



February
17, 2021

Bears takeover after two day winning streak

Index opened on positive note on Wednesday achieving a high of 47,305.86 point during the day on several positive economic indicators. However, the benchmark closed red with a meagre loss of -99.81 points to close at 46,768.14 points. KSE-100 changed direction during the second half of the session despite optimistic investors sentiments with regards to Pakistan reaching staff level agreement with IMF for Extended Fund Facility of \$6 bn. In addition, pragmatic view of Finance division on collection of remaining petroleum levy by end of FY21 supported investors' confidence. Notwithstanding positive cues market was set back after financial announcement of a major bank which disappointed the investors, resulting in mass profit taking from the stock, solely deducting 130 points from the index. Going forward, we expect market to achieve healthy volumes in recovery of today's session.

The major scrips that deducted from the index were HBL (-130 pts), OGDC (-22 pts), PAKT (-18 pts), DGKC (-17 pts), and HUBC (-16 pts). The index found its support and resistance at 46,726.85 points and 47,305.86 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 220mn shares. Cement sector was the runner up, clocking in a total volume of 110mn shares. Engineering sector was the third-most traded sector amassing a volume of 72mn shares.

The bourse witnessed a volume of 701mn shares, with the value traded clocking in at PKR 28.51bn. The advance-to-decline ratio favored the bears as 175 scrips closed green, 184 closed red and 16 remained unchanged.

News & Corporate Announcements:

Ambassadors of United Arab Emirates (UAE) Hamad Obaid Ibrahim Salem Al-Zaabi and Czech Tomas Smetanka Wednesday separately called on Minister for Energy Omar Ayub Khan and discussed matters related to cooperation in the field of energy.

Adviser to Prime Minister for Commerce and Investment, Abdul Razak Dawood said the Ministry of Commerce is organizing a Trade and Investment Conference in Colombo, Sri Lanka on February 24th, 2021 which will coincide with visit of the Prime Minister Imran Khan to Sri Lanka.

Kohat Cement Company Limited (KOHK) has shown outstanding performance during 1HFY21 as its net profits after tax clocked in at Rs 1.47 billion, which is 15 times higher than profits of Rs 97.76 million reported in the same period last year.

Drug Regulatory Authority of Pakistan (DRAP) has granted 'Emergency Use Approval' to the CanSinoBIO Recombinant COVID-19 Vaccine Adenovirus Type 5 Vector (the "Ad5-nCoV") and its marketing through private and public sector.

Overseas Pakistanis have responded positively to SBP's Roshan Digital Account with over 87 thousand accounts being opened so far and USD 500 million has been sent to Pakistan in 5 months.

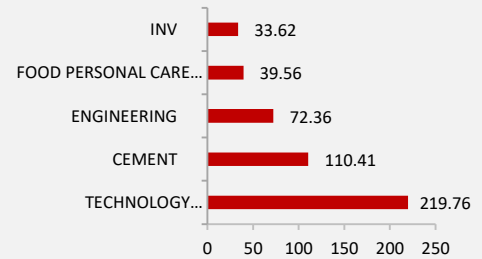
The Board of Directors of Kohat Cement Company Limited, in its meeting held February 17, 2021 has approved setting up of 7,800-10,000 tpd Cement manufacturing Plant along with 8-10 MW Waste Heat Recovery and 25MW Coal fired Recovery Power Plants, in Khushab, Punjab.

Market Summary

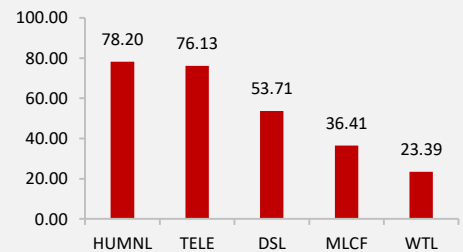
Current Index	46,768.14
Change	-99.81
Percent change	-0.21
High	47,305.86
Low	46,726.85
Volume traded (mn shares)	223.53
Value traded (PKR mn)	16.31

Source: PSX and AAH Research

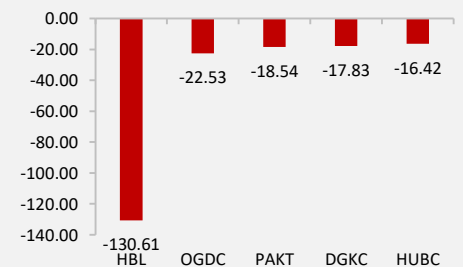
Top-5 Traded Sectors (mn shares)



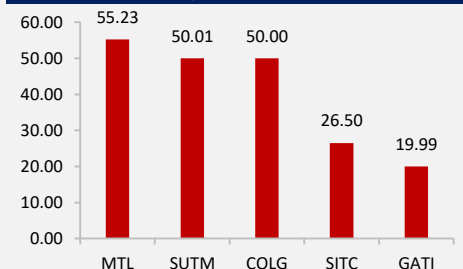
Top-5 Volume Leaders (mn shares)



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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