



Beware the Ides of March, political tension put KSE-100 in tailspin

Benchmark witnessed seesaw trading in early hours as investors awaited key political decisions, closed index 531 points lower on disappointments. Market bears have trimmed the benchmark by 7.7% from current years high, bringing the index's CYTD return to -0.1%. Participants' confidence was shunned during session by ECP's unexpected decision to reject PTI's petition against Gillani's victory. Furthermore, government's consideration to withdraw tax exemptions to the size of ~PKR 140bn and upward revision in power tariff jolted investors' interest in bourse. On global front, international oil futures dropped from year's high as US crude oil inventories build up. Going forward, we believe the market to track political scenarios of the country with major focus on upcoming election of Senate Chairperson.

The major scrips that deducted from the index were TRG (-76 pts), SYS (-52 pts), LUCK (-42 pts), HUBC (-35 pts), and HBL (-31 pts). The index found its support and resistance at 43,620.84 points and 44,424.04 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 73mn shares. Cement sector was the runner up, clocking in a total volume of 40mn shares. Refinery sector was the third-most traded sector amassing a volume of 34mn shares.

The bourse witnessed a volume of 363mn shares, with the value traded clocking in at PKR 21.14bn. The advance-to-decline ratio favored the bears as 104 scrips closed green, 238 closed red and 17 remained unchanged.

News & Corporate Announcements:

Pakistan finally moves towards setting up the wholesale electricity market; following digitizing upstream energy sector with the help of the United States of America.

The Italian energy company, Eni, has sold its assets in Pakistan to Prime International Oil & Gas Company, a newly established joint venture (JV) between its local employees and Hub Power Company, in line with its 2021-24 business plan to dispose of its non-key assets to raise cash after the global downturn triggered by the Covid-19 pandemic and to move towards cleaner fuels.

In what appears to be a new dimension in taxation, the country's top tax machinery has detected Rs60.308 billion foreign untaxed income disbursements to 75,615 individuals through digital transactions in less than two-and-a-half years.

Federal Minister for Education Shafqat Mehmood is holding an important press conference with Special Assistant to the Prime Minister on Health Dr Faisal Sultan at the National Command and Operations Centre (NCO) to review the coronavirus situation in the country and school opening modalities.

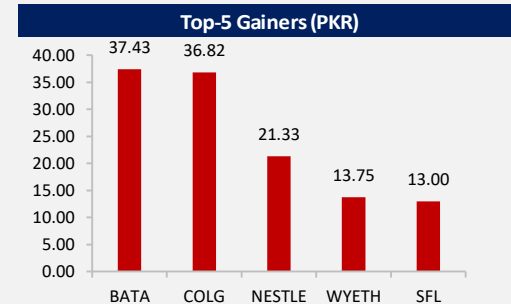
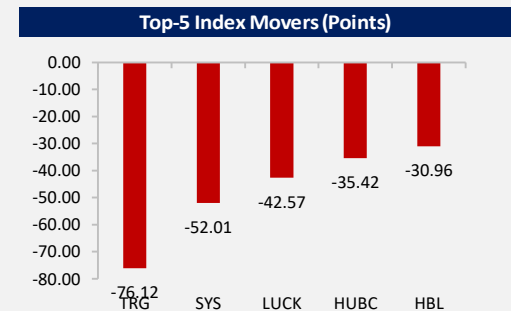
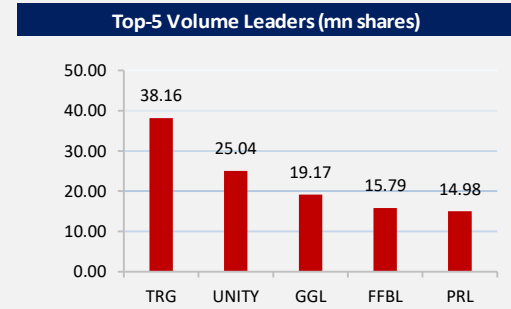
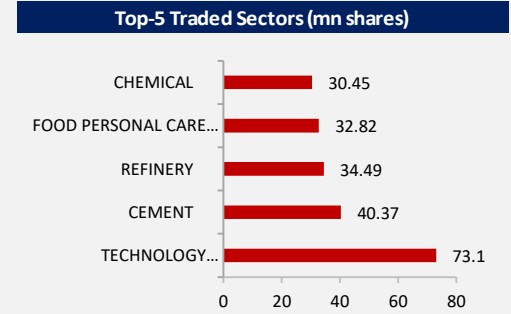
The Election Commission of Pakistan (ECP) on Tuesday rejected a petition filed by the Pakistan Tehreek-i-Insaf (PTI) seeking to stop the issuance of a notification of Senator-elect Yousuf Raza Gilani's victory.

After resisting IMF's request for more than a year, the Federal government approved "The Income Tax Second Amendment Bill 2021".

The overall power generation during the month of Jan'21 increased by 4% YoY to 8,079 Gwh compared to 70794 GWh produced in the same month last year.

Market Summary	
Current Index	43,691.68
Change	-531.23
Percent change	-1.2%
High	44,424.04
Low	43,620.84
Volume traded (mn shares)	188.31
Value traded (PKR mn)	14.45

Source: PSX and AAH Research



Data Source: PSX

Research Team

research@abaalihabib.com

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

REP-055

www.jamapunji.pk



سرمایہ کاری سمجھداری پاکستان

DAILY CLOSING NOTE

March 10, 2021



Disclaimer

This report has been prepared by Aba Ali Habib Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Aba Ali Habib Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Aba Ali Habib Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents.

In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Aba Ali Habib Securities' Research Department and do not necessarily reflect those of the company or its directors. Aba Ali Habib as a firm may have business relationships, including investment- banking relationships, with the companies referred to in this report. Aba Ali Habib Securities or any of its officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the subject company, may have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company, may serve or may have served in the past as a director or officer of the subject company, may have received compensation from the subject company for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from the subject company for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the subject company.

All rights reserved by Aba Ali Habib Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Aba Ali Habib Securities. Action could be taken for unauthorized reproduction, distribution or publication.

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}

The research Analyst(s) hereby certify that the views about the company/companies and the security/securities discussed in this report accurately reflect his or her or their personal views and that s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

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
behroze@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

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)



https://twitter.com/Aba_Ali_Habib



<https://www.facebook.com/aah162>



<https://www.linkedin.com/company/aba-ali-habib-securities/>