



March 1,
2021

Bears take a big swing, benchmark slips 271 points

Benchmark witnessed high volatility as market opened on Monday, diving down in the early session by 773 points on the back of rollover week settlements. Index closed at 45,593.43 points as it pared some losses in the latter half of the session, unable to push through into green, sheds away 271 points at day close. Investor remained cautious as sentiments tracked influences of the following events: 1. Senate elections project tense political scenario as SC ruled Election Commission to hold closed balloting for the senate elections. 2. Relaxation of most of the Covid-19 restrictions resulted in mixed sentiments amongst the general public. 3. Market participants expected steep uptick in inflations for Feb'21. Going forward, we believe market to follow sentiments of recovery with the start of the new month.

The major scrips that deducted from the index were UBL (-38 pts), HBL (-32 pts), BAHL (-18 pts), PSO (-13 pts), and MARI (-12 pts). The index found its support and resistance at 45,092.80 points and 46,009.38 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 80mn shares. Textile Composite sector was the runner up, clocking in a total volume of 38mn shares. Cement sector was the third-most traded sector amassing a volume of 38mn shares.

The bourse witnessed a volume of 368mn shares, with the value traded clocking in at PKR 18.39bn. The advance-to-decline ratio favored the bears as 95 scrips closed green, 267 closed red and 14 remained unchanged.

News & Corporate Announcements:

The Supreme Court announced its opinion on the presidential reference regarding Senate elections, saying that polls for the upper house of parliament will be held through secret ballot, according to Article 226 of the Constitution.

San Francisco and Karachi-based Indus Valley Capital (IVC), led by former LinkedIn executive Atif Awan, has raised \$17.5 million in its debut fund to invest in early-stage Pakistani startups.

The overall exports from Pakistan have crossed the USD 2 billion mark for 5th consecutive month, Ministry of Commerce. The country's exports for the month of Feb-2021 (28 days) stand at USD 2,044 million, as compared to USD 2,140 million recorded in Feb-2020 (29 days), showing a decline of 4.5%.

Prospects of economic growth are showing visible signs of improvement during July-Jan FY 2021 and would continue to show improvement in the second half of the current fiscal year, said the Finance Ministry.

The International Labour Organization has ranked Pakistan as the 3rd largest contributor of technical manpower for online services globally, Advisor to PM on Commerce and Industry, Abdul Razzak Dawood.

Prime Minister Imran Khan rejected a summary moved by the Oil and Gas Regulatory Authority (OGRA) to increase the petroleum prices for the next fortnight by approximately over 6 Rupees in per liter price and said the people must be given a relief.

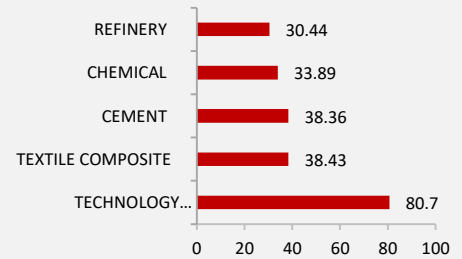
The Weekly Sensitive Price Indicator (SPI) for the Combined Group increased by 2.41% during the week ended Feb 25, 2021 while the SPI increased by 13.89% compared to the corresponding period from last year.

Market Summary

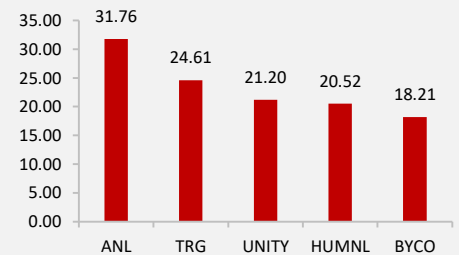
Current Index	45,593.43
Change	-271.59
Percent change	-0.59
High	46,009.38
Low	45,092.80
Volume traded (mn shares)	176.29
Value traded (PKR mn)	11.51

Source: PSX and AAH Research

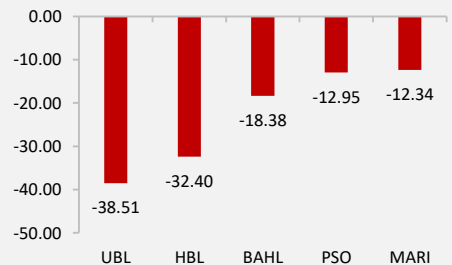
Top-5 Traded Sectors (mn shares)



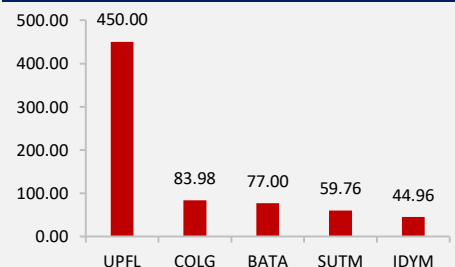
Top-5 Volume Leaders (mn shares)



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}

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