



January 19,
2021

Stocks snap three-day losing streak, rise 176.55 points

Bourse switched to bullish trajectory on Tuesday despite comparatively lower turnover of 491mn shares. KSE-100 was hit by bears early in the session; however, recovered around 381 pts during the day to close at 45,903.23 pts with a meagre gain of 176.55 pts. Market participants demonstrated mixed sentiments during the session attributed mostly to i) rising death tally of domestic Covid-19 cases ii) volatility in global oil prices iii) decline in net FDI by 61% YoY in Dec'20. In contrast to global cues, KSE-100 only jumped 0.4% defying the fundamental basis as payout expectations carry the momentum to rise. Going forward, we believe market will remain stable under the 46,000 level wall.

The major scrips that kept the index afloat were HUBC (74pts), MARI (62 pts), TRG (54 pts), BAHL (30 pts), and OGDC (23 pts). The index found its support and resistance at 45,596.81 points and 46,978.14 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 79.85mn shares. Commercial banks sector was the runner up, clocking in a total volume of 55mn shares. Power Generation & Distribution sector was the third-most traded sector amassing a volume of 42mn shares.

The bourse witnessed a volume of 491mn shares, with the value traded clocking in at PKR 19.93bn. The advance-to-decline ratio favored the bears as 173 scrips closed green, 195 closed red and 20 remained unchanged.

News & Corporate Announcements:

Pakistan's Power Sector has received the highest net FDI worth \$80.9 million in December'20, followed by the Trade and Oil & Gas Exploration sector with net negative FDI of \$28.2 million and \$26.5 million respectively.

Oil demand recovery will take a hit from a spike in new coronavirus cases before vaccine roll-outs and stimulus measures help in the second half of the year, International Energy Agency (IEA) said on Tuesday.

The ease-of-doing business plan, introduced by the Pakistan Tehreek-i-Insaf (PTI) government, has started yielding the required results with stepping in of four private sector companies for carrying out regulated activities of Liquefied Natural Gas (LNG) across the country.

A meeting of the cabinet's Economic Coordination Committee (ECC) is likely to give approval for the waiver of taxes on imports of sugar that will be held on Wednesday, January 20, 2021.

China emerged as the largest direct foreign investor in Pakistan during December 2020, with a net direct investment of \$53.7 million, followed by Hongkong and United States who invested \$30.9 million and \$27.7 million net respectively, according to SBP data issued.

China and Pakistan are embroiled in their most serious disagreement relating to the Belt and Road Initiative, causing the annual bilateral summit of the China-Pakistan Economic Corridor (CPEC) to be delayed.

Deaths from COVID-19 in Pakistan crossed the 11,000 mark on Tuesday, government statistics confirmed. The country has recorded a total of 523,011 infections since the beginning of the pandemic.

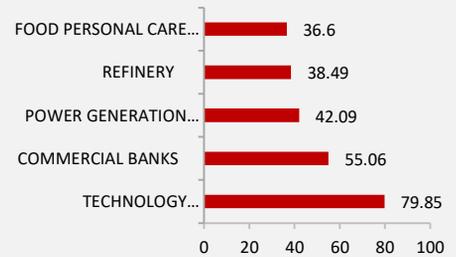
A panel of the Dispute Settlement Body (DSB) of the Geneva-based World Trade Organization has asked Pakistan to withdraw anti-dumping duty on import of biaxial oriented polypropylene (BOPP) film, which is used in food packaging, from the United Arab Emirates.

Market Summary

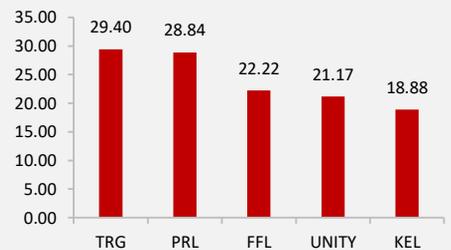
Current Index	45,903.23
Change	176.55
Percent change	0.39
High	45,978.14
Low	45,596.81
Volume traded (mn shares)	224.05
Value traded (PKR mn)	13.41

Source: PSX and AAH Research

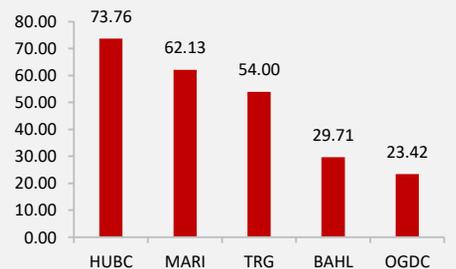
Top-5 Traded Sectors (mn shares)



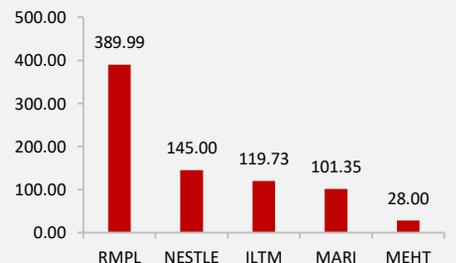
Top-5 Volume Leaders (mn shares)



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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