



March 29,
2021

Bourse nosedives 1,089 points on worsening Covid cases tally

Taking cues from previous close, bourse extended losses for second consecutive day as the benchmark KSE-100 index nosedived 1,089.83 points on Monday to settle the day at 44,431.80 level. The investors preferred to book profits primarily due to fast spreading deadlier third Covid wave. Main factor which dragged the index in red zone is the re-imposition of smart lockdown in different areas of Punjab after the NCOC decided to close schools till mid-April due to exponential rise in Covid-19 cases. As per the official website, during last 24 hours 4,525 cases and 41 deaths have been reported so far. Going forward, we expect any stringent measures to combat Covid may navigate market trends.

The major scrips that deducted from the index were TRG (-133 pts), LUCK (-58 pts), MCB (-47 pts), HUBC (-41 pts), and HBL (-39 pts). The index found its support and resistance at 44,315.43 points and 45,521.63 points, respectively.

Sector-wise, Refinery sector took the spotlight today, generating a volume of 141mn shares. Technology & Communication sector was the runner up, clocking in a total volume of 106mn shares. Textile Composite sector was the third-most traded sector amassing a volume of 49mn shares.

The bourse witnessed a volume of 523mn shares, with the value traded clocking in at PKR 23.51bn. The advance-to-decline ratio favored the bears as 42 scrips closed green, 309 closed red and 13 remained unchanged.

News & Corporate Announcements:

The Governor State Bank said in order to streamline the system, the government introduced different schemes including low cost housing project for the people drawing meagre salaries and a subsidy has also been given to people on loans at reasonable mark-up rate. Appreciating the present government, he said the construction sector has been opened to minimize burden on labour community.

The total deposits held by Commercial Banks have shown a robust growth of 16% YoY to Rs 17.25 trillion in February 2021. While, on monthly basis, commercial banks' deposits inched up by 1% MoM. The YoY increase in deposits can be attributed to higher Remittances which reached an unprecedented level of \$18.7 billion, marking a growth of 24.1% YoY during Jul-Feb FY21.

The Federal Board of Revenue (FBR) stated procedures for industrial units operating in tribal areas to control the movement of tax-exempt goods from non-tariff areas to taxable areas of Pakistan and avail exemption of withholding tax on the import of Industrial Inputs/Machinery by investors of erstwhile Federally Administered Tribal Areas (FATA) and Provincially Administered Tribal Areas (PATA).

The Federal Investigation Agency (FIA) on Sunday summoned chief financial officers (CFOs) and heads of sales of eight major sugar groups in connection with the 'speculative price-hike' of the sweetener.

The third wave of the coronavirus continues to wreak havoc in Pakistan as the coronavirus positivity rate jumped past 11% on Monday.

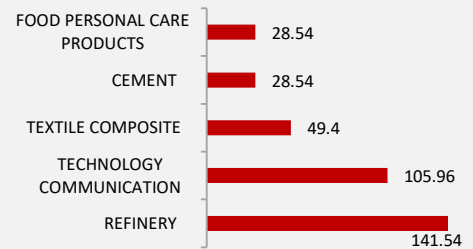
Providus Capital (Pvt) Limited, a substantial shareholder of Pakgen Power Limited has indirectly acquired 2,086,500 shares of the Company at an average rate of Rs.29.7993 per share through its wholly-owned subsidiary Providus Investments (Pvt) Limited.

Market Summary

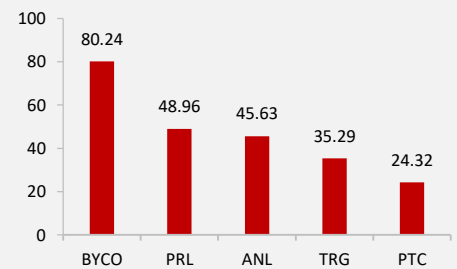
Current Index	44,431.80
Change	-1089.83
Percent change	-2.39
High	45,521.63
Low	44,315.43
Volume traded (mn shares)	316.16
Value traded (PKR mn)	17.29

Source: PSX and AAH Research

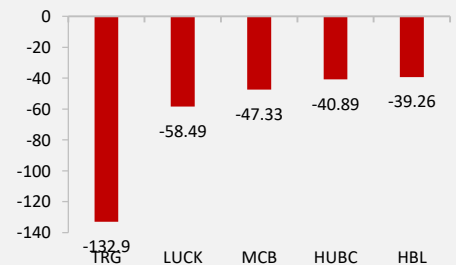
Top-5 Traded Sectors (mn shares)



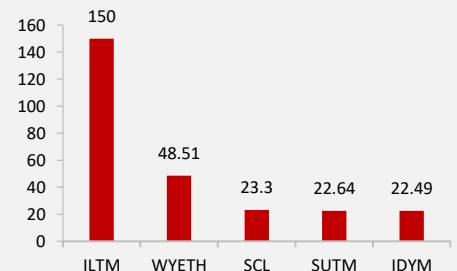
Top-5 Volume Leaders (mn shares)



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.

Analyst Certification ^{AC}

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