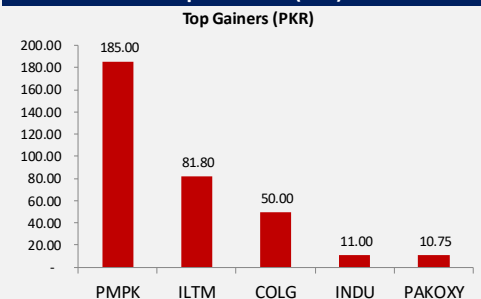
### Top-5 Volume Leaders (mn shares)



### 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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