



February
15, 2021

Benchmark snaps losing streak, jumps 567 points on oil recovery

Stocks opened positive on Monday, gained 567 points as international oil prices recover to pre-pandemic price levels of USD 60/ barrel. During the session index touched ceiling of 46,507.42 points before closing at 46,375.59 points. Domestic equities also cheered government's step-up effort for timely acquisition of Covid-19 vaccines, over the weekend government revealed that it has acquired 17 million doses of vaccines from multiple sources. Furthermore, investors' sentiments remained positive during the trading after foreign office briefed that the country has made substantial progress on FATF action plan. Going forward, we expect current bullish trend to continue in bourse on strong corporate announcements.

The major scrips that added to the index were OGDC (55pts), TRG (46 pts), DAWH (34 pts), DGKC (34 pts), and SYS (30 pts). The index found its support and resistance at 45,808.36 points and 46,507.42 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 125mn shares. Cement sector was the runner up, clocking in a total volume of 79mn shares. Textile Composite sector was the third-most traded sector amassing a volume of 45mn shares.

The bourse witnessed a volume of 486mn shares, with the value traded clocking in at PKR 24.84bn. The advance-to-decline ratio favored the bulls as 210 scrips closed green, 141 closed red and 16 remained unchanged.

News & Corporate Announcements:

Oil prices soared to their highest in about 13 months as vaccine rollouts promised to revive demand and producers kept supply reined in. Brent crude was up 77 cents, or 1.2%, at \$63.20 a barrel. U.S. West Texas Intermediate (WTI) crude futures gained \$1.04, or 1.8 %, to \$60.51 a barrel.

The overall production of petroleum commodities has witnessed an increase of 5.01 percent during the first half of the financial year 2020-21 as compared to the corresponding period of last year. The Petroleum, Oil, and Lubricants (POL) products that showed growth including kerosene oil production, which increased by 3.83 percent during the period under review, the Pakistan Bureau of Statistics (PBS) reported.

Foreign Minister Shah Mahmood Qureshi said recognizing the importance of the world's oceans as a global public commodity, Pakistan was committed to promoting the prudent use of marine resources for socio-economic development while ensuring environmental sustainability.

A Pakistani lab will soon receive Russia's Sputnik V COVID-19 vaccine for commercial sale making Pakistan one of the first countries to market shots privately as it scrambles to secure supplies.

Workers remittances exceeded \$ 2.0 billion for the eighth consecutive month and amounted to \$2.3 billion in January 2021, up by 19 percent over January 2020.

Pakistan has seen a substantial increase in the interest of entrepreneurs to register their businesses with SECP as the total registration of companies in Pakistan has increased by 24% YoY from 16,456 in CY19 to 20,342 companies during CY2020.

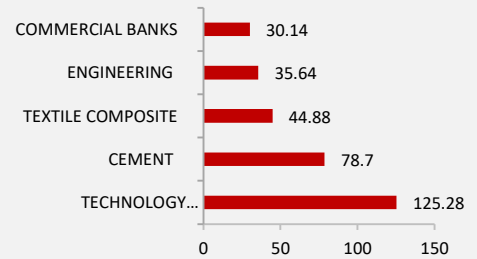
SBP eases applicants in availing housing loans during the construction period in the Government subsidized scheme through personal guarantees.

Market Summary

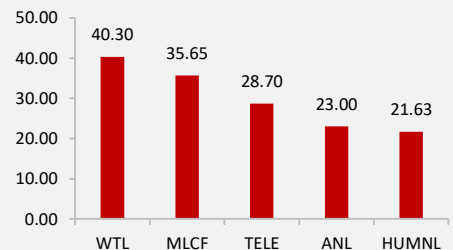
Current Index	46,375.59
Change	567.23
Percent change	1.24
High	46,507.42
Low	45,808.36
Volume traded (mn shares)	249.08
Value traded (PKR mn)	17.48

Source: PSX and AAH Research

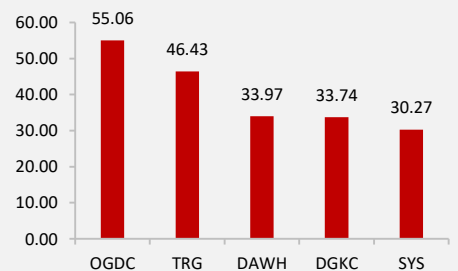
Top-5 Traded Sectors (mn shares)



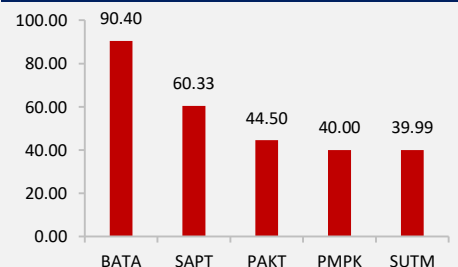
Top-5 Volume Leaders (mn shares)



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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