



June 7,  
2021

## KSE-100 index settles with meagre gain of 91 points owing to lack of triggers

The local bourse witnessed a lackluster trading session, as benchmark KSE-100 index added only 90.96 points at the start of week. The sluggish behavior of the market was due to the lack of positive triggers while investors await the upcoming budget announcement scheduled for 11<sup>th</sup> June. Investors' sentiments remained neutral but confidence remained on a higher side as reflected in strong volumes. Delay in finalization of policies for key industries also added to investors' subdued interest. Going forward, we expect the government's pro-people budget language to initiate the bullish trend in local equities.

Sector-wise, Technology & Communications remained in the spotlight with a total volume traded of 345mn shares. Cement banks sector was the second most traded which witnessed 71mn shares being traded today. Power Gen. & Dist. sector was the third most traded sector with 58mn shares.

The total volume and value traded today were 936mn shares and PKR 27.6bn respectively, continuing to depict an upward trend from the previous day. The advance to decline ratio favored the bulls as 210 scrips closed green, 165 closed red and 21 remained unchanged.

## News & Corporate Announcements:

At least 34 passengers were killed and more than 100 others injured after two passenger trains collided on Monday morning near Ghotki district, Sindh.

Advisor to Prime Minister on Commerce and Investment, Abdul Razak Dawood, told Bloomberg that custom duties imposed on the import of raw materials required by pharmaceutical, chemical, engineering and food processing industries will be reduced to 10%. The proposal will be floated in the upcoming budget for fiscal year 2021-22, which will be presented on June 11.

NEPRA has approved 44 paise per unit reduction in power tariff under monthly fuel adjustment (FCA) for April. Central Power Purchase Agency (CPPA-G) on behalf of X-WAPDA DISCOs had sought reduction of 84 paise per unit having impact of Rs 8.5 billion for April under monthly fuel adjustment mechanism.

After gaining 17 paise in the last trading session, the Pakistani rupee (PKR) on Monday depreciated by 69 paise against US Dollar (USD) in an interbank session to close at 155.31 per USD. On Friday, the home unit had closed at 154.62 against the greenback.

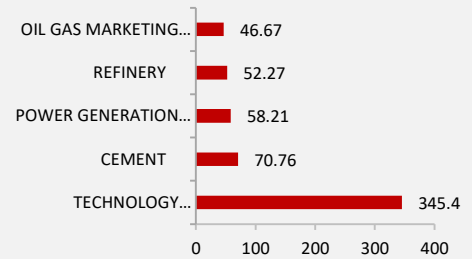
Minister for Information Fawad Chaudhry said on Monday that the next general elections in the country will take place under a 'new mechanism' and consultation with the Election Commission of Pakistan (ECP) was underway in this regard.

### Market Summary

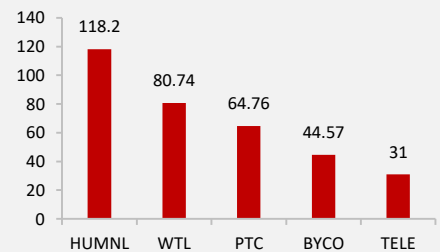
|                           |           |
|---------------------------|-----------|
| Current Index             | 48,302.66 |
| Change                    | 90.96     |
| Percent change            | 0.19      |
| High                      | 48,632.95 |
| Low                       | 48,211.70 |
| Volume traded (mn shares) | 320.03    |
| Value traded (PKR mn)     | 14.29     |

Source: PSX and AAH Research

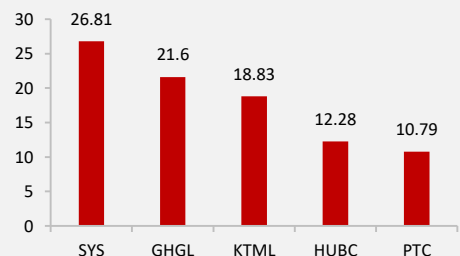
### Top-5 Traded Sectors (mn shares)



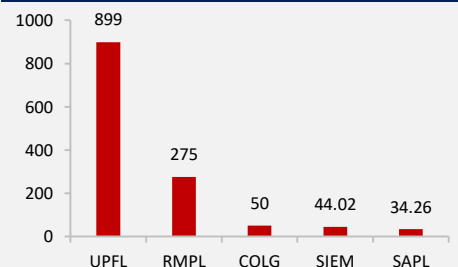
### Top-5 Volume Leaders (mn shares)



### Top-5 Index Movers (Points)



### Top-5 Gainers (PKR)



Data Source: PSX

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## 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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