



November
12, 2020

Market appetite soften, equities drop 633 points as lockdown fears resurface

The three days winning streak came to an end as the benchmark KSE-100 index nosedived -632.77 points to settle the day at 40,564.55 level. We believe the bourse plummeted owing to concern over rapidly rising Covid-19 cases which created fear among investors for another lockdown in domestic economic centers. Furthermore, market appetite softened as optimism surrounding a potential coronavirus vaccine faded, resulting in investors' adoption of cautious approach at current level.

Major scrips which dragged the index in red zone were HBL (-43 pts), OGDC (-43pts), PPL (-41 pts), HUBC (-38 pts) and UBL (-35 pts). During the session, the index found its support and resistance at 40,492.75 pts and 41,197.32 pts, respectively.

Sector-wise, Commercial banking sector remained in limelight throughout the trading session which fetched total volume of 48.93mn shares. Cement sector was the second most traded sector which recorded total volume of 38.61mn shares followed by Technology & Communication sector which fetched volume of 32.48mn shares.

The bourse witnessed the volumes of 328mn shares, while traded value clocked in at PKR 11.32bn. The advance to decline ratio remained in the favour of bears where 86 closed green, 263 scrips closed red and 12 remained unchanged.

News & Corporate Announcements:

Ghani Chemical Industries Limited (GCIL), a subsidiary company of Ghani Global Holdings Limited has signed a Long Term Supply Agreement with Engro Polymer & Chemicals Limited (EPCL) on November 12, 2020 for the Supply of Oxygen and Nitrogen Gases for a period of 15 years from April 2021. As a result, sales of GCIL will further increase by approximately 86 Tons — 105 Tons per day.

The International Energy Agency (IEA) on Thursday cut its 2020 global oil demand forecast, citing a resurgence of the Covid-19 pandemic, with vaccines unlikely to have much of an impact until well into next year.

Pakistani rupee (PKR) appreciated by 16 paisa against US Dollar (USD) in today's interbank session as the currency closed the day's trade at PKR 158.33 per USD, against yesterday's closing of PKR 158.49 per USD.

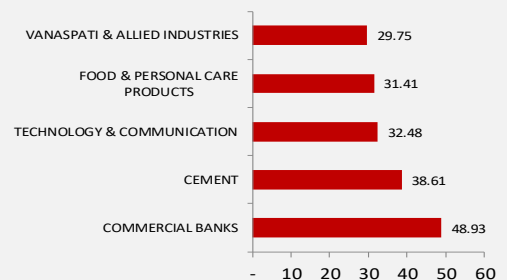
Pakistan Petroleum Limited (PPL) has commenced Extended Well Testing (EWT) production at Exploratory Well Bolan East-1, Ziarat Block, Balochistan.

Market Highlights

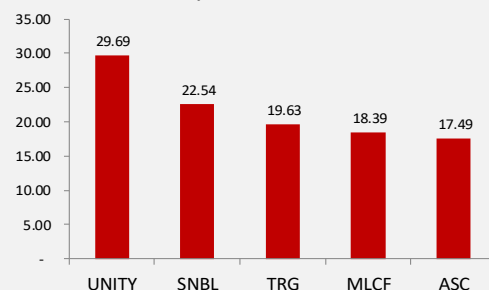
Current Index	40,564.55
Change	-632.77
Percent change	-1.54%
High	41,197.32
Low	40,492.75
Volume traded (mn shares)	167.11
Value traded (PKR mn)	8,267

Source: PSX and AAH Research

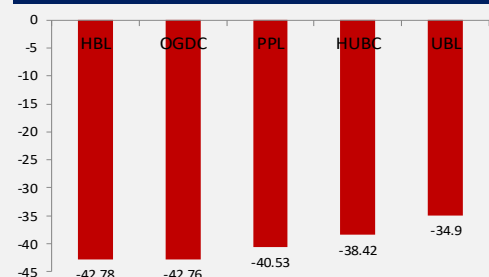
Top-5 Traded Sectors (mn shares)



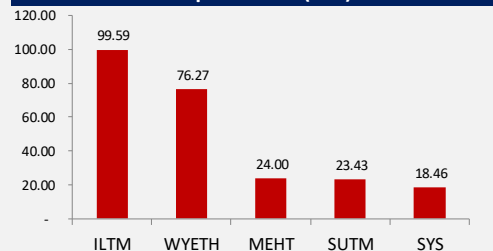
Top-5 Volume Leaders (mn shares)



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.

Analyst Certification ^{AC}

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