



December
16, 2020

High volatility; persistent selling pressure

Despite the strong presence of bullish sentiment at start, The bourse witnessed high volatility as it faced profit taking. Market faced selling pressure on multiple instances during the session before the close at 43,360.19 level with a meager gain of +109.35 points. This was mainly due to large buying activity witnessed yesterday upon which investors resorted to selling in today's session. We believe bullish trends are to be expected faced with some profit taking activity throughout the week.

The major scrips that lifted the index were OGDC (+55 pts), SYS (+46 pts), ENGRO (+38 pts), PPL (+27 pts) and BAHL (+23 pts). The bourse found its support and resistance at 43,183.77 points and 43,556.06 points respectively.

Technology and communication sector came in the spotlight gaining a total volume of 63.7mn shares. The Refinery sector was the second most traded sector with 56.05mn shares followed by the Commercial bank sector with 39.24mn shares traded.

The bourse witnessed a volume of 433mn shares with the traded value reaching PKR 21bn. The advance to decline ratio favored the bears as 156 scrips closed green, 210 closed red and 21 remained unchanged.

News & Corporate Announcements:

Overall production of petroleum commodities has witnessed an increase of 1.57 percent during the first four months of current financial year 2020-21 as compared to corresponding period of fiscal year 2019-20.

The total money supply circulating within the economy in October 2020 has been recorded at around Rs.25.16 trillion, according to provisional accounts on Monetary Aggregates for the month, maintained by the State Bank of Pakistan.

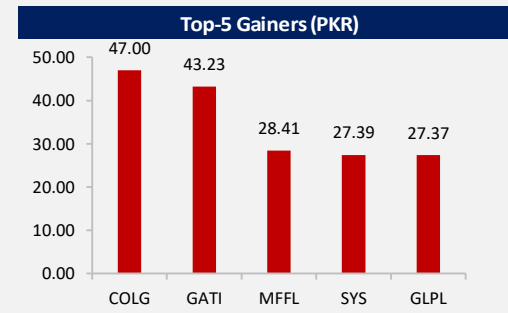
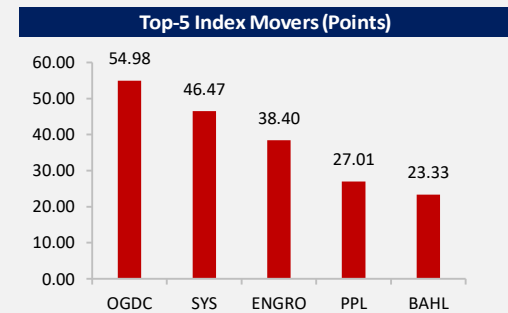
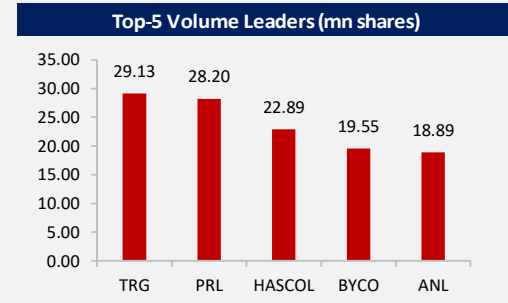
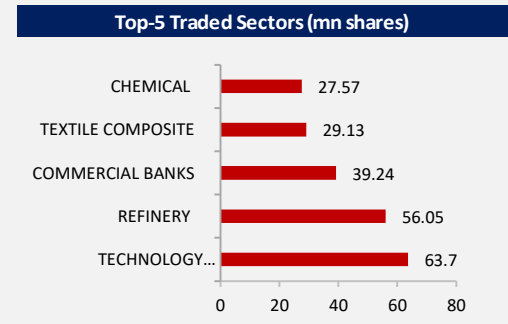
Consumers across the country are using around 769,589 tons of Liquefied Petroleum Gas (LPG) to meet their domestic, commercial and industrial needs on the annual basis..

Economic Coordination Committee (ECC) ratified the Electric Vehicle policy for 4 wheelers. It will prove instrumental in rationalizing costs of purchasing, manufacturing & promoting the use of electric vehicles in Pakistan. The aforementioned statement was said by Minister for Industries & Production Hammad Azhar on his Twitter account. 'ECC also ratified removal of certain anomalies in Mobile Phones Manufacturing policy', he added.

The government has constituted a committee to address Sui Southern Gas Company's (SSGC) repeated claim of recovering RLNG losses worth Rs7.7 billion from consumers of imported gas after the Oil and Gas Regulatory Authority (Ogra) rejected the claim.

Market Summary	
Current Index	43,360.19
Change	109.35
Percent change	0.25
High	43,556.06
Low	43,183.77
Volume traded (mn shares)	252.47
Value traded (PKR mn)	13.06

Source: PSX and AAH Research



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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