



October  
21, 2019

## Benchmark bloodbath intensifies after renewed political uncertainty

Bourse slipped 785.42 points on Monday on weak political and geopolitical concerns. The domestic political temperature reheats as the JUI-F's anti-government march to oust current government approaches. On external front, border skirmishes with India intensified over the weekend after the civilian in AJK martyred in Indian army's unprovoked firing. Investors' confidence remained weak throughout the trading session as the participants preferred to remain sidelined.

During the session, the index found its support and resistance at 33,074.86 pts and 33,885.47 pts, respectively. The major laggards responsible for dragging down the market were HBL (-PKR 3.07), MCB (-PKR 5.34), LUCK (-PKR 16.59), HUBC (-PKR 2.16) and PPL (-PKR 2.89), cumulatively shed 233 pts from the index.

Sector-wise, the commercial banks sector remained under pressure throughout the trading session. Among major banks scrips, MCB lost PKR 5.34 from its share value followed by HBL (-PKR 3.07), UBL (-PKR 2.60), BAHF (-PKR 1.99) and MEBL (-PKR 1.89).

The bourse witnessed the volumes of 130mn shares, against 115 mn shares a day before. The traded value clocked in at PKR 4.9bn. The advance to decline ratio remained in the favour of bears where 38 closed green, 273 scrips closed red and 15 remained unchanged.

Commercial banks sector was the top traded sector in today's session with the share volumes of 19.32mn shares followed by Cement (18.0mn shares), Chemical (15.1mn shares), Power generation & distribution (12.6mn shares), and Fertilizer (8.9mn shares).

## News & Corporate Announcements:

Fauji Cement Company Limited announced its financial results for 1QFY20 on the 21<sup>ST</sup> of October 2019. The company's EPS for the 1QFY20 clocked in at PKR 0.21 against EPS of 0.58 in SPLY.

Bank of Punjab announced its financial result for 3QCY19 where in the bank reported EPS of PKR 2.33 against of EPS of PKR 2.08 SPLY. Whereas, EPS for the 3QCY19 clocked in at PKR 0.81 against EPS of 0.62 in SPLY.

Pakistan's services exports dropped by 3% YoY during Jul- Sept 2019 to \$1.2 billion as against \$1.26 billion in the same period last year, according to latest data released by State Bank of Pakistan.

Oil and Gas Exploration and Production (E&P) companies, operating in different hydrocarbon potential areas of the country, have made around 110 discoveries during the last five years, with accumulative initial flow rate of 30,383 Barrel Per Day (BPD) oil and 926.6 Million Cubic Feet per Day (MMCFD) gas.

National Accountability Bureau (NAB) has constituted a six member committee to address the concerns of the Business Community.

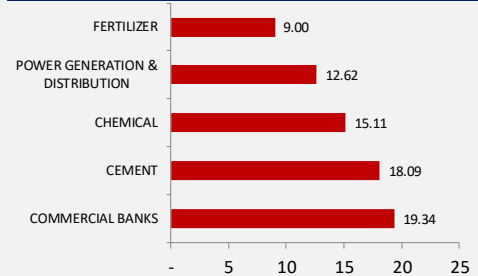
Pakistani rupee (PKR) closed today's trading session relatively unchanged against the USD with the rate remaining stable at PKR 155.91

### Market Highlights

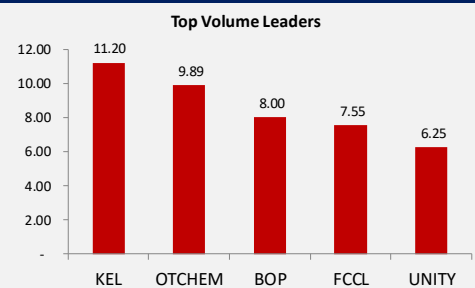
Current Index	33,084.73
Change	-785.42
Percent change	-2.37%
High	33,885.47
Low	33,074.86
Volume traded (mn shares)	100.2
Value traded (PKR mn)	4.518.

Source: PSX and AAH Research

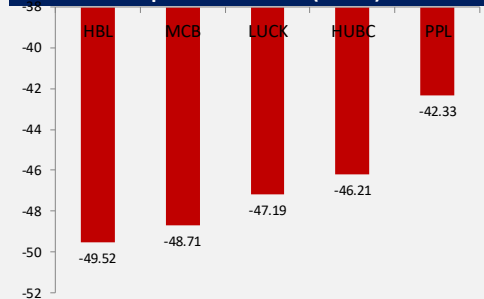
### Top-5 Traded Sectors (mn shares)



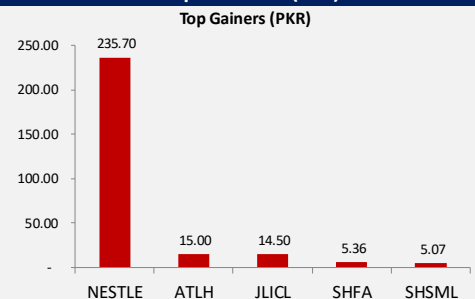
### Top-5 Volume Leaders (mn shares)



### 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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