



March 5,
2019

Bourse sheds 61 points as cement dispatches show signs of slowing economic activity

Benchmark index started the Monday's trading session with a bullish trend, climbing over 200 points in early trading hours. However, weaker cement data and uncertainty due to the eastern border crisis dragged the index 61.2 points lower to close at 39,688.51 points. Cement dispatches for the month of Feb'19 declined 12% YoY to 3.32MT, lower sales strengthen the argument supporting slowing economic activity. Investors sentiments remained weak during the session as Pakistan Navy informs it intercept Indian submarine trying to enter Pakistan's water on Monday evening.

During the day bourse found its support and resistance at 39598.91 points and 39955.28 points. The major laggards responsible for dragging down the market were OGDC (-PKR 1.21), PPL (-PKR 1.80), PSO (-PKR 3.13), UBL (-PKR 0.99) and MCB (-PKR 1.07), cumulatively shed 68.37ppts from the index.

Sector-wise, the cement sector remained under pressure as cement dispatched fell 21% YoY in the month of Feb'19 to 3.32 MT. Among major cement scrips, LUCK lost PKR 2.52 from its share value followed by KOHC (-PKR 1.13), CHCC (-PKR 0.77) and PIOC (-PKR 0.77).

The bourse witnessed the volumes of 163mn shares, down by 3% DoD. The traded value clocked in at PKR 5.8bn. The advance to decline ratio remained in the favour of bears where 170 scrips declined, 138 scrips advanced and 25 remained unchanged.

Commercial banks sector was the top traded sector in today's session with the share volumes of 76.4mn shares followed Textile Composite (9.4mn shares), Chemical (8.7mn shares), Power Generation & Distribution (8.6mn shares) and Cement (8.0mn shares).

News & Corporate Announcements:

Ghani Gases Limited notified the PSX in its letter that the imported plant and machinery for third ASU plant of the company has arrived at the site of the company and currently installation activity is being carried out. The commissioning of the plant is planned by mid of May 2019.

Hascol Petroleum Limited has informed the PSX through its letter that the Hascol Terminals Limited, an associated company of Hascol Petroleum Limited, has completed successful commissioning of its storage facility of 232,000 cubic meters at Port Qasim.

ECC at its meeting approved the technical supplementary grant of PKR 180 million for engaging services of a consortium of Banks for Pakistan Banao certificates. Committee also approved the allocation of up to 9 mmcf/d gas from Fazl field, Matiari district to SSGCL.

SBP Conducted an OMO on Tuesday in which it mopped up Rs.179.750 Billion from the market for 3 Day.

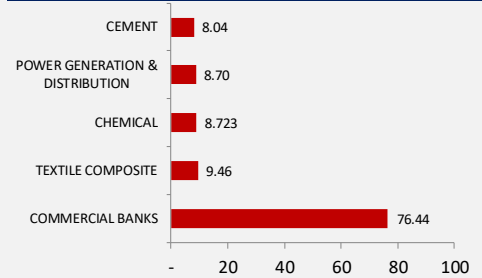
The Pakistan Navy detected an Indian submarine on Monday night trying to enter Pakistani waters and successfully thwarted the attempt, the Navy's spokesperson said on Tuesday

Market Highlights

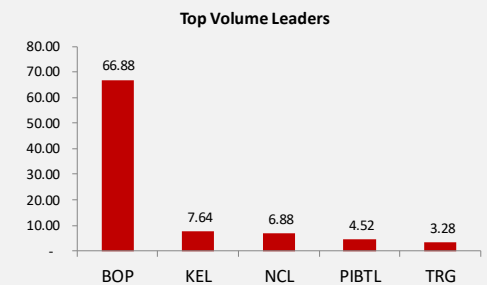
Current Index	39,688.51
Change	-61.24
Percent change	-0.15%
High	39955.28
Low	39598.91
Volume traded (mn shares)	126.6
Value traded (PKR mn)	4.726.

Source: PSX and AAH Research

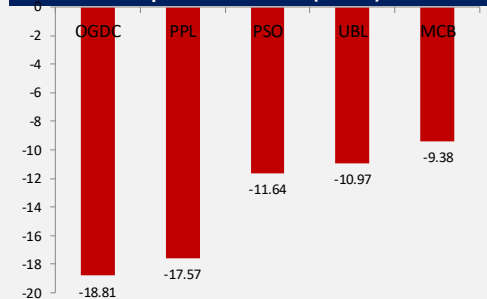
Top-5 Traded Sectors (mn shares)



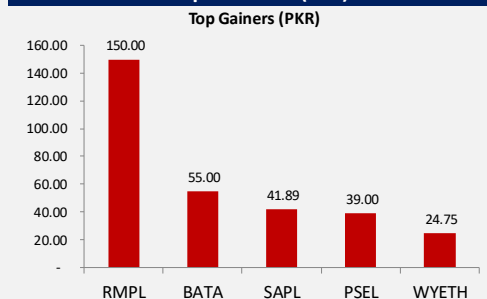
Top-5 Volume Leaders (mn shares)



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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