



## Benchmark manages to close green on meagre gains

March 31,  
2021

Pakistan's first three-tranche Eurobond issue fail to impress domestic equities as KSE-100 benchmark closes with meagre gain of 96.82 points despite positive triggers. Bourse opened on positive note on Wednesday after government announced it successfully sold USD 2.5bn worth of Eurobonds to foreign investors, furthermore, SBP's announcement of receipt of ~USD 499 mn under IMF's EFF scheme also added investors' positive sentiments. However, concerns over rising virus cases which may lead to stricter restrictions in Sindh and KPK on Punjab's footprint, shattered investors' confidence in bourse. Going forward, we believe index to track on covid situation within the country.

The major scrips that added to the index were ENGRO (31 pts), UBL (28 pts), POL (20 pts), SYS (20 pts), and SRVI (17 pts). The index found its support and resistance at 44,477.90 points and 45,133.25 points, respectively.

Sector-wise, Refinery sector took the spotlight today, generating a volume of 121mn shares. Technology & Communication sector was the runner up, clocking in a total volume of 74mn shares. Food Personal Care Product sector was the third-most traded sector amassing a volume of 32mn shares.

The bourse witnessed a volume of 444mn shares, with the value traded clocking in at PKR 25.92bn. The advance-to-decline ratio favored the bulls as 212 scrips closed green, 138 closed red and 15 remained unchanged.

## News & Corporate Announcements:

To automate and simplify the process of regulatory and financial disclosures, PSX has in place PUCARS (Pakistan Unified Corporate Action Reporting System) which facilitates listed companies in submission of the required information and ensuring timely disclosure directly on the PSX website.

The Economic Coordination Committee (ECC) of the Cabinet has allowed importing cotton, cotton yarn and sugar from India. The ECC, which met in Islamabad with Finance Minister, Hammad Azhar, in the chair, also approved the import of 500,000 tons of sugar from India through the Trading Corporation of Pakistan and commercial importers.

Foreign Minister Shah Mehmood Qureshi invited Tajikistan to benefit from Pakistan's Gwadar port as the shortest trade route to Southeast Asia, Middle East and Africa.

Fintech SadaPay has raised seed funding to digitize the banking industry in Pakistan. The new funding comes on the heels of accelerating consumer demand for SadaPay, whose waitlist is now crossing 200,000 registrations.

Pakistan raised Eurobonds worth \$2.5 billion in an auction that attracted bids of \$5.3bn, suggesting there is interest among international investors for the country's sovereign instruments given the high-interest rates at the offer.

The State Bank of Pakistan (SBP) organized the fourth Stakeholders' meeting on the Digital Financial Ecosystem, chaired by the Governor SBP, Dr. Reza Baqir. The goal of these stakeholder meetings has been to accelerate the agenda on promoting digital financial services in Pakistan and support coordination in cross-cutting issues.

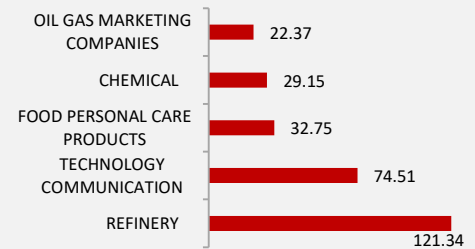
Avanceon Limited has secured a high-value contract to deploy a state-of-the-art up-gradation solution for one of the largest FMCG companies in the world.

### Market Summary

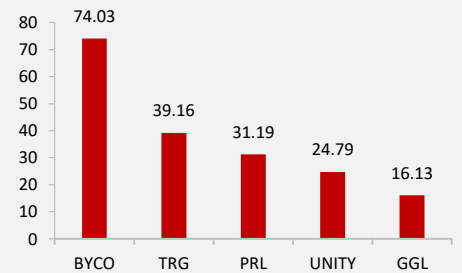
Current Index	44,587.85
Change	96.82
Percent change	0.22
High	45,133.25
Low	44,477.90
Volume traded (mn shares)	253.22
Value traded (PKR mn)	17.90

Source: PSX and AAH Research

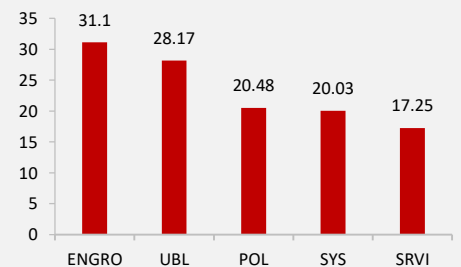
### Top-5 Traded Sectors (mn shares)



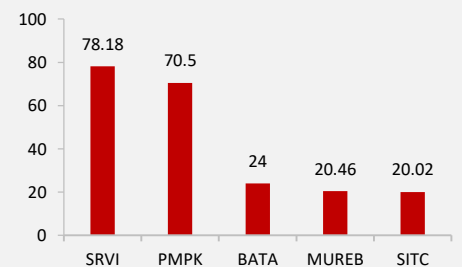
### Top-5 Volume Leaders (mn shares)



### 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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