



February
20, 2019

KSE-100 index rises 322 points on strong corporate earnings

Snapping two days bearish trend, benchmark index edged up 322.31 points on Wednesday as corporates posts positive earnings surprises. Heavyweight commercial banks and oil E&P announced significantly higher than estimated earnings for the quarter which helped the benchmark closed at 40,279.38 points. Investors' sentiments were further strengthened as global leaders urged Pakistan-India to ease tension and work together for regional peace.

During the day bourse found its support and resistance at 39,688.75 points and 40,330.04 points. The major scrips responsible for pulling the market higher were UBL (+PKR 7.50), OGDC (+PKR 2.88), ENGRO (+PKR 5.99), HBL (+PKR 1.87) and POL (+PKR 9.34), cumulatively adding 206 ppts to the benchmark index.

Sector-wise, commercial banks sectors remained in the limelight as major banks announced positive earnings surprises. Among major banking scrips, UBL gained PKR 7.50 in its share value followed by BAFL (+PKR 1.88), HBL (+PKR 1.87), BAHL (+PKR 1.65) and ABL (+PKR 1.38).

The bourse witnessed the volumes of 132mn shares, up by 40% DoD. The traded value clocked in at PKR 6.6bn. The advance to decline ratio remained in the favour of bears where 162 scrips declined, 132 scrips advanced and 32 remained unchanged.

Transport sector was the top traded sector in today's session with the share volumes of 19.6mn shares followed Commercial banks (18.8mn shares), Chemical (13.9mn shares), Cement (12.9mn shares) and Power generation & distribution (11.4mn shares).

News & Corporate Announcements:

Habib Bank Limited has announced its financial result for the year ended on 31st December 2018. The company posted PAT of PKR 2.531bn (EPS PKR 1.65) in its 4QCY18 on consolidated basis, against PAT of PKR 6.628bn (EPS PKR 4.47) in SPLY. Management of the bank also declared dividend of PKR 1.25 per share for 4QCY18, in addition to the interim dividend of PKR 2.5 per share announced in previous quarters.

MCB Bank Limited announced its financial results for 4QCY18 on the 20th of February 2019. The bank posted PAT of PKR 7.049 bn (EPS PKR 5.95) in its 4QCY18 which is 55% QoQ and 112% YoY higher. Bank also announced cash dividend of PKR 4/sh.

Nishat Power Limited announced its financial result for the quarter ended on Dec'18. The EPS for the 2QFY19 clocked in at PKR 2.58, against the EPS of PKR 2.28 in SPLY. 1HFY19 EPS of the company clocked in at PKR 5.36, against the EPS of PKR 4.71 in SPLY.

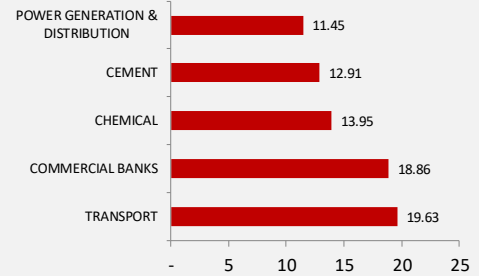
Mari Petroleum announced financial result for quarter ended on Dec'18, where EPS for the 2QFY19 clocked in at PKR 1.59, against the EPS of PKR 1.41 in SPLY. While, the 1HFY19 EPS of the company clocked in at PKR 3.18, against the EPS of PKR 2.87 in SPLY. Company also announced cash dividend PKR 4/Sh.

Market Highlights

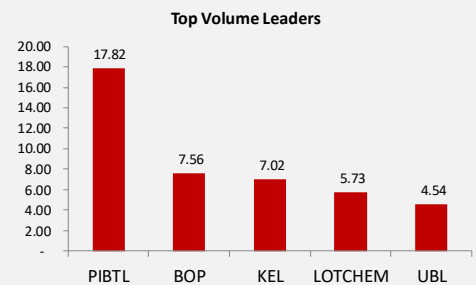
Current Index	40,279.38
Change	322.31
Percent change	0.81%
High	40330.04
Low	39688.75
Volume traded (mn shares)	89.40
Value traded (PKR mn)	5.749.

Source: PSX and AAH Research

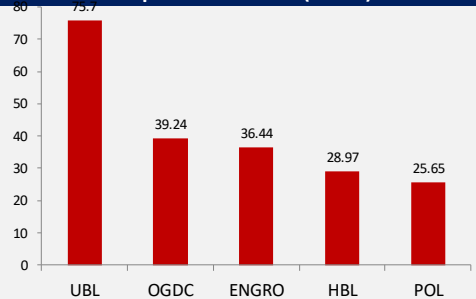
Top-5 Traded Sectors (mn shares)



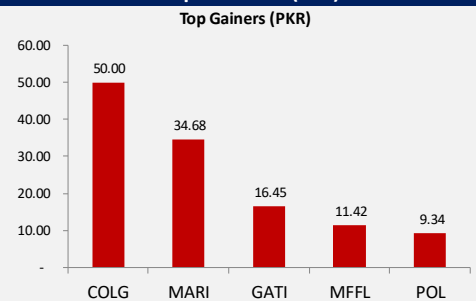
Top-5 Volume Leaders (mn shares)



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.

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