



November
18, 2020

Stocks dip 138 points as rising virus tally continue irk investors

The bourse took on the bearish course today through the trading session, shedding a total of 138 points to close at 40,514.67 level. It seems vaccine hopes have been dampened by the rising Covid-19 cases and a slight fall in international oil prices earlier today resulted in a sell-off by the investors. Due to the cautious approach, coupled with a lack of volume, the KSE-100 benchmark index hit as low as 40,344 level in midday after shedding 308 points. Going forward, we expect the market to remain range bound owing to upcoming monetary policy and rollover effect.

Major scrips that dragged the market into the red zone were HBL (-20 pts), PPL (-19 pts), ENGRO (-18 pts), PSO (-14 pts), and POL (-14 pts). The market found its support and resistance at 40,344.62 points and 40,658.15 points respectively.

A sector-wise view shows that Technology & Communication sector remained in the spotlight with a total volume of 26.52mn shares while Commercial Banks sector followed with a volume of 19.54mn shares. Cement sector came in third with a total volume of 12.32mn shares.

The bourse witnessed a total volume of 145mn shares, while traded value clocked in at PKR 6.24bn. The advance to decline ratio remained in the favor bears where 127 scrips closed green, 200 closed red and 25 scrips remained unchanged.

News & Corporate Announcements:

Pakistani rupee (PKR) depreciated by 1.5 rupees against US Dollar (USD) in today's interbank session as the currency closed the day's trade at PKR 159.83 per USD, against yesterday's closing of PKR 158.31 per USD.

Honda Atlas Cars (Pakistan) Limited (HCAR) has witnessed 80.6% YoY deterioration in net profits after tax to Rs.145.8 million during Apr-Sep 2020, compared to Rs.751.4 million in the corresponding period of last year.

Pakistan Stock Exchange (PSX) is exploring the possibility of further enhancement in the circuit breakers from the existing 7.5% to 10% in a phased manner along with the introduction of 2nd level of index-based market halt at 7%.

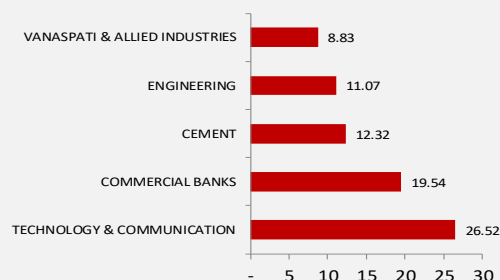
The Asian Development Bank (ADB) has raised 1.83 billion Pakistan rupees (\$11.4 million) in a first issue of local currency karakoram bonds by a multilateral development bank of which Pakistan is a member.

Market Highlights

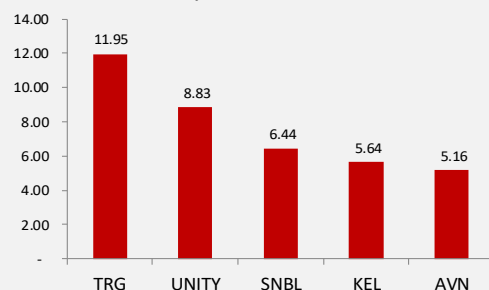
Current Index	40,514.67
Change	-138
Percent change	-0.34%
High	40,658.15
Low	40,344.62
Volume traded (mn shares)	78.58
Value traded (PKR mn)	4,229

Source: PSX and AAH Research

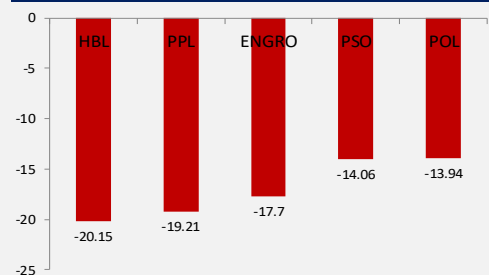
Top-5 Traded Sectors (mn shares)



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}

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.

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