



April 29,
2021

Virus consternation continue stocks battering, benchmark tanks 196 points

Benchmark index witnessed another bearish trading session on Thursday, taking losses of three-day losing streak to ~820 points. The KSE-100 index tanked 196.01 points in today's session to close index at 44,863.11 points while volumes remained low as trading hours were further cut short due to rise in Corona cases. Index lost points for third day in a row, as grim Covid situation kept on testing investors' nerves. Increasing strictness of lockdowns imposed by NCOB in many cities in view of frightening number of Covid related deaths, further dampened investor sentiments. Strong corporate earnings announced during the day, rally in international oil prices and positive cues stemming from Fed's decision to keep rates unchanged, failed to stimulate investors' confidence in local equities. Going forward, we expect the index to encounter resistance due to lockdown related developments while getting some support from strong expected earnings announcements.

The major scrips that deducted from the index were BAHF (-26.41 pts), ENGRO (-26.05 pts), LUCK (-22.03 pts), HUBC (-13.59 pts), and PAKT (-13.48 pts). The index found its support and resistance at 44,781.30 points and 45,143.34 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 56mn shares. Oil & Gas Marketing sector was the runner up, clocking in a total volume of 46mn shares. Chemical sector was the third-most traded sector amassing a volume of 36mn shares.

The bourse witnessed a volume of 280mn shares, with the value traded clocking in at PKR 13.60bn. The advance-to-decline ratio favored the bears as 126 scrips closed green, 199 closed red and 9 remained unchanged.

News & Corporate Announcements:

Indus Motor Company Limited (INDU) has posted a 68.8% YoY increase in net profits for 9MFY21 to Rs8.4bn (EPS: Rs107.07) as against the profits of Rs4.98bn (EPS: Rs63.4) in the corresponding period last year. In conjunction with the results, the company also announced a cash dividend of Rs67 per share for the period mentioned above.

Unilever Pakistan Foods Limited (UPFL) has announced its financial results for Q3 March 31, 2021 wherein the company reported a growth of 76% YoY in its net profits, standing at Rs 1.45 billion as compared to the same period last year. Directors have recommended a first cash dividend of Rs 281.

Pakistan Petroleum Limited (PPL) has posted a -1.24% YoY decrease in net profits for 9MFY21 to Rs38.12bn (EPS: Rs14.01) as against the profits of Rs38.6bn (EPS: Rs14.18) in the corresponding period last year.

China and five South Asian countries, including Pakistan, have called for a joint strategy to cope with the challenge of the COVID-19 pandemic. This was expressed as a common response in a joint statement of Six – Country's Virtual Conference of foreign ministers. The Participating countries include Afghanistan, Bangladesh, Nepal, and Sri Lanka as well.

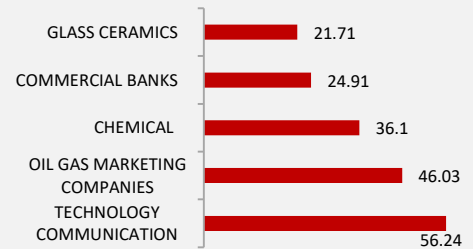
Pakistan and Saudi Arabia have reaffirmed the resolve to further strengthen bilateral socio-economic, commercial, cultural, and diplomatic relations. The understanding came during a meeting between Minister for Economic Affairs Omar Ayub Khan and Saudi Ambassador Nawaf Saeed Al Malki in Islamabad on Wednesday.

Market Summary

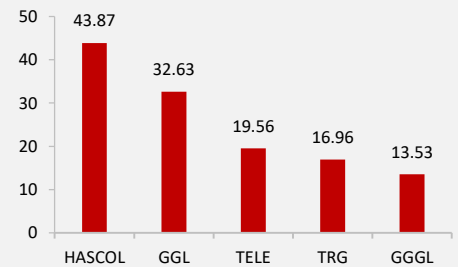
Current Index	44,863.11
Change	-196.01
Percent change	-0.44
High	45,143.34
Low	44,781.30
Volume traded (mn shares)	138.72
Value traded (PKR mn)	9.46

Source: PSX and AAH Research

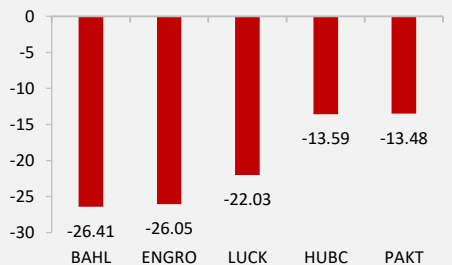
Top-5 Traded Sectors (mn shares)



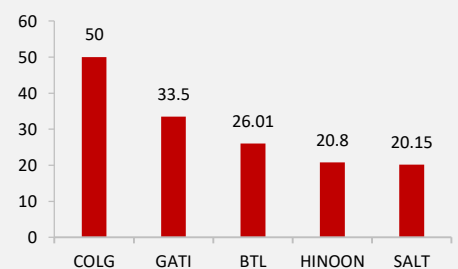
Top-5 Volume Leaders (mn shares)



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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