



April 3,  
2019

## KSE-100 index struggle to shrug off macro pessimism

Bears manage to remain in control for the third day in a row as benchmark index drops meagre 13.23 points. Bourse opened on a positive note with the gain of 83 points in early trading hours, however, it quickly dropped over 180 points on growth concerns. Stocks continue to suffer from macroeconomic pessimism among market participants despite government's efforts to provide some breather with yet another amnesty scheme. In a briefing with journalists, the finance minister indicated that the government is considering to launch an amnesty scheme, allowing people to declare their domestic and foreign undeclared assets. During the day bourse found its support and resistance at 37,855.09 points and 38,119.14 points. The major laggards responsible for dragging down the market were HBL (-PKR 1.97), MCB (-PKR 2.14), UBL (-PKR 1.37), FFC (-PKR 0.82) and SEARL (-PKR 5.40), cumulatively shed 95.93 ppts from the index.

Sector-wise, the oil marketing companies sector remained under pressure as OMCs data reveal a 25% YoY reduction in sales of petroleum products. Among major OMCs scrips, SHEL lost PKR 6.69 from its share value followed by HASCOL (-PKR 5.86), APL (-PKR 2.90), while PSO gained PKR 1.08.

The bourse witnessed the volumes of 153mn shares, while the traded value clocked in at PKR 3.7bn. The advance to decline ratio remained in the favour of bears where 165 scrips declined, 127 scrips advanced and 27 remained unchanged.

Vanaspatti & allied industries sector was the top traded sector in today's session with the share volumes of 46.6mn shares Technology & communication (34.8mn shares), Cement (17.9mn shares), Power generation & distribution (10.1mn shares) and Commercial banks (8.3mn shares).

## News & Corporate Announcements:

Pakistan Reinsurance Company Limited announced its financial result for the year ended on December 31, 2018. The EPS of the company for the 4QCY18 clocked in at PKR 0.97 against LPS of PKR 0.9 SPLY. Whereas CY18 EPS of the company clocked in at PKR 4.12 against of EPS of PKR 7.42 SPLY. PAKRI also announced cash dividend of PKR 2 per share.

Hascol Petroleum Limited announced its financial result for the year ended on December 31, 2018. Unconsolidated LPS for the 4QCY18 clocked in at PKR 9.27 against LPS of PKR 0.52 SPLY. While CY18 EPS of the company clocked in at PKR 1.14 against of EPS of PKR 8.56 SPLY, decline in earnings is largely due to surge in finance cost and exchange losses of PKR 3.9bn during the year. Company also declared bonus share of 10% for the period.

The Asian Development bank has forecasted a further 3.9% deceleration in Pakistan's Gross Domestic Product (GDP) growth, in fiscal year 2019.

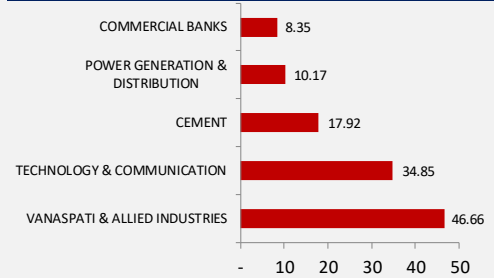
The Economic Coordination Committee (ECC) of the Cabinet Wednesday approved summary for importing 100,000 tons of urea to ensure availability of fertilizer in the market to cater to the domestic demands of farmers.

### Market Highlights

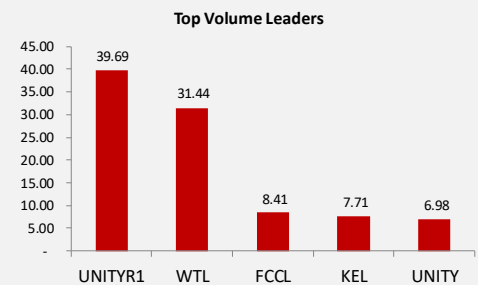
Current Index	38,022.80
Change	-13.23
Percent change	-0.03%
High	38119.14
Low	37855.09
Volume traded (mn shares)	63.00
Value traded (PKR mn)	3.220.

Source: PSX and AAH Research

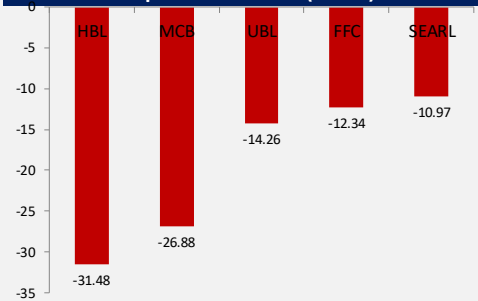
### Top-5 Traded Sectors (mn shares)



### 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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