



March 17,
2021

Benchmark continued to ascend, north bound trend seems long haul

KSE-100 accelerated back to 45,450.31 points on Wednesday after last week's bearish beatdown, owing to much awaited indicators depicting stability. Benchmark gained 593.25 points at the close of the session, as investors' confidence revitalize on the following triggers: 1) Postponement of PDM's long march due to incongruity within the oppositions' alliance. 2) Monetary policy committee meeting scheduled on Friday 19th Mar'21. Market consensus on MPC is to maintain status quo at current 7% policy rate. Going forward, we believe the market to track on positive triggers.

The major scrips that added to the index were TRG (100 pts), UBL (59 pts), HBL (45 pts), PPL (23 pts), and MCB (22 pts). The index found its support and resistance at 44,857.06 points and 45,540.63 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 107mn shares. Refinery sector was the runner up, clocking in a total volume of 69mn shares. Chemicals sector was the third-most traded sector amassing a volume of 47mn shares.

The bourse witnessed a volume of 510mn shares, with the value traded clocking in at PKR 24.93bn. The advance-to-decline ratio favored the bulls as 270 scrips closed green, 83 closed red and 19 remained unchanged.

News & Corporate Announcements:

Pakistan has an attractive geographical location and offers excellent investment opportunities, said the country's ambassador to US while urging Pakistani Americans to respond positively to various schemes for attracting investment.

Dynamic Engineering and Automation (DEA) has launched two Special Zones (SEZs) at Pir Phato, Thatta and Padshahan, Chakwal districts and concluded negotiations with Chinese investors and companies to establish manufacturing facilities, global service centers, R&D labs, and sales centers with an estimated investment of US \$5 to \$7 billion.

The import bill of the Machinery group surged by around 26.65% YoY and 0.70% MoM to stand at \$926 million in the month of February 2021.

Pakistan witnessed Foreign Direct Investments (FDI) of \$155 million during the month of February 2021 i.e. around 20% lower as compared to the net inflows of \$192.7 million received in January 2021.

Petroleum prices in Pakistan are currently the lowest in comparison to other countries in the region and the world, which shows government's resolve to provide maximum relief to masses.

Pakistan's imports including major kitchen items like cooking oil and sugar have continued to increase ahead the fasting month of Ramadan, while exports led by textiles sector have dropped in February.

Pakistan has given another extension to a helicopter deal with Turkey, giving Ankara six more months to deliver the aircraft, a US defence publication reported.

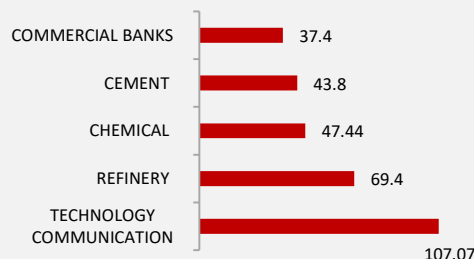
A Millat Group Company, Bolan Castings Ltd (BCL), in an announcement to Exchange, said that the company as a part of its annual maintenance plan will shut down its manufacturing plant from Monday, March 22, 2021 to Sunday, April 11, 2021.

Market Summary

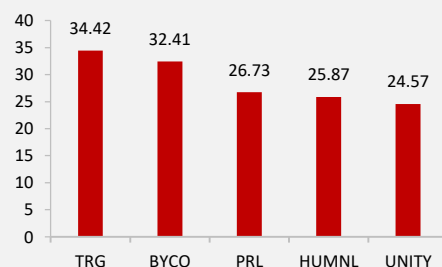
Current Index	45,450.31
Change	593.25
Percent change	1.3
High	45,540.63
Low	44,857.06
Volume traded (mn shares)	263
Value traded (PKR mn)	16.19

Source: PSX and AAH Research

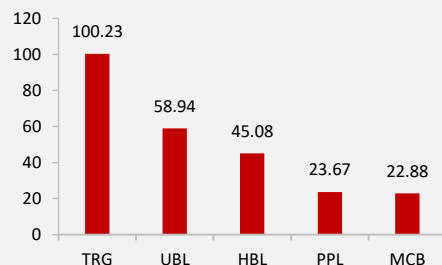
Top-5 Traded Sectors (mn shares)



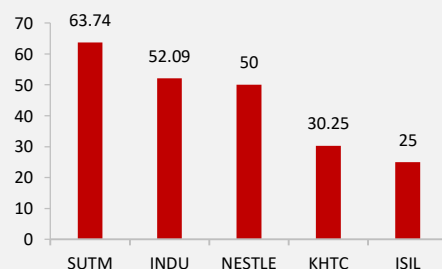
Top-5 Volume Leaders (mn shares)



Top-5 Index Movers (Points)



Top-5 Gainers (PKR)



Data Source: PSX

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106



Disclaimer

This report has been prepared by Aba Ali Habib Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Aba Ali Habib Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Aba Ali Habib Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents.

In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Aba Ali Habib Securities' Research Department and do not necessarily reflect those of the company or its directors. Aba Ali Habib as a firm may have business relationships, including investment- banking relationships, with the companies referred to in this report. Aba Ali Habib Securities or any of its officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the subject company, may have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company, may serve or may have served in the past as a director or officer of the subject company, may have received compensation from the subject company for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from the subject company for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the subject company.

All rights reserved by Aba Ali Habib Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Aba Ali Habib Securities. Action could be taken for unauthorized reproduction, distribution or publication.

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}

The research Analyst(s) hereby certify that the views about the company/companies and the security/securities discussed in this report accurately reflect his or her or their personal views and that s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst
zubair@abaalihabib.com

Behroze Atique Bahalim – Research Analyst
behroze@abaalihabib.com

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

Zaheer Ahmed - Head of Institutional Sales
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Salman Ahmed - Head of Retail Sales
(021) 32412491

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Office (PSX Building)

Room # 419, 419 A & 421, 4th Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi
Contact: 021-32429665
Cell: [+92 33312766771](tel:+9233312766771)



https://twitter.com/Aba_Ali_Habib



<https://www.facebook.com/aah162>



<https://www.linkedin.com/company/aba-ali-habib-securities/>