



February
23, 2021

Bears bite another 161 points on economic data

During the day market witnessed waves of high volatility with a high of 46,083 and a low of 45,663 points respectively. Market performance was range bound as investors remained cautious on account of FATF plenary meetings started yesterday. Although speculations on the matter remain positive the benchmark closed in red today slipping by -161.29 points on account of profit taking. Moreover, global oil prices hike by ~1.07% on production constraints due to the winter storm in Texas, USA. On the political front, situation remain serene with ongoing preparation for senate elections to be held on 3rd Mar'21. Lastly Pakistan's current account deficit declined by 65% MoM to \$229mn in Jan'21. Going forward, we expect the market to remain range bound mainly due to FATF discussions.

The major scrips that deducted from the index were TRG (-89 pts), HBL (-43 pts), MEBL (-17 pts), PSO (-14 pts), and THALL (-13 pts). The index found its support and resistance at 45,663.03 points and 46,083.66 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 226mn shares. Refinery sector was the runner up, clocking in a total volume of 99mn shares. Cement sector was the third-most traded sector amassing a volume of 56mn shares.

The bourse witnessed a volume of 718mn shares, with the value traded clocking in at PKR 25.30bn. The advance-to-decline ratio favored the bears as 136 scrips closed green, 214 closed red and 20 remained unchanged.

News & Corporate Announcements:

The State Bank of Pakistan (SBP), under its refinancing scheme for protecting businesses from the impact of COVID-19, has so far deferred Rs657.14 billion principal repayments of loans up to one year.

Pakistan's outstanding debts as of January 31, 2021 stand at a colossal amount of Rs.23.33 trillion whereas total debt at the end of prior month was Rs.23.56 trillion, meaning that around Rs.227.38 billion were retired during this month alone.

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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.

Pakistan's Trade Sector has received the highest net FDI worth \$61.5 million in January'21, followed by the Power and Financial Business sector with net FDI of \$40.9 million and \$35.3 million respectively.

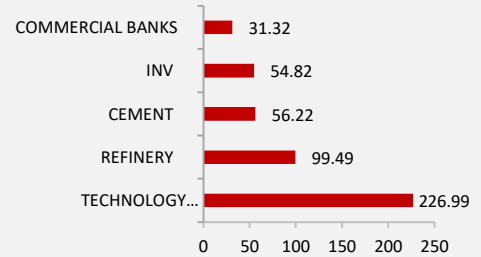
Pakistan's current account deficit has reduced to US\$229 million in January 2021 from US\$652 million last month and US\$512 million in the same month a year ago, showing an improvement of 65% MoM and 55% YoY, largely due to recovery in exports and strong remittances.

Market Summary

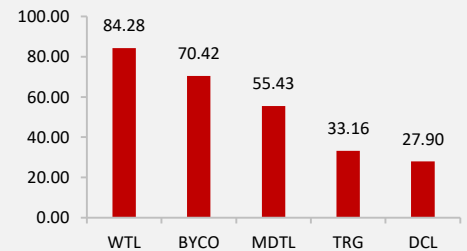
Current Index	45,728.75
Change	-161.29
Percent change	-0.35
High	46,083.66
Low	45,663.03
Volume traded (mn shares)	256.32
Value traded (PKR mn)	15.25

Source: PSX and AAH Research

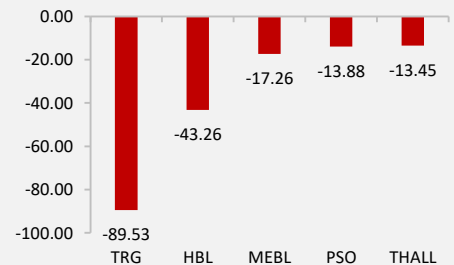
Top-5 Traded Sectors (mn shares)



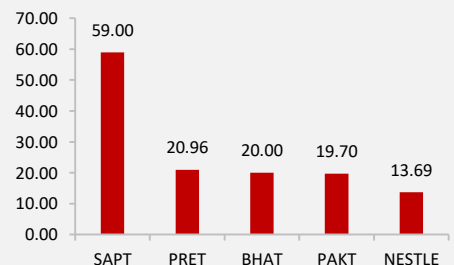
Top-5 Volume Leaders (mn shares)



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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