



April 2,
2019

Weaker sentiments continue, benchmark tests below 38,000 levels

Continuing the losing streak into second consecutive session, KSE-100 index drops 318.82 points on Tuesday. Benchmark index dipped 422 points breaking below 37,932.29 points in intra day due to weaker OMCs sales data. Investors' sentiments remained weaker as the March CPI number of 9.41% YoY hints at continued tightening monetary stance. During the day bourse found its support and resistance at 37,932.29 points and 38,557.74 points. The major laggards responsible for dragging down the market were HBL (-PKR 3.43), HUBC (-PKR 1.49), PSO (-PKR 5.04), MCB (-PKR 3.26) and SNGP (-PKR 2.07), cumulatively shed 123.5 ppts from the index.

Sector-wise, the steel sector remained under pressure as rupee continue to weaken against the U.S dollar. Among major steels scrips, INIL lost PKR 3.65 from its share value followed by BCL (-PKR 2.69), PECO (-PKR 1.35), ASTL (-PKR 1.09) and MUGHAL (-PKR 0.66).

The bourse witnessed the volumes of 144mn shares, while the traded value clocked in at PKR 3.9bn. The advance to decline ratio remained in the favour of bears where 220 scrips declined, 76 scrips advanced and 23 remained unchanged.

Vanaspati & allied industries sector was the top traded sector in today's session with the share volumes of 69.4mn shares Power generation & distribution (15.9mn shares), Cement (13.7mn shares), Commercial banks (8.4mn shares) and Technology & communication (4.6mn shares).

News & Corporate Announcements:

Gamon Pakistan Limited announced its financial result for the half-year ended on December 31, 2018. EPS of the company for the 2QFY19 clocked in at PKR 0.02 against EPS of PKR 0.17 SPLY. While the 1HFY19 EPS of the company clocked in at PKR 0.03 against of EPS of PKR 0.30 SPLY.

Unity Foods has notified in its letter to PSX that the board of directors appointed Mr. Abdul Majeed Ghaziani as Chairman of Board and Mr. Muhammad Farrukh as CEO for the tenor of three years.

As per the data released by OCAC for the month of March'19, OMCs sold 1,460K tons of petroleum products which are 2% higher than the last month sales of 1,428K tons. MS sales increased 5% MoM and 8% YoY to 646K tons, whereas, FO sales surged 8% MoM.

The State Bank of Pakistan (SBP) held today the launching ceremony of regulations of Electronic Money Institutions (EMIs) in Islamabad. Federal Minister for Finance, Revenue and Economic Affairs, Mr. Asad Umar was the chief guest.

Pakistani Rupee (PKR) depreciated beyond the 141 per USD level in early trade at the interbank market today, with trades reported at PKR 141.10 per USD, so far. The local currency is currently quoted at PKR 141.06/11, exhibiting a depreciation of 12 paise.

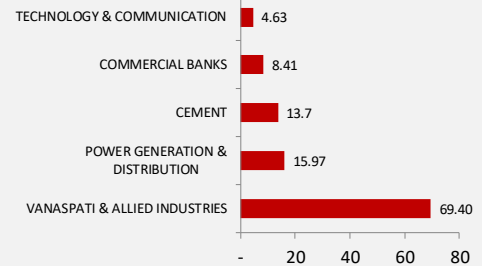
Conflicting reports regarding the alleged arrest of Owais Muzaffar alias Tappi, said to be a foster brother of PPP co-chairperson and former president Asif Ali Zardari, in Dubai emerged on Tuesday.

Market Highlights

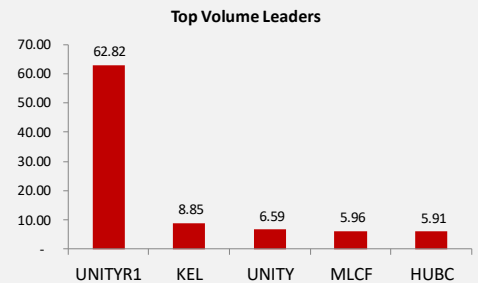
Current Index	38,036.03
Change	-318.82
Percent change	-0.83%
High	38557.74
Low	37932.29
Volume traded (mn shares)	65.29
Value traded (PKR mn)	3.465.

Source: PSX and AAH Research

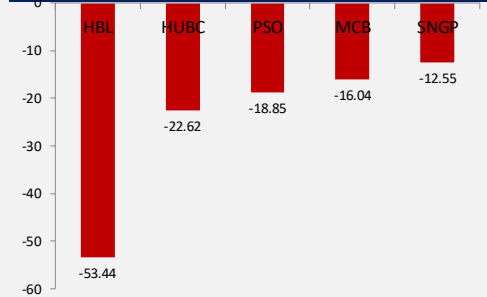
Top-5 Traded Sectors (mn shares)



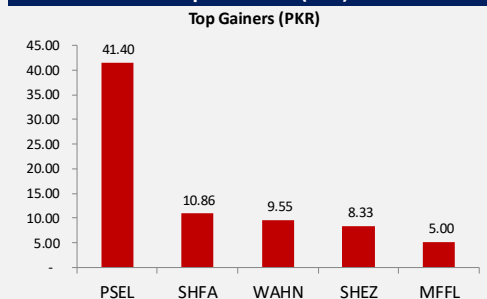
Top-5 Volume Leaders (mn shares)



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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