



February
22, 2021

Market remained conscious, all eyes on FATF outcome

The benchmark witnesses another bearish plunge on Monday, slipping by -337.61 points on tense global cues. Market participants remain weary as the FATF review proceedings begin today (22nd Feb), investors expect Pakistan to exit grey list in current review meeting. However, experts warn that the diplomats of unfriendly countries may campaign to keep under grey list. In addition, IMF's staff-level recommendation to disburse \$500mn as the first tranche of \$6bn Extended Fund Facility in March'21 instead of the expected \$2bn has raised distresses over Pakistan's credibility amongst investors; however, according to official reports Pakistan has received \$1.4bn already in terms of Rapid financing instruments (RFI) after the Covid-19 Outbreak. Going forward, rollover week that started today, along with outcome of FATF will set investors tone for remaining sessions of February trading.

The major scrips that deducted from the index were HBL (-73 pts), UBL (-59 pts), OGDC (-34 pts), PPL (-24 pts), and BAHL (-21 pts). The index found its support and resistance at 45,763.05 points and 46,402.73 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 247mn shares. Refinery sector was the runner up, clocking in a total volume of 122mn shares. Cement sector was the third-most traded sector amassing a volume of 59mn shares.

The bourse witnessed a volume of 722mn shares, with the value traded clocking in at PKR 25.79bn. The advance-to-decline ratio favored the bears as 147 scrips closed green, 198 closed red and 20 remained unchanged.

News & Corporate Announcements:

The government of Pakistan has acquired an additional debt of Rs.10.14 billion during the week ended February 12, 2021, which brings its total net borrowing for ongoing fiscal year 2021 to Rs.172.6 billion. As of prior week, the government had borrowed a net sum of Rs.162.45 billion.

The Banking sector spread for January 2021 marginally dilated by 3 basis points (bps) over the month which brings its latest value to 4.38% as compared to prior month's spread of 4.35%. In contrast, the spread has reduced by 132 bps as compared to the same period last year.

Citi Pharma Limited, a major raw material supplier of GlaxoSmithKline Pakistan and Abbott Laboratories, is all set to hold the second IPO of 2021 in Pakistan, wherein the company is planning to raise up to Rs. 2.85 billion by way of issuing 72.7 million shares at Rs. 28 per share with an upper limit of 40%, within the next six weeks.

President SAARC Chamber of Commerce and Industry Iftikhar Ali Malik said that 2-day maiden official visit of Prime Minister Imran Khan to Sri Lanka will further cement bilateral ties with a special focus to gear up trade and strengthen economic cooperation between the two countries.

The gross sale of securities by overseas investors during the week ended February 12, 2021 was recorded at Rs. 12.8 billion, which is around 24.1 percent lower than the figures recorded last week.

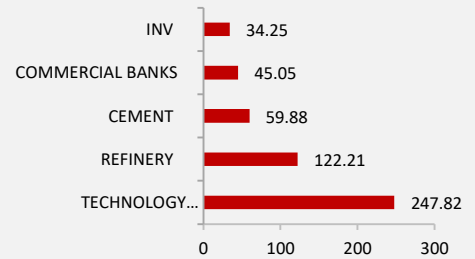
The country attracted \$1.145 billion of net FDI during July-Jan FY21, with China, Netherlands and Hong kong appeared as the top three investors in Pakistan with net FDI of \$402.8 million, \$122 million, and \$105.2 million respectively.

Market Summary

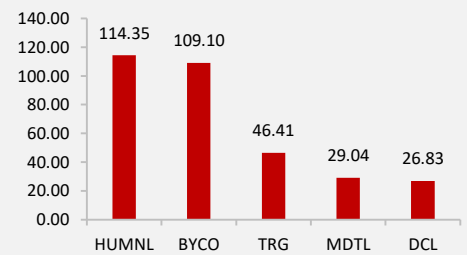
Current Index	45,890.04
Change	-337.61
Percent change	-0.73
High	46,402.73
Low	45,763.05
Volume traded (mn shares)	292.15
Value traded (PKR mn)	15.34

Source: PSX and AAH Research

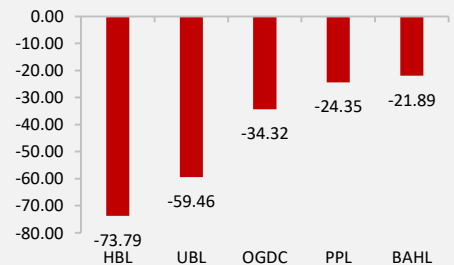
Top-5 Traded Sectors (mn shares)



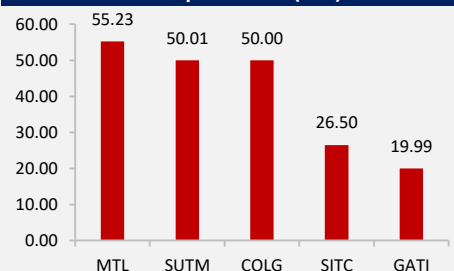
Top-5 Volume Leaders (mn shares)



Top-5 Index Movers (Points)



Top-5 Gainers (PKR)



Data Source: PSX

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106

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 ^{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.

THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst
zubair@abaalihabib.com

Behroze Atique Bahalim – Research Analyst
behroze@abaalihabib.com

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

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

Salman Ahmed - Head of Retail Sales
(021) 32412491

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Ammara Hayat Khan - Equity Trader
ammara@abaalihabib.com
(021) 32464835

Office (PSX Building)

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



https://twitter.com/Aba_Ali_Habib



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



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