



November
24, 2020

Stocks surge 231 points as policy rate remains unchanged

The local bourse witnessed bull run as the benchmark KSE-100 index surged 230.84 points to settle the day at 39,863.36 level. The market largely remained in positive territory primarily due to status quo maintained at 7% in November MPC, coupled with rising international crude oil prices. Attractive levels after yesterday's dip induced investors to build new positions. Going forward, market seems to be volatile owing to the future rollover effect and fear of re-imposition of lockdown.

Major scrips that pulled the market into the green zone were POL (+23.43 pts), DAWH (+18.02 pts), MARI (+17.50 pts), LUCK (+15.72 pts), and OGDC (+15.71 pts). The market found its support and resistance at 39,631.07 points and 40,021.33 points respectively.

A sector-wise view shows that Technology & Communication sector remained in the spotlight with a total volume of 32.49mn shares while Cement sector followed with a volume of 24.43mn shares. Vanaspati & Allied Industries came in third with a total volume of 19.01mn shares.

The bourse witnessed a total volume of 175mn shares, while traded value clocked in at PKR 6.79bn. The advance to decline ratio remained in the favor bulls where 189 scrips closed green, 131 closed red and 29 scrips remained unchanged.

News & Corporate Announcements:

The Banking sector spread for October 2020 have marginally grown by 7 basis points (bps) over the month which brings its latest value to 4.65% as compared to prior month's spread of 4.58%. On the contrary, the spread has compressed by 148 bps as compared to the same period last year.

Avanceon Automation and Control WLL, and Avanceon FZE, both subsidiaries of Avanceon Limited, have received three contracts worth multi-million dollars.

Agha Steel Industries through a notice to PSX, has informed that Military Engineering Services (MES) of Pakistan Army has enlisted Agha Steel Industries Limited as the manufacturer cum supplier of deformed steel bar for its projects.

Minister for Planning and Development Asad Umar says the review in agreements with Independent Power Producers (IPPs) would reduce per-unit price of electricity by over 1.4 rupees.

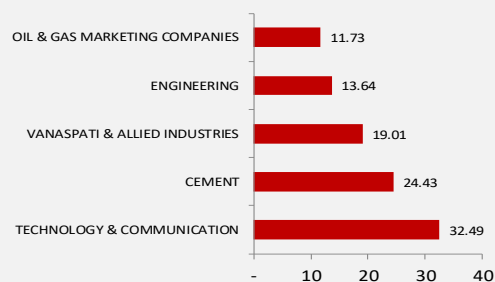
Pakistani rupee (PKR) appreciated by 96 paisa against US Dollar (USD) in today's interbank session as the currency closed the day's trade at PKR 160.09 per USD, against yesterday's closing of PKR 161.05 per USD.

Market Highlights

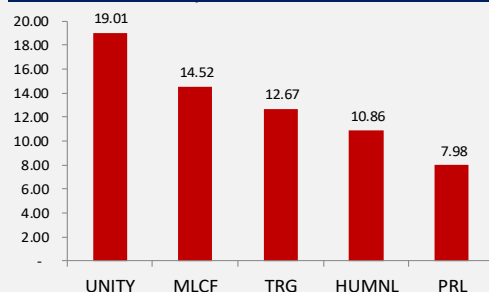
Current Index	39,863.36
Change	230.84
Percent change	0.58%
High	40,021.33
Low	39,631.07
Volume traded (mn shares)	105.95
Value traded (PKR mn)	5,203

Source: PSX and AAH Research

Top-5 Traded Sectors (mn shares)



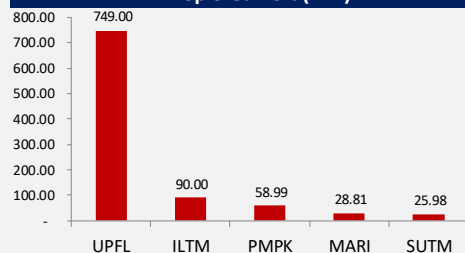
Top-5 Volume Leaders (mn shares)



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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