



April 28,
2021

KSE-100 loses another 233 points amid weak triggers

Benchmark index opened positive on Wednesday supported by strong earnings expectations and variety of positive economic triggers; however, unexpected dismissal of PKR 89.86bn tranche to IPPs along with surge in inflation expectations of Apr'21 to double digits demoralized investors. Consequently, KSE-100 struggled to keep above the neutral line during the truncated trading hours, fading sentiments were administered by a mix of bulls and bears, gradually shedding the index by 233.75 points to close at 45,059.12 points at day end. Going forward, with only two remaining sessions of the rollover week, we expect market sentiments to remain mixed due to impending lockdown and travel restrictions within the country.

The major scrips that deducted from the index were HBL (-38.56 pts), OGDC (-36.32 pts), PPL (-24.18 pts), MCB (-23.16 pts), and TRG (-20.81 pts). The index found its support and resistance at 45,020.83 points and 45,588.94 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 79mn shares. Textile Composite sector was the runner up, clocking in a total volume of 32mn shares. Refinery sector was the third-most traded sector amassing a volume of 25mn shares.

The bourse witnessed a volume of 306mn shares, with the value traded clocking in at PKR 16.16bn. The advance-to-decline ratio favored the bears as 150 scrips closed green, 187 closed red and 13 remained unchanged.

News & Corporate Announcements:

Fauji Fertilizer Company Limited (FFC) has announced its financial results for the quarter ended March 31, 2021, with a net profit of Rs 5.82 billion translating into an EPS of Rs 4.57 which was 36% higher than SPLY. It also declared a first interim dividend of Rs 3.50 per share for the quarter.

Lucky Cement Limited (LUCK) has announced its 9MFY21 financial result, as per which its net profits surged by 3.9x YoY to Rs22.15bn compared to the profits of Rs5.68bn in the SPLY. This translated into earnings per share of the company which clocked in at Rs56.36 against Rs14.38 in the SPLY.

Pakistan International Airlines Corp. will lay off half of its 14,000 employees, replace some of its fleet and permanently close loss-making routes in a to become profitable for the first time in more than a decade.

Inflation is expected to remain between 8.0-9.5% in April. But, from the beginning of the next fiscal year, assuming the absence of any new supply shocks, favorable base effects may start to drive YoY inflation to lower levels, said the Finance Ministry in its monthly Economic Outlook bulletin.

Pakistan recorded more than 200 COVID-19 deaths in a day for the first time since the start of the pandemic on Tuesday, as the government said it was considering stricter lockdowns. 201 new deaths were recorded on Tuesday, bringing the country's overall death toll from the virus to 17,530.

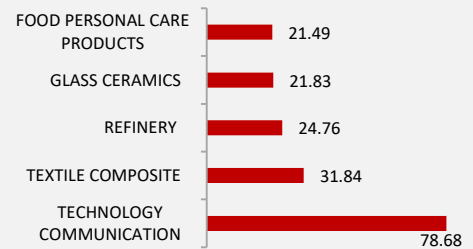
According to ADB's annual flagship economic publication, Pakistan's economy will grow by 2% in 2021 as COVID-19 restrictions ease. Assuming the COVID-19 vaccine rollout is successful and economic stabilization measures are implemented, growth is expected to accelerate to four percent in 2022 with improved consumption and investor confidence.

Market Summary

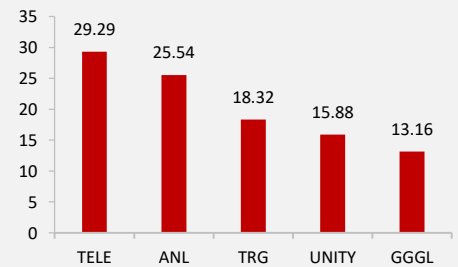
Current Index	45,059.12
Change	-233.75
Percent change	-0.52
High	45,588.94
Low	45,020.83
Volume traded (mn shares)	139.99
Value traded (PKR mn)	11.47

Source: PSX and AAH Research

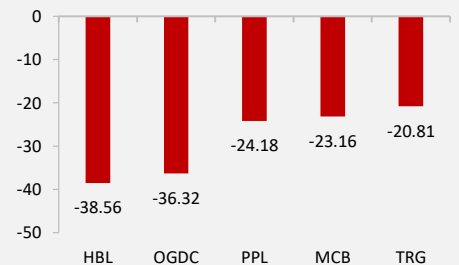
Top-5 Traded Sectors (mn shares)



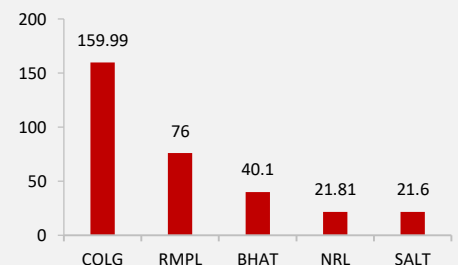
Top-5 Volume Leaders (mn shares)



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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