



Stocks remain range bound on mix triggers

March 16,
2021

KSE-100 index witnessed mixed patterns as various economic indicators subdued the sentiments of investors. Index closed flat at 44,857.06 points with a meagre gain of 90.47 points, after strong gains in last two trading sessions investors remained cautious to profit taking trends. Adding to the cautiousness, government has imposed smart lockdowns all over the country to fight against third wave of pandemic, as Covid-19 cases once again rise at an alarming rate, infecting more than +2000 people on daily basis. On the global front, oil prices have declined on the back of rising US crude inventory concerns as many countries suspended use of AstraZeneca vaccine with regards to health and safety concerns. Going forward, with SBP's monetary policy scheduled on Friday, we believe the market to follow on mix trends during the week.

The major scrips that added to the index were TRG (104 pts), HBL (28 pts), EFERT (20 pts), MEBL (18 pts), and SYS (15 pts). The index found its support and resistance at 44,545.43 points and 44,910.93 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 113mn shares. Food Personal care product sector was the runner up, clocking in a total volume of 44mn shares. Chemicals sector was the third-most traded sector amassing a volume of 39mn shares.

The bourse witnessed a volume of 408mn shares, with the value traded clocking in at PKR 19.99bn. The advance-to-decline ratio favored the bears as 156 scrips closed green, 187 closed red and 25 remained unchanged.

News & Corporate Announcements:

As the third wave of COVID-19 gains strength across the country, another 2,511 people in Pakistan tested positive for coronavirus in the past 24 hours.

VIS Credit Rating Company Limited has maintained the entity ratings of 'A+/A-1' (Single A Plus/A-One) assigned to International Steels Limited (ISL). The long-term rating signifies good credit quality with adequate protection factors. The risk may vary slightly from time to time because of economic conditions.

Pioneer Cement Limited (PIOC), in an announcement to the Stock Exchange, reported that the second turbine 1x12 MW of its newly installed Coal Power Plant having a generation capacity of 24 MW, has started power generation.

The draft of the "Income Tax Second Amendment Bill 2021" which has been supposedly approved by the Federal Government will now be presented in the National Assembly for approval in the coming days.

Pakistan's textile exports during the month of February 2021, stood at \$1.23 billion, showing a decline of 6.75% and 3.12% when compared with January 2021 and February 2020 respectively.

Prime Minister Imran Khan on Tuesday terming the Federal Board of Revenue's (FBR) automated Track & Trace System crucial to check mass tax evasion directed the Law Minister to work on getting vacated the stay order by the Sindh High Court.

The total exports from Pakistan during February 2021 amounted to Rs. 329,116 million (provisional) as against Rs. 343,612 million (provisional) in January 2021 and Rs. 329,588 million during February 2020 showing a decrease of 4.22% over January 2021 and of 0.14% over February 2020.

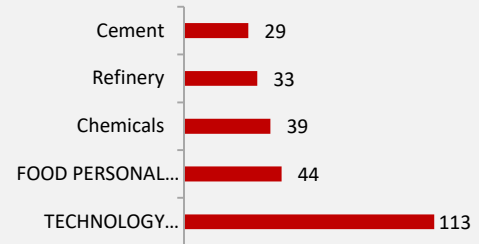
Despite very limited fiscal space, the Government has decided that the prices of Petrol and High Speed Diesel will remain unchanged.

Market Summary

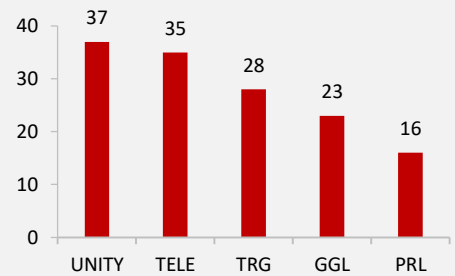
Current Index	44,857.06
Change	90.47
Percent change	0.2
High	44,910.93
Low	44,545.43
Volume traded (mn shares)	168
Value traded (PKR mn)	11.87

Source: PSX and AAH Research

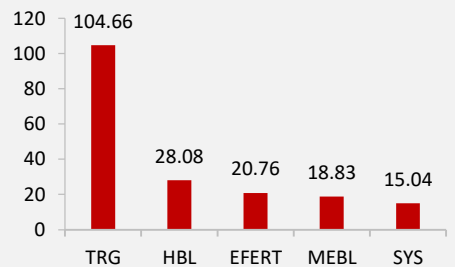
Top-5 Traded Sectors (mn shares)



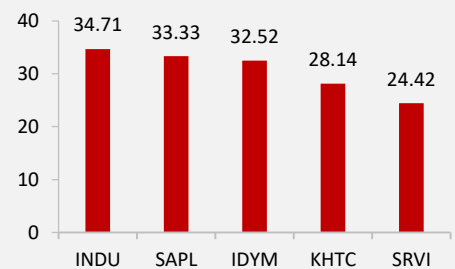
Top-5 Volume Leaders (mn shares)



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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