



June 20,
2019

Bourse snaps three-day losing streak as twin deficits shrink

Benchmark index snaps losing spell on Thursday with the gain of 339.79 points as the 11-month twin deficit number shows signs of improvement. Tough measures to curtail imports and friendly policies to boost exports and remittances has current account deficit by 29% to USD 12.68 bn in Jul-May. Investors' confidence further boosted as both sides of lower house show signs of flexibility, which may lead to smooth sailing of FY19-20 budget. Rift between government and opposition decelerate after speaker of the house issued production orders of key opposition leaders.

During the day bourse found its support and resistance at 34,645.96 points and 35,061.54 points. Some of the major scrips responsible for keeping the index in the green were FFC (+PKR 1.25), EFERT (+PKR 1.41), ENGRO (+PKR 2.97), POL (+PKR 7.01) and HUBC (+PKR 0.89), adding ~100.51ppts in the index cumulatively.

Sector-wise, the cement sector remained in the limelight amajor cement scrips, LUCK gained PKR 4.85 in its share value followed by ACPL (+PKR 2.52), DGKC (+PKR 2.41), BWCL (+PKR 2.01) and KOHC (+PKR 1.26).

The bourse witnessed the volumes of 163mn shares, up by 64% DoD. The traded value clocked in at PKR 4.5bn. The advance to decline ratio remained in the favour of bulls where 204 scrips advanced, 106 scrips declined and 15 remained unchanged.

Technology & communication sector was the top traded sector in today's session with the share volumes of 29mn shares followed Commercial banks (24.2mn shares Cement (22.4mn shares), Power generation & distribution (13.3mn shares) and Inv. Banks / inv. Cos. / Securities (11.2mn shares).

News & Corporate Announcements:

The federal government on Wednesday approved Rs270 billion for settlement of circular debt and additional spending by various ministries and decided to discontinue Rs3 per unit electricity subsidy for local industries.

Attock Cement Pakistan Limited has revealed in its letter to PSX that the board of Directors of Attock Cement Pakistan Limited has approved the installation of Captive Solar Power Plant of 7 MW at its existing factory premises.

Hi-Tech Lubricants Limited disclosed in its notification to PSX that the Oil and Gas Regulatory Authority (OGRA) has granted it a renewable License for Marketing and Sale of Petroleum Products in the province of Punjab, and Operations of HTL's new Oil Storage Facility at Sahiwal.

Chairman of the Standing Committee of the National Assembly on Finance, Revenue and Economic Affairs, Asad Umer asked the government to review taxes imposed on edibles like sugar, cooking oil and small vehicles as these were directly linked with the common man.

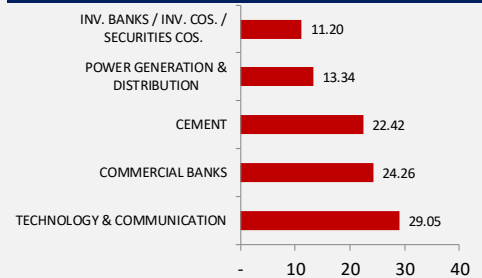
Iran's elite Revolutionary Guards have shot down a US "spy" drone in the southern province of Hormozgan, the Guards' news website *SepahNews* said on Thursday.

Market Highlights

Current Index	34,,995.91
Change	339.79
Percent change	0.97%
High	35,061.54
Low	34,645.96
Volume traded (mn shares)	92.00
Value traded (PKR mn)	3.954.

Source: PSX and AAH Research

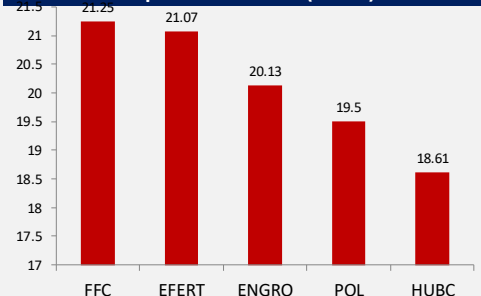
Top-5 Traded Sectors (mn shares)



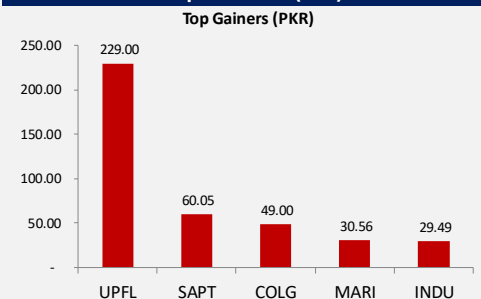
Top-5 Volume Leaders (mn shares)



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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