



April 4,
2021

High volatility despite various positive cues, KSE-100 closes the week at 44,300.95

Benchmark index faced see-saw trading during the week despite witnessing several positive economic indicators. The benchmark shed 2.6% WoW depicting a loss of -1220.68 points to close at 44,300.95 points. Inflation hits 9.05% in Mar'21 as prices continue to soar accordingly speculations are tilting towards inflation hitting double-digit during Ramzan season. As per data released by OCAC, overall volumetric sales of petroleum products increased 6% MoM, supported by faster than expected recovery of economic activity. In addition, recent appreciation of Pak Rupee (PKR) tracked close to 22 month of PKR 152.74 against the USD. However, rising Covid cases all over the country resulting in smart lockdowns and travel restrictions has put a dent on investors' morale as lower traded volumes, average of 377mn shares, became a recurring trend during the week. Going forward, we believe bourse to track on the status of Pandemic recovery and effective vaccine roll-out.

During the week several factors that influenced the bourse are as follows: i) government successfully sold USD 2.5bn worth of Eurobonds to foreign investors. ii) SBP announced receipt of IMF's USD 499mn tranche under EFF. iii) PM replaced Abdul Hafeez Shaikh with Hammad Azher as the new Minister of Finance. iv) PKR appreciation resulted in in battering of technology stocks due to exchange losses.

Among market participants' foreigners remained net seller during the week amounting to USD 4.93mn, primarily contributed by corporates amounting to USD 3.94mn. Whereas local investors remained net buyer amounting to USD 4.94mn, mainly contributed insurance (USD 8.39mn), individuals (USD 5.39mn) and banks (USD 4.53mn). While m-funds became net seller with the amount of USD 13mn.

News of the week:

PKR appreciates by 9% against USD in 9MFY21

Economy | Neutral

With a new wave of COVID-19, economies are trying to recover from the financial crisis amid progressive rollout vaccine, fearing higher inflation prints and weak currencies. However, the Pakistani Rupee (PKR) led the chart of the world's best-performing currencies in the first three months of CY21 as it closed on a stronger note with an appreciation of 4.43% against the US Dollars (USD). | [Click for more info.](#)

Pakistan's Trade Deficit at USD 20.827 Billion in 9 months of FY21

Economy | Negative

Pakistan's trade deficit for 9 months (July-March) FY21 was USD 20.83 billion compared to a deficit of USD 17.35 billion from the corresponding period from FY20. According to data released by the Pakistan Bureau of Statistics (PBS), the trade deficit for the month of March 2021 was recorded at USD 3.271 billion compared to a deficit of USD2.555 billion from February 2021 showing the deficit worsened by 28.02 percent. | [Click for more info.](#)

SECP proposes amendments to Non-Banking Finance Companies and Notified Entities Regulations

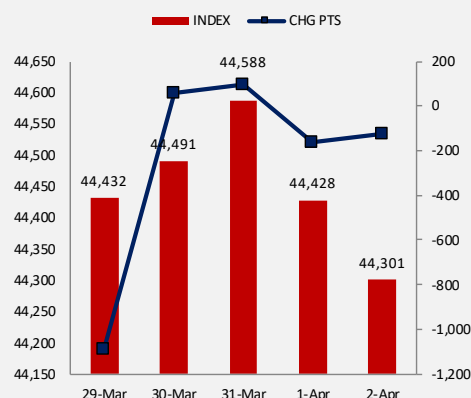
Economy | Neutral

In order to improve governance and risk management of Non-Banking Microfinance Companies (NBMFCs), the Securities and Exchange Commission of Pakistan (SECP) has proposed amendments to the Non-Banking Finance Companies and Notified Entities Regulations, 2008. | [Click for more info.](#)

KSE-100	L-WEEK	C-WEEK	CHNG	% CHNG
INDEX	45,522	44,301	-1,221	-2.68%
WEEK HIGH	46,001	45,522	-479	-1.04%
WEEK LOW	44,736	44,199	-537	-1.20%
VOLUME (MN)	1,164	1,074	-90	-7.70%
VALUE US\$ (MN)	432	465	33	7.66%
AVERAGE	45,550	44,448	-1,102	-2.42%
MKT CAP (PKR)	1.93	1.91	-0.02	-0.99%
FIPI NET (US\$ MN)	-0.12	-4.93	-4.94	N/A

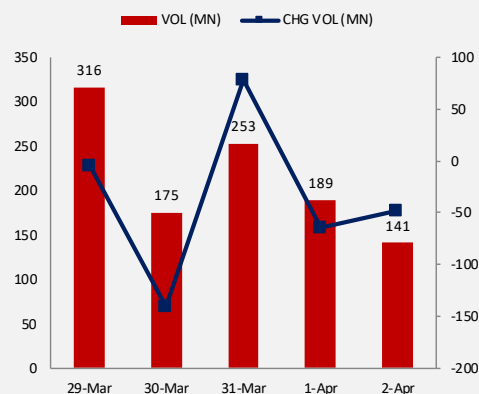
Source: PSX

KSE-100 INDEX



Data Source: PSX

KSE-100 INDEX VOLUME



Data Source: PSX

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited
(021) 32429665, Ext. 106

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REP-055



Service Global Footwear IPO is just around the corner

SRVI | **Positive**

Another IPO for 2021 is around the corner. Service Global Footwear Limited, the largest footwear exporter of Pakistan since the last decade, is all set to go public as it plans to issue 40,887,500 ordinary shares at a floor price of PKR 38 per share. The entire Issue will be offered through the book building method. The bidders shall be allowed to place bids for 100% of the Issue size. However, 75% of the issue size i.e. 30,665,625 Ordinary Shares will be allotted to Successful Bidders and the remaining 25% of the issue i.e. 10,221,875 Ordinary Shares will be offered to Retail Investors. | [Click for more info.](#)

Organic Meat Company receives approval to export heat-treated meat to China

TOMCL | **Positive**

The Organic Meat Company Limited (TOMCL) has received approvals and has been granted registration by Chinese customs authorities for the export of heat-treated beef meat to the People's Republic of China.. | [Click for more info.](#)

OMCs: Sales up by 6% MoM, PSO leads the chart

OMCs, PSO | **Positive**

The upturn in the sales of Petroleum and Lubricants continues, as the total sales volume of the Oil and Marketing Companies (OMCs) increased by 6% MoM to stand at 1.48MTs in the month of March'21 as compared to 1.39MTs in the previous month. Company-wise, Pakistan State Oil (PSO) led the charts by posting 85% YoY and 8% MoM growth to 0.69MTs, contributed by strong sales of FO (up by 31% MoM and 10.7x YoY). | [Click for more info.](#)

Cement sector posts highest ever monthly growth in March-21

Cements | **Positive**

The cement sector posted the highest ever monthly growth of 44.39 percent in March 2021 due to a massive increase in domestic consumption as well as exports. Total Cement dispatches during March 2021 were 5.373 million tons against 3.722 Million Tons dispatched during the same month of last fiscal year. | [Click for more info.](#)

Federal cabinet defers ECC's proposal for cotton, sugar import from India

Economy | **Neutral**

The federal cabinet has deferred an Economic Coordination Committee's proposal for the import of cotton and sugar from India. After the cabinet meeting, the Foreign Minister Shah Mahmood Qureshi, in a video message, said after debating the matter, the federal cabinet did not endorse the ECC's proposal for the import of cotton and sugar from India and decided to put it off. | [Click for more info.](#)

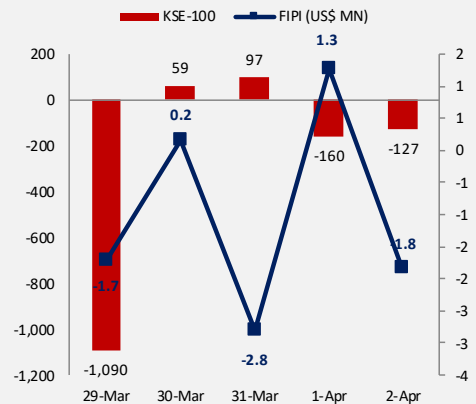
Pakistan and Afghanistan sign protocol on extension of APTTA for 3 months

Economy | **Neutral**

Pakistan and Afghanistan have formally signed the protocol on the extension of APTTA for 3 months. This was announced by Adviser to Prime Minister of Pakistan for Commerce and Investment, Abdul Razaq Dawood via his official Twitter handle. The signing ceremony was held via video link simultaneously at Kabul and Islamabad.

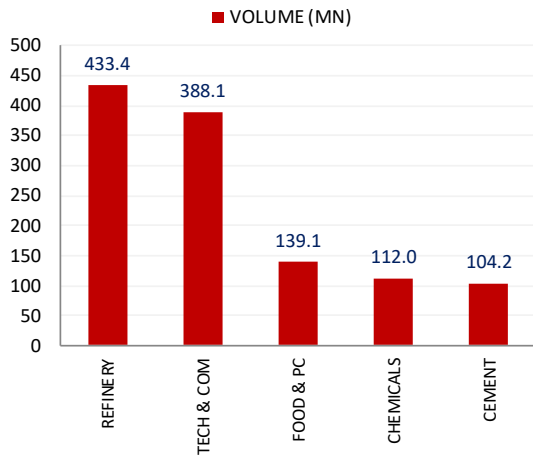
| [Click for more info.](#)

KSE-100 RETURN & FIPI FLOWS

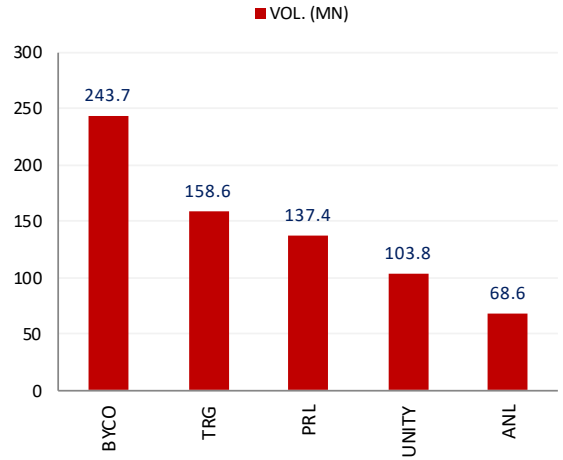




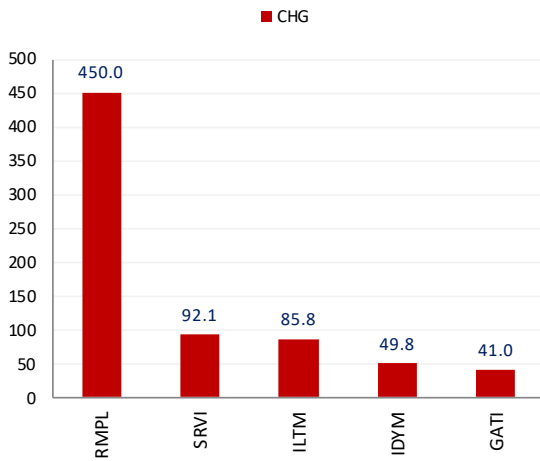
TOP 5 SECTORS OF THE WEEK



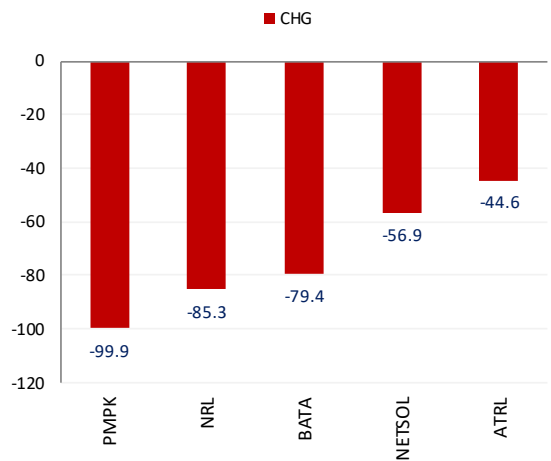
TOP 5 VOLUME LEADERS OF THE WEEK



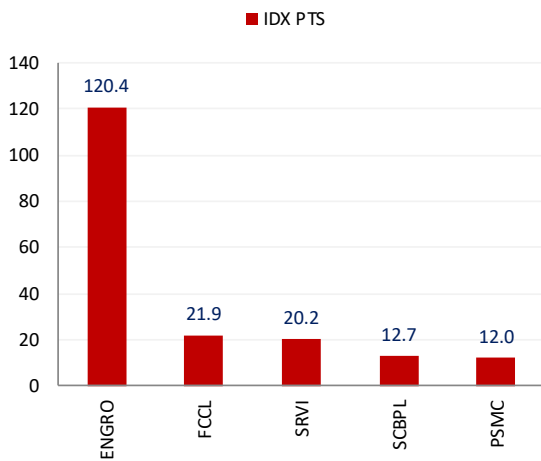
TOP 5 PRICE GAINERS OF THE WEEK



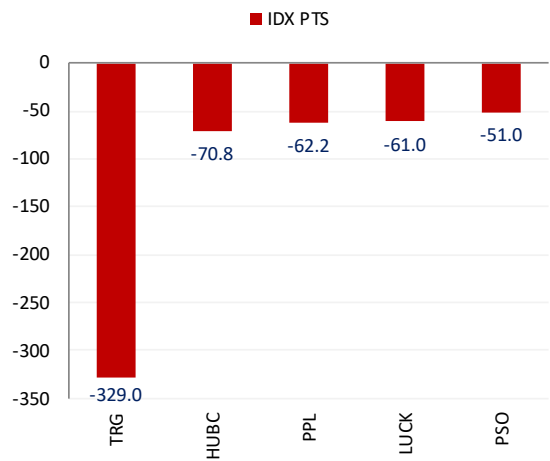
TOP 5 PRICE LOSERS OF THE WEEK



TOP 5 PARTICIPANTS OF THE WEEK (+ive)



TOP 5 PARTICIPANTS OF THE WEEK (-ive)

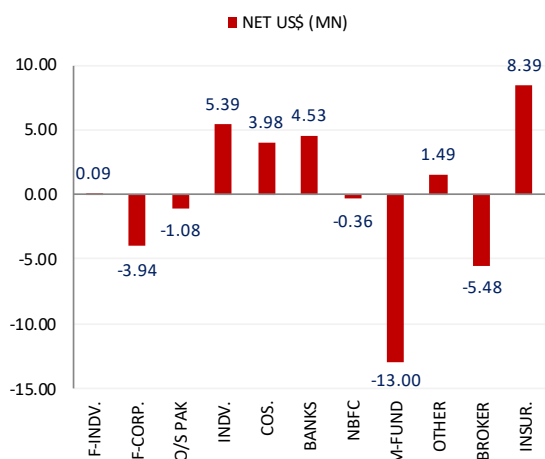




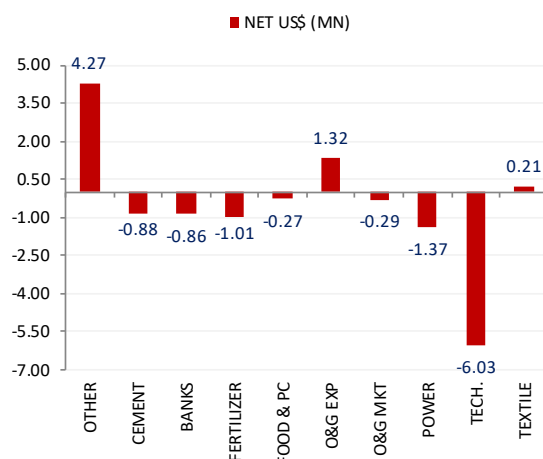
Foreign & Local Portfolio Investments

SECTOR	F-INDV	F-CORP	O/S PAK	NET US\$	INDV.	COS.	BANKS	NBFC	M-FUND	OTHER	BROKER	INSUR
OTHER	0.15	-0.40	4.52	4.27	0.09	0.18	2.91	-0.08	-5.18	0.03	-5.11	2.90
CEMENT	0.01	-0.84	-0.05	-0.88	-0.06	-0.17	1.52	-0.10	-3.17	0.11	-0.18	2.93
BANKS	0.01	-0.57	-0.30	-0.86	0.59	0.14	0.28	-0.09	-1.82	0.54	0.25	0.97
FERTILIZER	0.00	-1.03	0.01	-1.01	1.12	0.85	-2.54	0.02	2.10	0.53	1.02	-2.08
FOOD & PC	0.00	0.00	-0.27	-0.27	-1.48	-0.32	0.68	0.00	-0.45	0.03	-0.21	2.02
O&G EXP	0.00	1.14	0.18	1.32	0.88	0.19	0.20	-0.09	-2.48	0.17	-0.03	-0.15
O&G MKT	0.00	-0.24	-0.05	-0.29	1.04	0.06	-0.50	-0.01	-0.33	0.02	0.12	-0.12
POWER	0.00	-1.80	0.42	-1.37	0.51	0.43	0.16	0.00	-0.47	0.19	0.02	0.53
TECH.	-0.03	-0.11	-5.89	-6.03	1.41	2.82	0.83	-0.01	0.74	-0.08	-0.93	1.25
TEXTILE	-0.06	-0.08	0.35	0.21	1.28	-0.20	0.99	0.00	-1.96	-0.05	-0.43	0.15
NET US\$	0.09	-3.94	-1.08	-4.93	5.39	3.98	4.53	-0.36	-13.00	1.49	-5.48	8.39

PORTFOLIO INVESTMENT BY CLIENT



PORTFOLIO INVESTMENT BY SECTORS





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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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THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst
zubair@abaalihabib.com

Behroze Atique Bahalim – Research Analyst
behroz@abaalihabib.com

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

Zaheer Ahmed - Head of Institutional Sales
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Salman Ahmed - Head of Retail Sales
(021) 32412491

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Ammara Hayat Khan - Sales/Business Development
ammara@abaalihabib.com

Office (PSX Building)

Room # 419, 419 A & 421, 4th Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi
Contact: 021-32429665
Cell: [+92 3312766771](tel:+923312766771)