



January 18,  
2021

## Benchmark retreats last week's highs on lack of catalysts

Stocks retreated for the third consecutive trading session on Monday, dragged by the lack of positive triggers during the session. The KSE-100 benchmark slipped 204.32 points or 0.44% to 45,726.68 points at the closing bell. Main reasons for today's market consolidation were volatility in international commodities prices and expected hike in domestic tariffs (as news sources reveal). Investors' sentiments remained dull during the day, despite strong trading volumes of 543 million shares. Market participants believe that the future direction of the bourse will depend on key policy decisions on power tariffs, textile policy and monetary policy due this month.

The major scrips that deducted from the index were PPL (-42pts), OGDC (-40 pts), HUBC (-34 pts), POL (-28 pts), and LUCK (-22 pts). The index found its support and resistance at 45,714.17 points and 46,047.56 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 107mn shares. Power Generation & Distribution sector was the runner up, clocking in a total volume of 62mn shares. Food & Personal care product sector was the third-most traded sector amassing a volume of 55mn shares.

The bourse witnessed a volume of 543mn shares, with the value traded clocking in at PKR 21.66bn. The advance-to-decline ratio favored the bears as 157 scrips closed green, 215 closed red and 19 remained unchanged.

## News & Corporate Announcements:

The two state-companies, SNGPL and SSGC, are reinforcing their network by laying around 8,383 kilometers (KM) additional transmission and distribution pipelines collectively across the country as per the target given for the current fiscal year.

The "OICCI Recommendations for Digital Economy" report was launched on January 18th, 2021 highlighting the much-needed shift required to capture the opportunity of Digital transformation happening within and outside Pakistan through the New Economy mindset.

European stocks slipped on Monday as French retailer Carrefour tumbled after ending 16.2 billion euro (\$19.57 billion) merger talks with Alimentation Couche-Tard, with worries about a slow economic recovery keeping investors on edge.

Petroleum imports declined 22.32% YoY in value during 1HFY21 to \$4.77 billion from \$6.142 billion recorded in the corresponding period of last year.

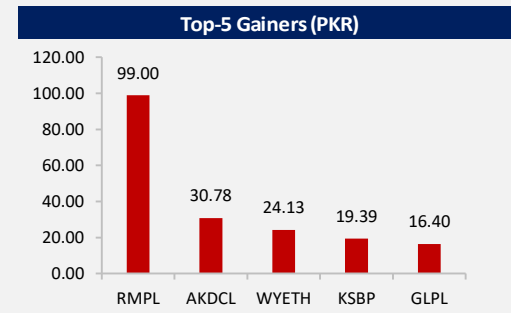
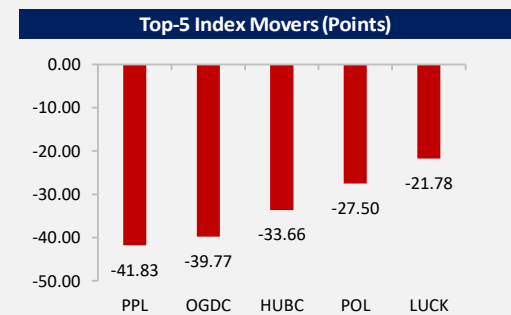
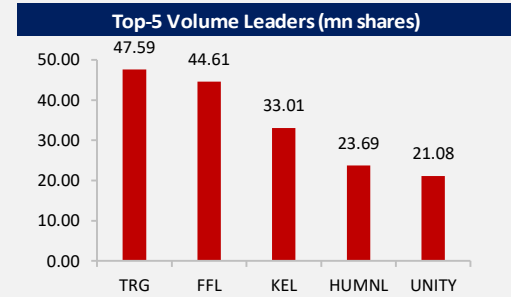
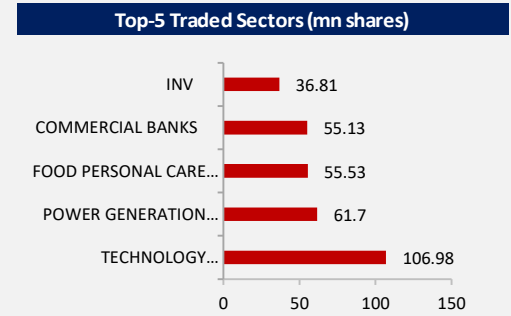
The Central Directorate of National Savings (CDNS) has reached the free deposit of Rs 430 billion in last six months from July 01 to December 31st current Fiscal Year (FY) 2020-21.

Packages Limited has announced that its 100% wholly owned subsidiary Packages Convertors Limited has received final approval of Securities and Exchange Commission of Pakistan (SECP) for issuance of 30,829,021 ordinary shares (of Rs. 100 each) to its parent company.

Chief Executive Officer Balochistan Board of Investment and Trade (BBIT) Farman Zarkoon has said that the province has tremendous opportunities for domestic and foreign investors in the minerals sector. In a statement issued in Quetta, he said that high quality minerals have been discovered from different parts of the province including Recko Dik, Saindak and Dodar.

Market Summary	
Current Index	45,726.68
Change	-204.32
Percent change	-0.44
High	46,047.56
Low	45,714.17
Volume traded (mn shares)	285.14
Value traded (PKR mn)	15.08

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 <sup>AC</sup>

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