



May 26,
2021

Improving investors' confidence attracts all-time high traded volumes of 1.5bn shares

During the day, All-share index achieved all-time high traded turnover of 1.5bn shares as strong upwards momentum attracted healthy participation in the bourse. WTL carried the lantern of gains for the investors, which added volumes of 707mn shares to overall trading activity, almost half of the total intraday volume while achieving a steep gain of 41.23% in its share price. Bullish trend in share prices was witnessed across the board, which parked the KSE-100 index at 46,812.31 level with the gain of 511.65 points. Government's focus on pro-people and growth oriented budget for the upcoming fiscal year along with prospects of V-shaped economic recovery boosted investors' morale. Furthermore, speculations remain biased on SBP maintaining status quo in the upcoming monetary policy at 7% as SBP's inflation target is expected to settle within range of 7-9% for FY21. As such, provisional GDP growth rate of 3.94% endorses healthy economic recovery which supports government's strategic policy guidelines FY21-FY22. Going forward, we believe market to track positive trends as large volumes of assets are realigned during the current rollover week.

The major scrips that added to the index were TRG (71 pts), OGDC (44 pts), PPL (30 pts), MCB (28 pts), and BAFL (28 pts). The index found its support and resistance at 46,300.66 points and 46,856.27 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 939mn shares. Food Personal Care Products sector was the runner up, clocking in a total volume of 75.62mn shares. Investment banks sector was the third-most traded sector amassing a volume of 64mn shares.

The bourse witnessed a volume of 1,563mn shares, with the value traded clocking in at PKR 28.3bn. The advance-to-decline ratio favored the bulls as 251 scrips closed green, 124 closed red and 15 remained unchanged.

News & Corporate Announcements:

The government has agreed, in principle, to a key budget proposal of the Pakistan Business Council (PBC) to restore the exemption of inter-corporate dividends to promote the formation of groups in the country.

Petroleum Division has requested the PM office to issue instructions to Gencos and Independent Power Producers (IPPs) to procure furnace oil from companies.

Federal Cabinet has given approval to a special CPEC Business visa to facilitate Chinese investment in the country.

Foreign Secretary Sohail Mahmood co-chaired the 5th Round of Bilateral Political Consultations between Pakistan and Tajikistan with First Deputy Minister of Foreign Affairs of the Republic of Tajikistan Khusrav Noziri in virtual mode on Tuesday.

The summary regarding cotton support price will be presented before Economic Coordination Committee (ECC) next meeting as consultation to set cotton support price has been completed.

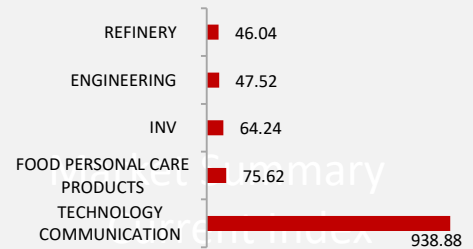
Oil and Gas Development Company Limited (OGDCL), during the first three quarters of the current fiscal year, has injected as many as 12 more operated wells in the production gathering system aimed at tackling the natural depletion in existing reserves and meeting the country's ever-increasing energy needs.

Market Summary

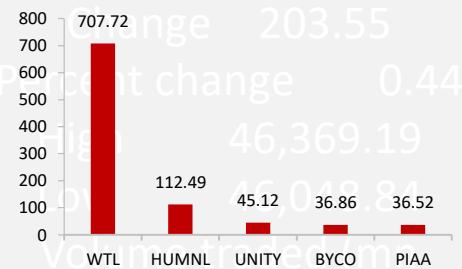
Current Index	46,812.31
Change	511.65
Percent change	1.11
High	46,856.27
Low	46,300.66
Volume traded (mn shares)	306.27
Value traded (PKR mn)	17.62

Source: PSX and AAH Research

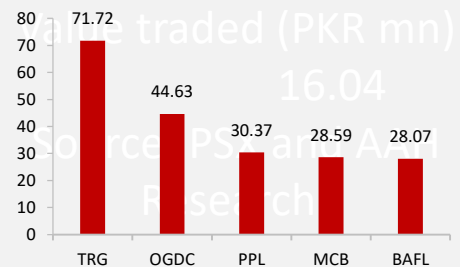
Top-5 Traded Sectors (mn shares)



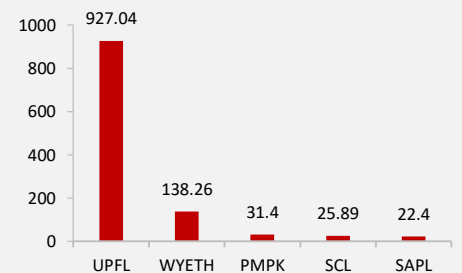
Top-5 Volume Leaders (mn shares)



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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