



April 22,  
2021

## Bourse ebbs on third virus wave risks, stocks tank over 377 points despite strong announcements

Benchmark index opened on a positive note on Thursday as KSE-100 gained 567.21 points during the early hours of session; however, the market bulls lost to bears in later hours as benchmark tanked 376.93 points to close the day at 44,929.61 level. Worsening domestic virus tallies and anticipated re-introduction of more stringent Covid-19 related restrictions/lockdowns carried the lantern of anxiety amongst investors. Furthermore as per market sources, large participants took to profit booking on attractive prices that were supported by strong earnings ahead of upcoming rollover. Going forward, we expect the market to respond to development on government's Covid control measures.

The major scrips that deducted from the index were OGDC (-39.77 pts), MCB (-28.85 pts), PPL (-25.89 pts), SYS (-24.90 pts), and LUCK (-19.80 pts). The index found its support and resistance at 44,882.75 points and 45,496.82 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 85mn shares. Chemical sector was the runner up, clocking in a total volume of 49mn shares. Food & Personal care sector was the third-most traded sector amassing a volume of 33mn shares.

The bourse witnessed a volume of 329mn shares, with the value traded clocking in at PKR 15.88bn. The advance-to-decline ratio favored the bears as 87 scrips closed green, 243 closed red and 23 remained unchanged.

### News & Corporate Announcements:

The State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) have amended the Terms of Reference (ToRs) of their Joint Task Force (JTF) on Financial Conglomerates to further strengthen the supervisory cooperation, inter alia, in AML/CFT/CPF supervision at financial group level.

Pakistan and Iran have signed a Memorandum of Understanding to establish six trade centers at their border areas. These six border trade centers will be set up on the border of Pakistan's Balochistan province and Iran's Sistan-Baluchestan.

Islamic Republic of Iran has lifted the restrictions on the import of Pakistani citrus. "Always a pleasure to be in Iran and I am pleased to share some good news for our citrus farmers. Following discussions, happy to announce that Iran has lifted restrictions on the import of Pakistan's kinnow." FM Qureshi tweeted.

A group of funds managed by Ashmore Investment Management Ltd. are planning to sell part of their stake in drink packaging manufacturer Pakistan Aluminium Beverage Cans Ltd. in an initial public offering in June.

TPL Insurance Limited (TPLI), has announced that DEG, a wholly-owned subsidiary of KfW Group based in Cologne, Germany, a major development finance institution, has made an investment in TPLI and acquired a 20% shareholding in the same.

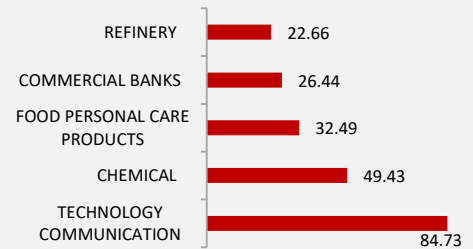
The honest power consumers are likely to pay an additional Rs1.1 trillion to the powerful independent power plants (IPPs) including idle generation companies on account of rising capacity payments.

#### Market Summary

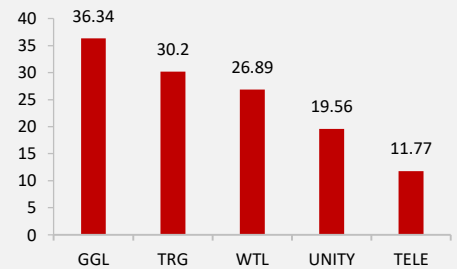
Current Index	44,929.61
Change	-376.93
Percent change	-0.83
High	45,496.82
Low	44,882.75
Volume traded (mn shares)	139.39
Value traded (PKR mn)	11.97

Source: PSX and AAH Research

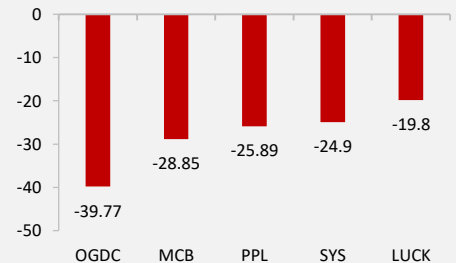
#### Top-5 Traded Sectors (mn shares)



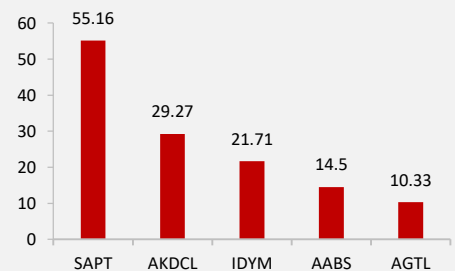
#### Top-5 Volume Leaders (mn shares)



#### 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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