



February  
11, 2021

## Bloodbath at PSX, benchmark sheds 588 points on profit-taking

Stocks succumbed to profit-taking on Thursday, as KSE-100 index dipped 588.77 points to close the trading at 46,055.52 level. Bourse took positive start of the trading with a gain of 291 points in early hours on strong corporate announcements, however, bears took center stage in final hours. Protest of govt. employees triggered a large impact on bourse today as activity in capital negatively influenced the market sentiments. With delays in ECC policy approvals and rift between govt-opposition on senate elections, gave rise to uncertainty. In light of these events, investors' took profit taking measures in the second last session of the week on weak economic indicators. Going forward, we believe the bourse will track political indicators in the last session of the week.

The major scrips that deducted from the index were TRG (-65pts), PSO (-41 pts), HBL (-38 pts), UBL (-34 pts), and HUBC (-26 pts). The index found its support and resistance at 45,960.44 points and 46,935.32 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 525mn shares. Cement sector was the runner up, clocking in a total volume of 149mn shares. Power Generation & Distribution sector was the third-most traded sector amassing a volume of 59mn shares.

The bourse witnessed a volume of 1,125mn shares, with the value traded clocking in at PKR 35.6bn. The advance-to-decline ratio favored the bears as 94 scrips closed green, 265 closed red and 10 remained unchanged.

### News & Corporate Announcements:

Defence Minister Pervez Khattak said a 25 per cent increase in the salaries of federal government employees from grades 1 to 19 has been approved on an "ad-hoc" basis.

The United States State Department has clarified that there has been no change in America's Kashmir policy and Washington still considers both Jammu and Kashmir as a territory disputed between India and Pakistan.

Karachi based fin-tech Safepay has raised seed funding from global financial technology platform company Stripe. The startup did not share the exact size of the deal but has told us that it's a seven-figure (USD) amount alongside participation of other local and international investors.

The International Energy Agency warned Thursday the world oil market remains fragile, despite a recent recovery in prices, as tighter restrictions are imposed to curb more contagious coronavirus variants.

According to Pakistan Bureau of Statistics (PBS) data, Pakistan's retail trade for 2019-20 was estimated to be Rs7 trillion (16 percent of GDP). Presently, the 'organized retail sector' comprises approximately 8-10 percent of the entire trade and has been growing over 20 percent annually for the last decade.

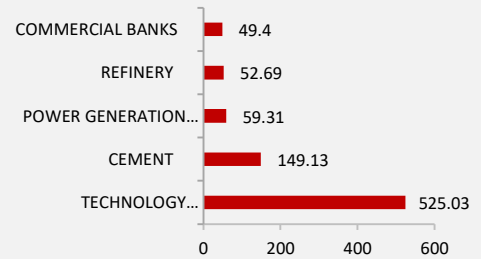
A detailed briefing on the development of a mechanism for monitoring and evaluation of PSDP projects by the Ministry was given to the National Assembly standing Committee on Planning, Development and Special Initiatives. The said project had been aimed to keep a check on the PSDP projects through modern information technological means as well as services of relevant consultants for their inspection and audit.

#### Market Summary

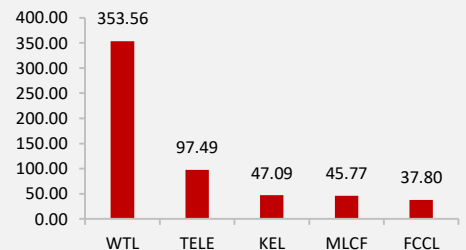
Current Index	46,055.52
Change	-588.77
Percent change	-1.26
High	46,935.32
Low	45,960.44
Volume traded (mn shares)	366.02
Value traded (PKR mn)	25.05

Source: PSX and AAH Research

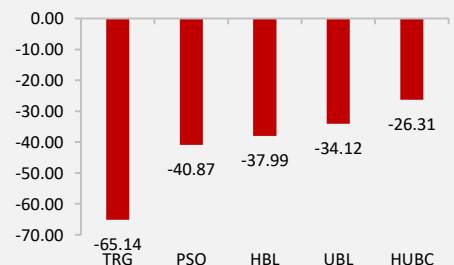
#### Top-5 Traded Sectors (mn shares)



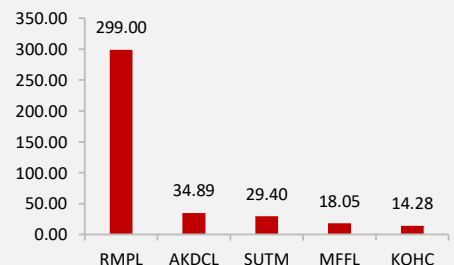
#### Top-5 Volume Leaders (mn shares)



#### 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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