



May 3,
2021

Index continues downward spiral to close the day at 44,076 points

Benchmark index opened the week with bearish tone, extending to a five days losing streak on Monday. Deteriorating economic indicators and indication of more deadly Covid variant were main reasons for today's dip. Covid-19 situation persisted to be grim, accordingly volumes remained low as severe lockdown measures including closure of commercial activities in upcoming week spiked investors' anxieties. In addition, National Consumer Inflation for Apr'21 was registered at 11.1% YoY while trade deficit widens by 20.1% to USD 23.56 bn during 10MFY21, which further dented investors' sentiments. Consequently, proposal of new capital market incentives and surpassing of FBR's revenue collection target to PKR 384bn, failed to influence the bourse in bullish territory. Going forward, we expect bourse remain in bear spell ahead of 10-days long Eid holidays.

The major scrips that deducted from the index were TRG (-129.74 pts), HUBC (-27.86 pts), NML (-22.69 pts), ANL (-15.68 pts), and LUCK (-14.57 pts). The index found its support and resistance at 43,630.07 points and 44,326.01 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 61mn shares. Food & personal care sector was the runner up, clocking in a total volume of 42mn shares. Chemical sector was the third-most traded sector amassing a volume of 28mn shares.

The bourse witnessed a volume of 238mn shares, with the value traded clocking in at PKR 11.32bn. The advance-to-decline ratio favored the bears as 104 scrips closed green, 221 closed red and 12 remained unchanged.

News & Corporate Announcements:

Pakistan State Oil (PSO) has signed multiple infrastructural MoUs of strategic importance with (PARCO) and (PAPCO) which aim to safeguard country's petroleum product supply chain and enable economical and environment friendly transportation of fuels.

The government is likely to grant incentives to the capital market in the upcoming budget (2021-22) by incorporating viable proposals of the Pakistan Stock Exchange Limited (PSX) including rationalization of the capital gains tax (CGT) on disposal of securities.

Pakistan received \$7.41 billion total external inflows during July-Mar FY21 from multiple financing sources which are 61% of annual budget estimates of \$12.23 billion for the entire fiscal year FY21.

The Federal Board of Revenue (FBR) surpassed its revenue collection target by Rs34 billion to Rs384bn in April, the second highest collection in the second half of current fiscal year (FY21).

Pakistan's inflation rate has increased to 11.1% in April, up from 9.1pc in the previous month mainly due to increase in food commodities prices, data released by the Pakistan Bureau of Statistics on Saturday showed.

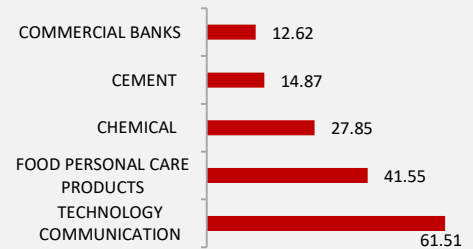
The country's trade deficit has widened by 20.1% to \$23.562 billion during first 10 months of FY 2020-21 from \$19.613 billion in the SPLY. Exports grew by \$2.471 billion or 13.4 per cent to \$20.879 billion during July-April 2020-21 as compared to \$18.408 billion in the same period of 2019-20.

Market Summary

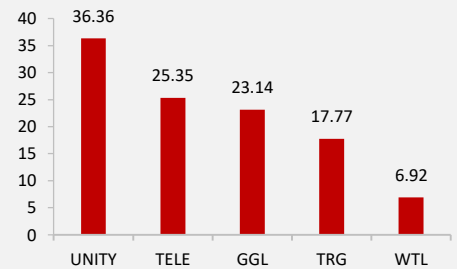
Current Index	44,076.20
Change	-186.15
Percent change	-0.42
High	44,326.01
Low	43,630.07
Volume traded (mn shares)	125.27
Value traded (PKR bn)	8.74

Source: PSX and AAH Research

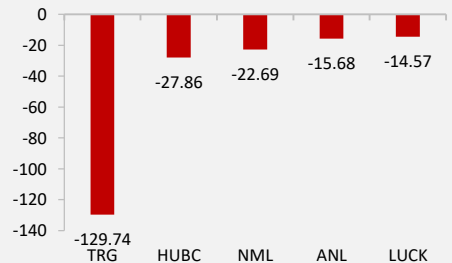
Top-5 Traded Sectors (mn shares)



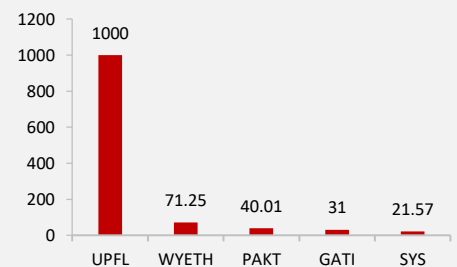
Top-5 Volume Leaders (mn shares)



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.

Analyst Certification ^{AC}

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