



February
28, 2019

Bourse rebounds 361 points as international community diffuses border tension

KSE 100 index pared yesterday's losses, gained over 361.91 points on Thursday as international community intervene to diffuse rising tension between India and Pakistan. The UK, US, China and Germany advised both the nation to restrain further military escalation. In an effort to deliver a message of peace and restraint across the border, PM Imran Khan announced to release IAF captured Pilot on Friday. During the day bourse found its support and resistance at 38,558.45 points and 39,149.33 points. The major scrips responsible for pulling the market higher were DAWH (+PKR 5.51), OGDC (+PKR 2.09), HBL (+PKR 1.31), ENGRO (+PKR 3.22) and SEARL (+PKR 9.22), cumulatively adding 119.13 ppts to the benchmark index.

Sector-wise, commercial banks sectors remained in the limelight as market participant expect February Inflation to arrive at ~8% which can result in another hike in March MPC meeting. Among major banking scrips, MEBL gained PKR 3.02 in its share value followed by ABL (+PKR 2.11), HBL (+PKR 1.31), UBL (+PKR 1.07) and BAFL (+PKR 1.05).

The bourse witnessed the volumes of 159.3mn shares, down by 94% DoD. The traded value clocked in at PKR 7.3bn. The advance to decline ratio remained in the favour of bulls where 232 scrips advanced, 86 scrips advanced and 24 remained unchanged.

Commercial banks sector was the top traded sector in today's session with the share volumes of 24.1mn shares followed Technology & communication (17.9mn shares), Cement (16.5mn shares), Power generation & distribution (11.0mn shares) and Chemical (10.8mn shares).

News & Corporate Announcements:

Pakistan Petroleum Limited (PPL) has stated its half-yearly consolidated profits for the period ended with December 2018 at Rs.30.3 billion, up by 35.4% over the year and EPS at Rs.13.35.

SEARL announced its financial results for 2QFY19. The company's EPS for the 2QFY19 clocked in at PKR 3.42, against the EPS of PKR 4.87 in SPLY. While, HFY19 EPS of the company clocked in at PKR 6.85 against the EPS of PKR 8.50 in SPLY.

United Bank Limited has notified the PSX in its letter that the bank has received a letter of intent from Exim Bank Tanzania for the sale of UBL Tanzania Limited as an asset/liabilities sale. The entity and its banking license will remain intact for time being.

SBP Conducted an OMO on Thursday in which it mopped up Rs.1,227.05 Billion from the market for 1 Day.

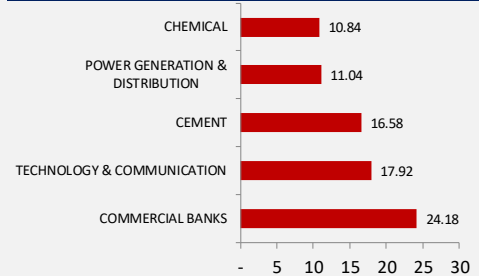
Pakistan will release captured Indian pilot tomorrow as a peace gesture, Prime Minister Imran Khan said on Thursday while addressing a joint session of the parliament.

Market Highlights

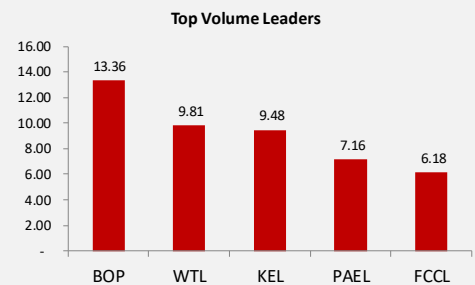
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|---------------------------|-----------|
| Current Index | 39,054.60 |
| Change | 361.91 |
| Percent change | 0.94% |
| High | 39149.33 |
| Low | 38558.45 |
| Volume traded (mn shares) | 102.3 |
| Value traded (PKR mn) | 6.253. |

Source: PSX and AAH Research

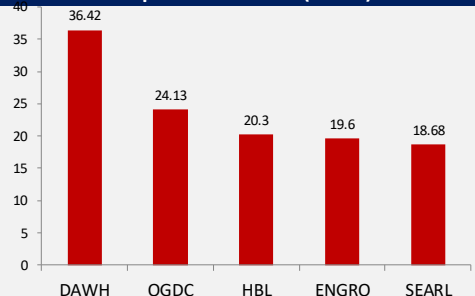
Top-5 Traded Sectors (mn shares)



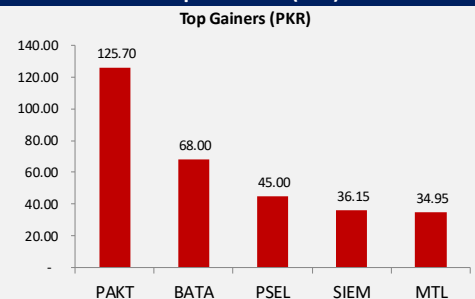
Top-5 Volume Leaders (mn shares)



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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