



May 25,  
2021

## Bourse continues three-day winning streak, gains 203 points amid volatile session

KSE-100 index gained 203.55 points during the day to close the session at 46,300.66 points. Bulls carried the winning streak into third consecutive session while adding around 726 points or 1.6%. The rally in stock prices was mostly due to price hike by large cement players and steel manufacturing companies which may bode well for their profitability amid rising input prices. Investors' sentiments remained positive throughout the day amid volatile trading session as news flows continue to provide pro-business and pro-people measures in upcoming budget. Virus situation continue to disrupt normal life as government has decided to impose new restrictions in populous cities with comparatively higher positivity ratios. We expect price trend in bourse to be largely impacted by outcome of upcoming monetary policy committee scheduled to meet on 28th May. We expect rate setters to leave the interest rate unchanged at current 7% mark.

The major scrips that added to the index were HBL (68 pts), UBL (31 pts), UNITY (31 pts), DGKC (21 pts), and EFERT (16 pts). The index found its support and resistance at 46,048.84 points and 46,369.19 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 260mn shares. Food Personal Care Products sector was the runner up, clocking in a total volume of 94mn shares. Commercial banks sector was the third-most traded sector amassing a volume of 52mn shares.

The bourse witnessed a volume of 677mn shares, with the value traded clocking in at PKR 23.5bn. The advance-to-decline ratio favored the bulls as 206 scrips closed green, 161 closed red and 14 remained unchanged.

## News & Corporate Announcements:

Pakistan's trade deficit in services narrowed by 65% YoY to \$57million during the month of April 2021 from \$162mn in the same month a year ago on an account of higher export services.

The government has so far provided funds amounting to Rs1,339.589 million during the current fiscal year to execute petroleum sector projects under the Public Sector Development Programme (PSDP 2020-21).

Honda Atlas Cars (Pakistan) Limited has declared net profits of Rs 1.79 billion (EPS: Rs 12.56) for the year ended March 31, 2021, depicting a 2.6x YoY increase when compared to the profits of Rs 681 million (EPS: Rs 4.77) recorded in the same period of last year.

Kot Addu Power Company Limited (KAPCO), has informed via notification to Exchange that the Facilitation Agreement and the Amendment to the GoP Guarantee both dated May 21, 2021 have been executed between the Company and the President of the Islamic Republic of Pakistan for and on behalf of the Islamic Republic of Pakistan.

Pakistan's current account balance posted a small deficit of USD 200 million in April 2021, depicting a decline of 61% when compared to April 2020.

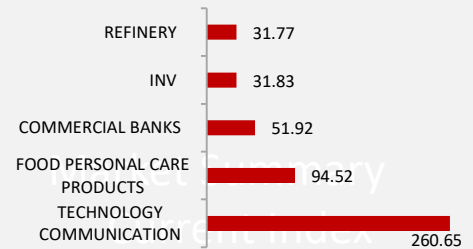
National Power Regulatory Authority (NEPRA) has informed that the Public hearing on the CCPA petition for a fuel price adjustment (FCA) for April 2021 will be conducted on Wednesday, June 2, 2021.

### Market Summary

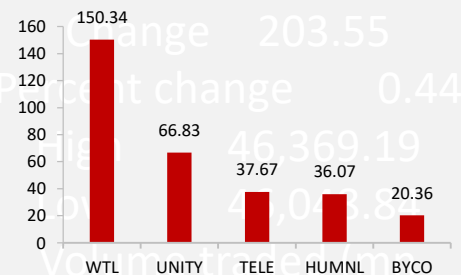
Current Index	46,300.66
Change	203.55
Percent change	0.44
High	46,369.19
Low	46,048.84
Volume traded (mn shares)	224.82
Value traded (PKR mn)	16.04

Source: PSX and AAH Research

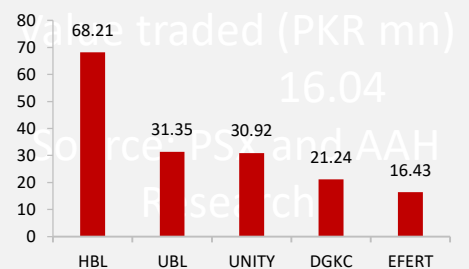
### Top-5 Traded Sectors (mn shares)



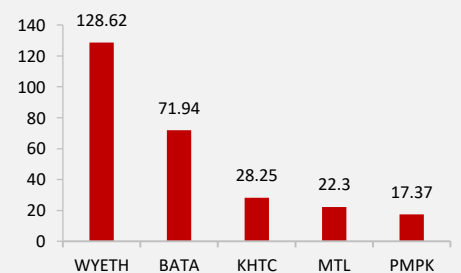
### Top-5 Volume Leaders (mn shares)



### 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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