



February
25, 2021

Stocks snap three-day falling streak on recovery in international oil prices, strong corporate announcements

Bulls regained control of the bourse on Thursday, snapped a three-day losing streak to add over 603.04 points to benchmark. Trading in bourse began on a strong note as international oil prices reached one year high of USD 66.80/bbl as global crude supplies shrink in the aftermath of the US winter storm. The KSE-100 index traded between high and low of 46,004.68 and 45,362.58 points before closing at 45,965.62 level. Investors' sentiments remained largely positive throughout the session on strong corporate earnings and expansion announcements. Going forward, we expect the outcome of FATF's plenary review and PTI's position in the Senate election will formulate the trading strategy.

The Technology and Communication sector witnessed the greatest activity throughout the day, generating a volume of 147.2mn shares. The Refineries sector was the second most traded sector with 48.0mn shares being traded, followed by the Food & Personal Care Products sector that clocked in 41.2mn shares.

The bourse witnessed a total volume of 468mn shares, with the value traded clocking PKR 23.2bn. The advance to decline ratio favored the bulls as 231 scrips closed green, 117 closed red and 20 remained unchanged.

News & Corporate Announcements:

UNITY informed PSX via its notice that the Board of Directors, in its meeting has approved in-principle acquisition of 16,467,818 (31%) shares of Sunridge Food (Private) Limited at Rs. 28 per share. It may be noted that the company already holds 69% shares of Sunridge Food (Private) Limited.

Gul Ahmed Textile has notified PSX that the board of GATM has authorized the company to re-formulate and propose the terms for a carve-out/hive-out of its local business segment (including retail business along with related assets) into a wholly owned subsidiary which was put on hold last year due to COVID Pandemic.

UBL reported its 4QCY20 financial result on 25th Feb'21. Bank reported a promising PAT of PKR 4.82 bn (EPS of PKR 3.95) for the 4QCY20, which is +3%QoQ/+2%YoY higher. Bank announced an payout of PKR 9.5 per share for the quarter, aligning with its historic payout ratio of 75%.

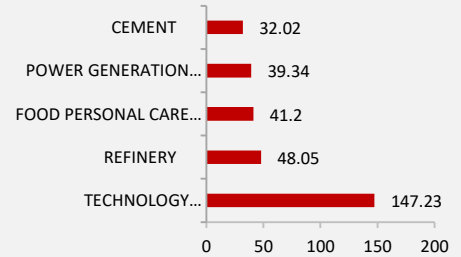
PIOC announced its financial results for 2QFY21 where the company's EPS (UC) clocked in at PKR 2.84 as compared to EPS (UC) of PKR 0.32 in SPLY. While 1HFY21 EPS of company clocked in at PKR 2.67 as opposed to LPS (UC) of PKR 0.49 SPLY.

Market Summary

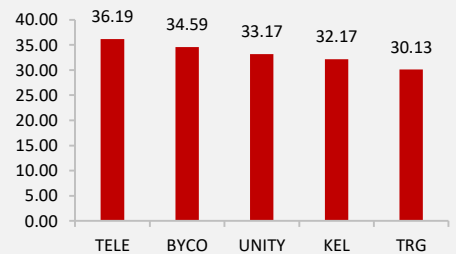
Current Index	45,965.62
Change	603.04
Percent change	1.33
High	46,004.68
Low	45,362.58
Volume traded (mn shares)	202.33
Value traded (PKR mn)	12.82

Source: PSX and AAH Research

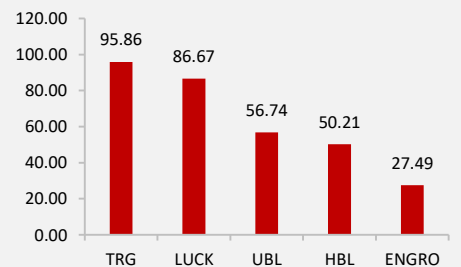
Top-5 Traded Sectors (mn shares)



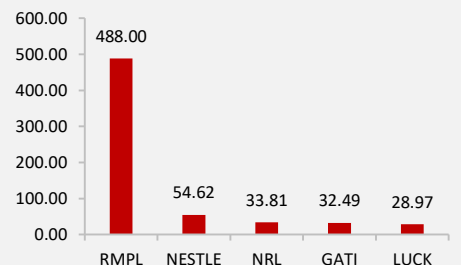
Top-5 Volume Leaders (mn shares)



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



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
behroz@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

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/>