



February 1,  
2021

## Benchmark tanks 137 points on rising fuel prices and shift in gas supply policy

Local bourse opened new trading month on a bitter note, stocks tanked 137 points during the day to settle the benchmark at 46,248.45 points. Despite appreciable 24-month low inflation reading of 5.7% in Jan'21 and strong corporate announcements, investors' preferred to book profit due to potential impact of recent shift in gas supply policy to domestic industrial units. After consultation with business community over the weekend, federal government maintained its decision to gradually disconnect gas supply to industrial units which use gas for power generation. Furthermore, government's decision to raise local fuel prices by ~PKR 2.31 per litre also dented market confidence on rising input cost concerns.

The major scrips that deducted from the index were TRG (-58pts), LUCK (-46 pts), UBL (-19 pts), HBL (-16 pts), and ANNL (-15 pts). The index found its support and resistance at 46,188.25 points and 46,762.64 points, respectively.

Sector-wise, Refinery sector took the spotlight today, generating a volume of 109mn shares. Technology & Communication sector was the runner up, clocking in a total volume of 105mn shares. Power Generation & Distribution sector was the third-most traded sector amassing a volume of 85mn shares.

The bourse witnessed a volume of 693mn shares, with the value traded clocking in at PKR 30.54bn. The advance-to-decline ratio favored the bears as 167 scrips closed green, 200 closed red and 19 remained unchanged.

## News & Corporate Announcements:

OGRA issued a price-revision notification of Liquefied Petroleum Gas (LPG) for the month of February. According to the notification, the authority increased the locally produced LPG price by Rs122.44 per cylinder of 11.8 kilograms. After the revised price, the cylinder would be sold in the open market at Rs1,863.14, which was available at Rs1,740.69 during the last month.

Kot Addu Power Company Limited (KAPCO) and the Central Power Purchasing Agency Limited, on behalf of Pakistan Water and Power Development Authority (WAPDA) have initiated a Master Agreement and an amendment to Power Purchase Agreement between the Company and WAPDA in furtherance of the Memorandum of Understanding (MoU) executed on August 19, 2020 between the company and the Government Committee for Negotiation with IPPs.

The Board of Directors of Waves Singer Pakistan Limited have approved submission of an Expression of Interest (EOI) for the acquisition of 96.6% shares of Heavy Electrical Complex (Private) Limited (HEC) from the Government of Pakistan (GoP) by way of privatization process.

The Board of Directors of Hascol Petroleum Limited have approved the increase in the authorized share capital of the company from Rs10 billion to Rs50 billion.

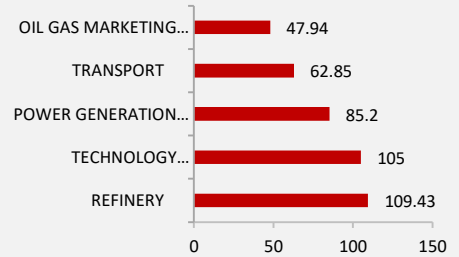
Pakistan received its first batch of COVID-19 vaccine doses, 500,000 from China's Sinopharm, Health Adviser Faisal Sultan said in a statement released on Twitter.

### Market Summary

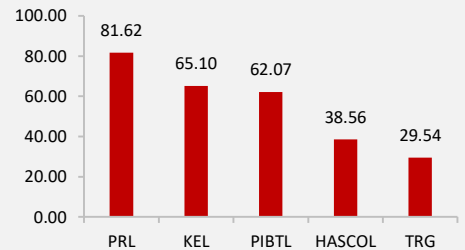
Current Index	46,248.45
Change	-137.09
Percent change	-0.3%
High	46,762.64
Low	46,188.25
Volume traded (mn shares)	375.68
Value traded (PKR mn)	19.83

Source: PSX and AAH Research

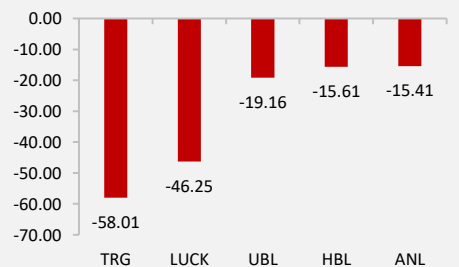
### Top-5 Traded Sectors (mn shares)



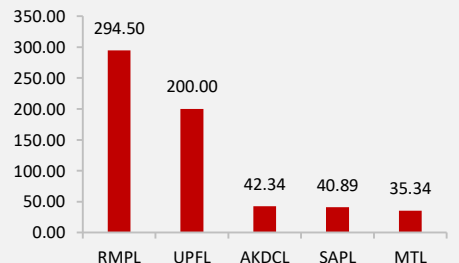
### Top-5 Volume Leaders (mn shares)



### Top-5 Index Movers (Points)



### Top-5 Gainers (PKR)



Data Source: PSX

Research Team

[research@abaalihabib.com](mailto:research@abaalihabib.com)

Aba Ali Habib Securities (Pvt) Limited  
(021) 32429665, Ext. 106

REP-055

[www.jamapunji.pk](http://www.jamapunji.pk)



سرمایہ کاری سمجھداری کے ساتھ

DAILY CLOSING NOTE



## 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 <sup>AC</sup>

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](mailto:Zahid@abaalihabib.com)  
(021) 32425022

### RESEARCH TEAM

**Contact:** (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst  
[zubair@abaalihabib.com](mailto:zubair@abaalihabib.com)

Behroze Atique Bahalim – Research Analyst  
[behroze@abaalihabib.com](mailto:behroze@abaalihabib.com)

Ayesha Abid – Research Analyst  
[ayesha.abid@abaalihabib.com](mailto:ayesha.abid@abaalihabib.com)

### SALES TEAM

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

Salman Ahmed - Head of Retail Sales  
(021) 32412491

Syed Khalid Ahmed - Equity Trader  
[Syedkhalid@abaalihabib.com](mailto:Syedkhalid@abaalihabib.com)  
(021) 32429664

Muhammad Faisal - Equity Trader  
[faisal@abaalihabib.com](mailto:faisal@abaalihabib.com)  
(021) 32464835

Ammara Hayat Khan - Equity Trader  
[ammara@abaalihabib.com](mailto:ammara@abaalihabib.com)  
(021) 32464835

### Office (PSX Building)

Room # 419, 419 A & 421, 4<sup>th</sup> Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi  
Contact: 021-32429665  
Cell: [+92 3312766771](tel:+923312766771)



[https://twitter.com/Aba\\_Ali\\_Habib](https://twitter.com/Aba_Ali_Habib)



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



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