



KSE-100 swings back to 45,407 levels

Benchmark index rallies on Monday to gain 506.02 points to close the session with 45,407.33 points. Several economic triggers supported investors' confidence, starting off with SBP maintaining status quo on the policy rate along with projecting an increase in growth prospects for the country to 3%. Refinery and Oil & Gas sectors witnessed high activity, as per reports new oil refining policy is under consideration, which is to provide major incentives for development and expansion of Refinery sector. While anticipated payments to IPPs, to ease energy sector circular debt, are just around the corner, expectations of transactions to be fulfilled by the end of current month. Going forward, we believe the market to track on positive triggers during the week.

The major scrips that deducted from the index were TRG (-101 pts), ENGRO (-46 pts), PSO (-34 pts), PPL (-33 pts), and BAHL (-32 pts). The index found its support and resistance at 44,641.49 points and 45,612.95 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 116mn shares. Refinery sector was the runner up, clocking in a total volume of 84mn shares. Power Generation and distribution sector was the third-most traded sector amassing a volume of 55mn shares.

The bourse witnessed a volume of 441mn shares, with the value traded clocking in at PKR 22.09bn. The advance-to-decline ratio favored the bears as 151 scrips closed green, 193 closed red and 17 remained unchanged.

News & Corporate Announcements:

Pakistan's Current Account for the month of February 2021 showed a deficit of USD 50 million compared to a deficit of USD 210 million from January 2021 and deficit of USD 197 million from February 2020.

Pakistan's trade deficit in services stood at \$186 million during the month of February 2021, signifying a fall of 54%, as compared to the same period of last year while it increased by 14% against \$163 million recorded in January 2021.

The Central Power Purchasing Agency (CPPA) has proposed an increase of Rs 0.6573/kWh over the reference fuel charges of Rs 4.1414/kWh under fuel price adjustment for the month of February 2021 for Ex-WAPDA Discos.

The Banking sector spread for February 2021 remained static at 4.38% as it showed almost no change over prior month's spread. However, the spread has contracted by 99 bps as compared to the same period last year.

Avanceon FZE-Dubai, UAE, a wholly-owned subsidiary of Avanceon Limited has incorporated a new wholly-owned subsidiary in Riyadh, Kingdom of Saudi Arabia, with the name and style of "Avanceon Saudi for Energy Co."

With over 3,000 cases of coronavirus reported for the fourth consecutive day on Sunday across the country, the Drug Regulatory Authority of Pakistan (Drap) has notified a formula for maximum retail prices of Covid-19 vaccine.

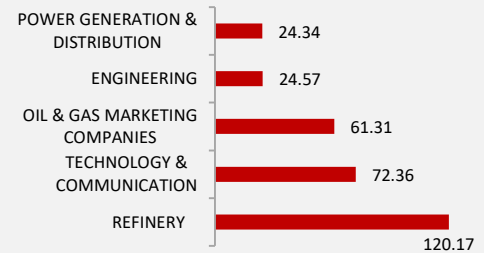
Hi-Tech Lubricants Ltd (HTL) and Regal Automobile Industries Ltd. (RAIL) have entered into an agreement on January 18, 2021, for the Sale, Supply & Branding of ZIC Brand Lubricants.

Market Summary

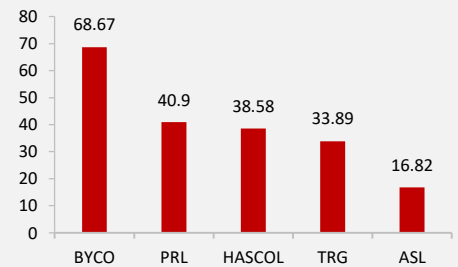
Current Index	45,407.33
Change	506.02
Percent change	1.1
High	45,465.13
Low	44,735.59
Volume traded (mn shares)	277
Value traded (PKR mn)	14.86

Source: PSX and AAH Research

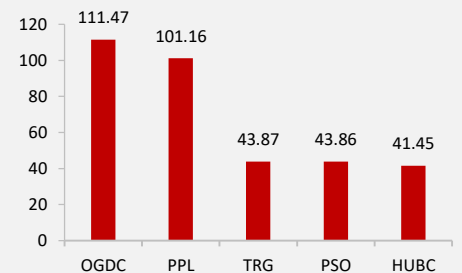
Top-5 Traded Sectors (mn shares)



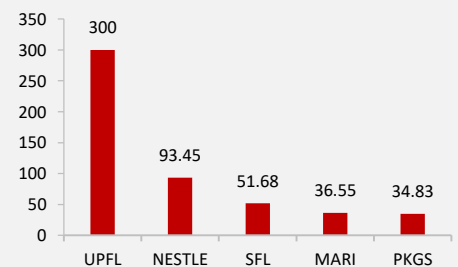
Top-5 Volume Leaders (mn shares)



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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