



## The bourse summits 46,000 mark, industry data suggests further recovery

January 13, 2021

Bulls continue two-day winning streak in today's session, uplifts the benchmark to close above 46,000 level with a gain of 169.92 points. Investors' interest in key sectors was largely due to stellar improvement in big manufacturing data, as per PBS large scale manufacturing index jumped 14.4% YoY in Nov'20, which confirms economy's quick recovery from pandemic downturn. Taking cues from yesterday's trend, investors' activity remained concentrated in power, technology & communication and cement sectors as the earnings reporting period is just around the corner. Interest in bourse was also supported by rally in international oil prices that jumped on the back of larger than expected drawdown in US crude inventories as demand prospects improves. Going forward we expect market to maintain current stable uptrend with expectations of positive post-Covid earnings growth.

The major scrips that added to the index were SYS (+48pts), TRG (+27 pts), PIOC (+20 pts), HBL (+20 pts), and INIL (+19 pts). The index found its support and resistance at 45,922.04 points and 46,314.15 points, respectively.

Sector-wise, Power Generation & Distribution sector took the spotlight again, generating a volume of 125mn shares. Technology & Communication sector remained the runner up, clocking in a total volume of 101mn shares. Cement sector was the third-most traded sector amassing a volume of 95mn shares.

The bourse witnessed a volume of 845mn shares, with the value traded clocking in at PKR 26.86bn. The advance-to-decline ratio favored the bulls as 210 scrips closed green, 174 closed red and 16 remained unchanged.

### News & Corporate Announcements:

UBL has been declared the 'Best Digital Bank' for 2020 at the Pakistan Banking Awards 2020 held on Friday, 8th January 2021. As Pakistan's fastest growing digital bank, UBL has won this award for the second time for 2020

Pakistan's exports have maintained their upward trajectory, as the country's vital textile sector continues to boost impressive export growth. As per the latest data shared, Jul-Dec 2020 show that the exports of Home Textiles increased by 16% to USD 2,017 million, Readymade Garments by 25% to USD 1,181 million and Tents/Canvas by 57% to USD 62 million.

Health and tobacco control activists have urged the government to take notice of the delay in implementation of the 'health tax' on tobacco products and carbonated drinks that was approved by the Cabinet in 2019.

The integrated telecom license of Pakistan Telecommunication Company Limited (PTCL) for fixed line telecom services has been renewed by Pakistan Telecommunication Authority (PTA) on January 13, 2021.

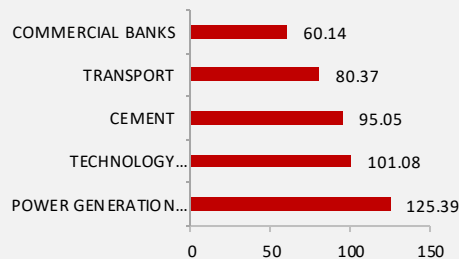
In view of revision in the scope of the Paper & Board Mill Project and the resultant increase in its production capacity along with efficiency, the Board of Directors of the Mirpurkhas Sugar Mills Ltd, in its meeting held on January 12, 2021, has approved the revised project cost of up to Rs. 2 billion.

Foreign Minister Shah Mahmood Qureshi welcomed his Turkish counterpart at the Foreign Office in Islamabad on Wednesday and discussed a host of bilateral and international issues ahead of the trilateral meeting today between Pakistan, Turkey and Azerbaijan,

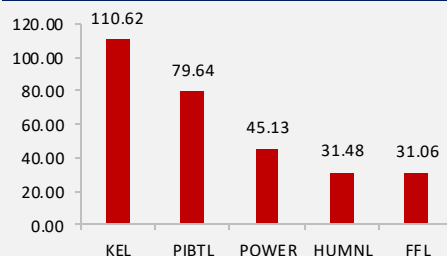
Market Summary	
Current Index	46,091.96
Change	169.92
Percent change	0.37
High	46,314.15
Low	45,922.04
Volume traded (mn shares)	466.26
Value traded (PKR mn)	17.57

Source: PSX and AAH Research

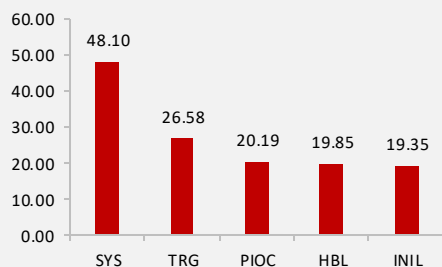
#### Top-5 Traded Sectors (mn shares)



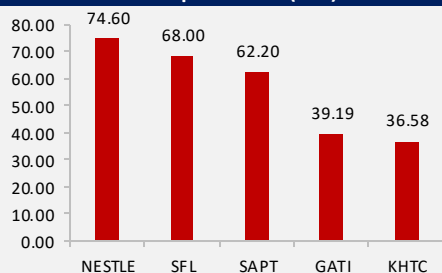
#### Top-5 Volume Leaders (mn shares)



#### 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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