



April 20,  
2021

## Stocks enjoy earnings boost, benchmark jumps 486 points

Local shares rallied in Tuesday's trading session on strong corporate announcements in heavy weight sectors. Benchmark scored an intraday high of 645 points in early hours, before settling the session at 45,399.78 points with the gain of 486 points. Major boost to the equities came from strong earnings announcements from the banking and engineering sector. Banks alone added ~89 index points to the KSE-100 benchmark on average ~28% YoY improvement in earnings announced by top-tier banks during the day. Furthermore, PM Imran Khan's yesterday's speech addressing concerns of religious factions to diffuse the on going law & order situation also strengthened investors' confidence in bourse. Going forward, we expect strong corporate earnings announcements to uplift bullish momentum in equities.

The major scrips that added to the index were TRG (124 pts), HBL (36 pts), UNITY (25 pts), LUCK (21 pts), and COLG (20.47 pts). The index found its support and resistance at 45,048.57 points and 45,347.40 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 111mn shares. Food & Personal Care sector was the runner up, clocking in a total volume of 45mn shares. Chemical sector was the third-most traded sector amassing a volume of 30mn shares.

The bourse witnessed a volume of 343mn shares, with the value traded clocking in at PKR 14.21bn. The advance-to-decline ratio favored the bulls as 245 scrips closed green, 96 closed red and 19 remained unchanged.

## News & Corporate Announcements:

Byco Petroleum Pakistan Limited (BYCO) has notified the Exchange that IGCF Oil and Gas Limited, one of the shareholders of Byco Industries Incorporated (BII), is desirous of reducing its indirect equity investment in BYCO held through BII. Accordingly, as per arrangements agreed with IGCF, BII intends to divest up to 22% shares of BYCO.

MCB Bank has announced its financial results for the first quarter ended on March 31, 2021, as per which it has reported net profits of Rs 7.05 billion (EPS: Rs 5.92), i.e., around 6% higher than the same period of last year. The bank announced an interim cash dividend of Rs 4.50 per share i.e., 45% for the quarter.

HBL announced its 1QCY21 financial result on 20th of Apr'21, where it reported a solid PAT of PKR 8.56 bn (EPS of PKR 5.68), which is +52% QoQ / +37% YoY higher. Result outperformed industry estimates, major earnings drivers were non-interest income growth and lower provisions.

TRG Pakistan's subsidiary TRGIL to sell its portfolio company E-Telequote Limited for USD 600 mn. Primerica, Inc. (a leading provider of financial services in the US & and Canada) has announced to acquire 80% stake in E-telequote Limited, a senior health insurance distributor.

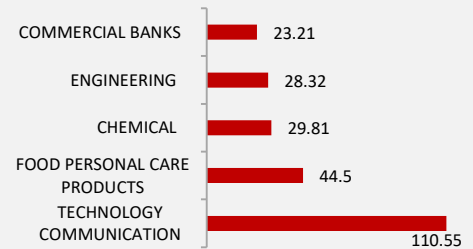
Foreign investment in different sectors of Pakistan's economy like power, telecoms, financial business and oil and gas production dropped 40% to \$167.6 million in March 2021.

### Market Summary

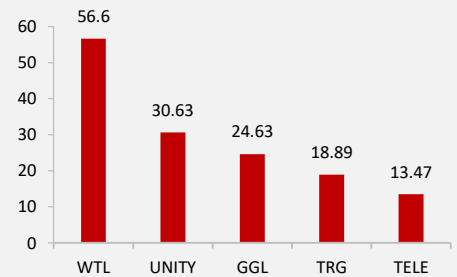
Current Index	45,399.78
Change	486.21
Percent change	1.08
High	45,558.13
Low	44,913.57
Volume traded (mn shares)	127.88
Value traded (PKR mn)	9.91

Source: PSX and AAH Research

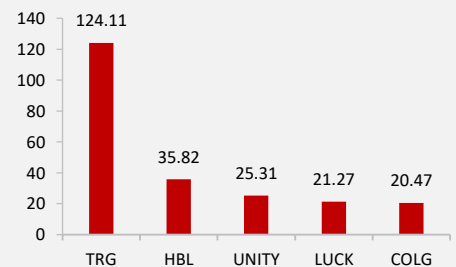
### Top-5 Traded Sectors (mn shares)



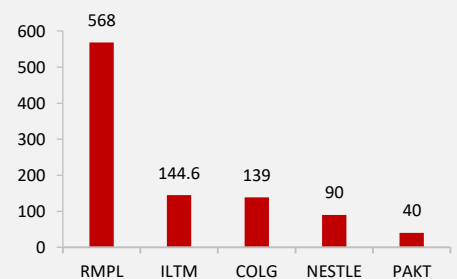
### Top-5 Volume Leaders (mn shares)



### 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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