



May 5,
2021

Bulls continue two-day winnings, add 380 point during the day

Bulls enter two-day winning streak, adds 380.02 points to the benchmark index before closing at 44,943.61 point. Upbeat in local bourse stemmed from strong industrial data and resolution of long-awaited IPPs issues. Stocks traded upward since the start of trading as ECC was expected to clear 40% installment against committed PKR 403 bn payment to IPPs to lower the current circular debt. Positive cues also stemmed from APCMA's cement dispatches data for Apr'21 which showed ~19%YoY growth during 10MFY21 while sales jumped 41% YoY in the month under review. In addition, news flowing on Finance minister Shaukat Tarin efforts seek valuable inputs for formulation of a people friendly and growth-oriented budget in upcoming fiscal year also supported market rally. Going forward, we believe market to track on strong fundamental and positive trend in industrial data outputs.

The major scrips that added to the index were HUBC (98.44), PSO (33.67), POL (27.88), LUCK (21.37), and PPL (21.02). The index found its support and resistance at 44,563.59 points and 45,173.61 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 89mn shares. Food & personal care sector was the runner up, clocking in a total volume of 47mn shares. Chemical sector was the third-most traded sector amassing a volume of 26mn shares.

The bourse witnessed a volume of 260mn shares, with the value traded clocking in at PKR 14.81bn. The advance-to-decline ratio favored the bulls as 201 scrips closed green, 125 closed red and 18 remained unchanged.

News & Corporate Announcements:

The United Nations General Assembly (UNGA) President Volkan Bozkir will be visiting Pakistan this month on the invitation of the government. During his upcoming trip to South Asian countries, he will also visit Pakistan and Bangladesh.

Cement sector posted growth of 40.41% YoY in April 2021 when total cement dispatches were registered at 4.943 million tons against 3.52 million tons dispatched during the SPLY. Exports increased by 252% YoY, from 249,127 tons in April 2020 to 877,163 tons in April 2021.

Petroleum products sales increased 57 percent to 1.672 million tons during April 2021 against 1.068 million tons recorded during April 2020. On a monthly basis, oil marketing companies' (OMCs) off-take picked up 13 percent supported by a sharp increase in High-Speed Diesel (HSD) sales.

Atlas Honda announced an increase in its bike prices once again by up to Rs.3000. These new bike prices will come into effect from the 3rd of May 2021. This will be the fourth time that Atlas Honda has raised its bike prices this year.

With the power sector emerging as the country's biggest economic challenge, the Economic Coordination Committee (ECC) is set to take up today (Wednesday) at least four critical policy decisions including the payment of 40 per cent dues to the independent power producers (IPPs).

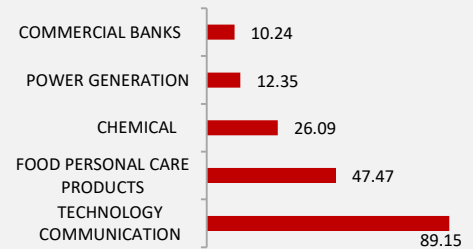
Sindh Chief Minister Syed Murad Ali Shah has said that keeping in view the coronavirus situation, his government would intervene to make oxygen plants operational at steel mills against a cost of Rs1 billion.

Market Summary

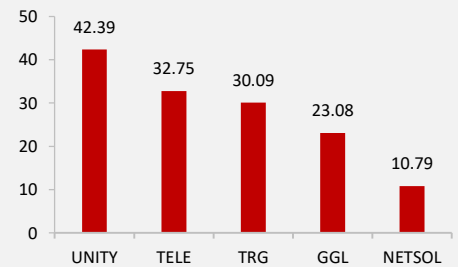
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|---------------------------|-----------|
| Current Index | 44,943.61 |
| Change | 380.02 |
| Percent change | 0.85% |
| High | 45,173.61 |
| Low | 44,563.59 |
| Volume traded (mn shares) | 129.45 |
| Value traded (PKR bn) | 10.81 |

Source: PSX and AAH Research

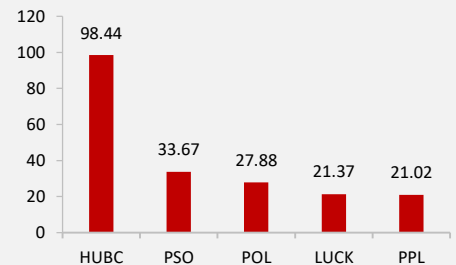
Top-5 Traded Sectors (mn shares)



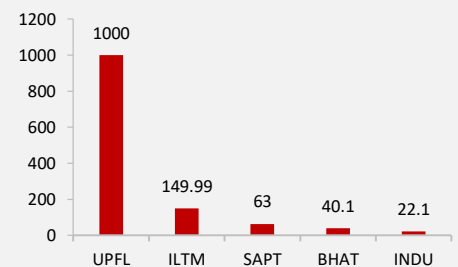
Top-5 Volume Leaders (mn shares)



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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