



March 21,
2019

Economic emergency in key sectors keep investors sentiments fragile

Continuing losing streak into third day, benchmark index loses 163.05 points on Thursday to close at 38,384.71 points. Uncertainty about key economic and political issues continue to take toll on bourse. Government hints limitation on subsidy despite economic emergency declared in key sector i.e. agriculture and textile. Weaker volumes kept investors' interest limited. During the day bourse found its support and resistance at 38,202.28 points and 38,593.48 points. The major laggards responsible for dragging down the market were HUBC (-PKR 1.67), MARI (-PKR 42.76), ENGRO (-PKR 3.18), OGDC (-PKR 1.17) and PMPK (-PKR 188.81), cumulatively shed 103.31 ppts from the index.

Sector-wise, the fertilizer sector remained under pressure despite recent hike in fertilizer prices. Among major nutrition scrips, ENGRO lost PKR 3.08 from its share value followed by AHCL (-PKR 1.38), DAWH (-PKR 0.95), FFC (-PKR 0.75) and EFERT (-PKR 0.54).

The bourse witnessed the volumes of 81mn shares, down by 2% DoD. The traded value clocked in at PKR 4.2bn. The advance to decline ratio remained in the favour of bears where 184 scrips declined, 121 scrips advanced and 16 remained unchanged.

Commercial banks sector was the top traded sector in today's session with the share volumes of 12.1mn shares followed Engineering (10.5mn shares), Cement (8.8mn shares), Power generation & distribution (6.8mn shares) and Oil & gas marketing companies (5.9mn shares).

News & Corporate Announcements:

The Supreme Court on Thursday accepted Bahria Town Karachi's Rs460 billion offer for the lands it occupies in the Malir district of Karachi and restrained the National Accountability Bureau (NAB) from filing references against it.

State Bank of Pakistan and Bank of China have signed an agreement, as per which China has agreed to loan \$2.1 billion to Pakistan which will be transferred to the State Bank of Pakistan on Monday, sources within Ministry of Finance revealed.

Advisor to Prime Minister on Commerce and Investment Abdul Razzak Dawood has said that Pakistan and Malaysia will sign joint ventures worth millions of dollars in telecommunication, technology, automobiles and halal food sectors.

The Credit Suisse AG Group has won a bid to provide financial advisory services for one of the biggest privatisation transactions of two-LNG fired power plants that is expected to fetch around \$2 billion for cash-starved Pakistan.

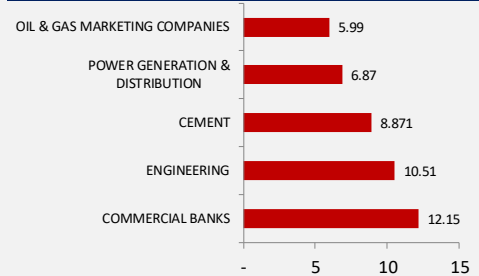
The Civil Aviation Authority (CAA) has completely barred ridesharing companies, Careem and Uber, from operating within Jinnah International Airport in Karachi. The authority has also told both companies that the ruling will be in effect as long as they fail to meet the legal requirements of the Sindh Transport Authority.

Market Highlights

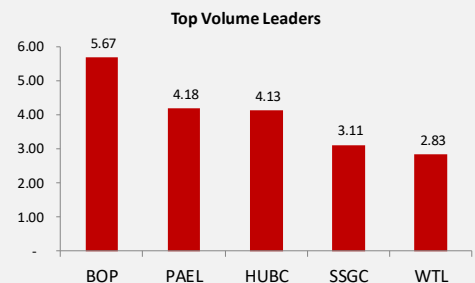
Current Index	38,384.71
Change	-163.05
Percent change	-0.42%
High	38593.48
Low	38202.28
Volume traded (mn shares)	55.28
Value traded (PKR mn)	3.641.

Source: PSX and AAH Research

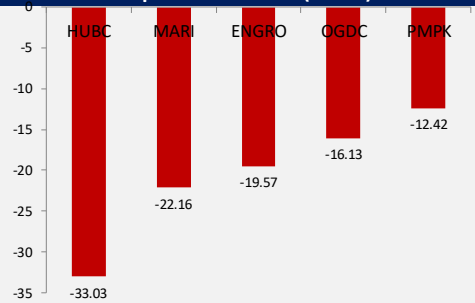
Top-5 Traded Sectors (mn shares)



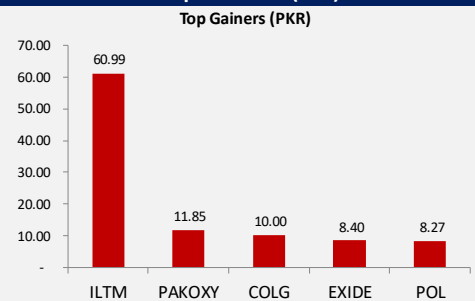
Top-5 Volume Leaders (mn shares)



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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