



Stocks posts a calm gain in Monday's session

January 25,
2021

Bourse opened positive in Monday's session on economic cues as the SBP published monetary policy on Friday maintaining the status quo and further riling up investor's confidence with guidance regarding change in future policy rate. Index rose by 219.60pts to close at 46,087.64pts tracking positive sentiments from several factors: i) Govt. conveys consent to pay 40% of 450bn to IPPs. ii) Approvals to procure "Emergency use" Russian vaccine secured. iii) Stable oil prices over the weekend set calm during the session. Going forward, we believe the bourse to maintain elevated trends and through out the result period.

The major scrips that added to the index were TRG (85pts), HUBC (20 pts), ANL (17 pts), UNITY (17 pts), and FFC (17 pts). The index found its support and resistance at 45,868.04 points and 46,189.02 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 77mn shares. Power Generation & Distribution sector was the runner up, clocking in a total volume of 53mn shares. Vanaspati & Allied Industries sector was the third-most traded sector amassing a volume of 36mn shares.

The bourse witnessed a volume of 470mn shares, with the value traded clocking in at PKR 21.05bn. The advance-to-decline ratio favored the bulls as 193 scrips closed green, 163 closed red and 22 remained unchanged.

News & Corporate Announcements:

The government is considering the formation of Potato Development and Export Council. Matters pertaining to its constitution were discussed at a meeting chaired by Adviser on Commerce Razaq Dawood in Islamabad today. In his tweet, the Adviser said that the meeting discussed all matters relating to quality control, grading, storage, and export of potatoes.

Prime Minister Imran Khan has called for devising a viable framework for equitable and affordable supply of Covid-19 vaccine to developing countries. He was addressing virtually the 4th Session of the United Nations Conference on Trade and Development Intergovernmental Group of Experts on Financing for Development on Monday.

Oil and Gas Regulatory Authority (OGRA) has sought fresh applications from the interested parties for the establishment of new Re-gasified Liquefied Natural Gas (RLNG)-based CNG stations.

Avanceon Limited's paid-up capital has been enhanced from 211,790,007 to 213,827,798 shares after CDC allotment of 2,037,791 shares to all eligible employees who have exercised their share option under Employee Share Option Scheme, the company announced on Monday.

K-Electric Company today officially announced the verdict of the Sindh High Court, wherein judgement was passed in the company's favor. The Sindh High court made it clear that process of privatization was not illegal and therefore, the applications filed by the plaintiffs lacked conviction as to why the company should not be privatized..

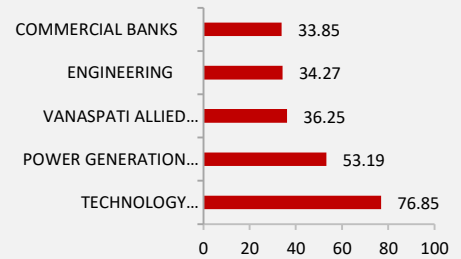
The Hub Power Company Limited (HUBC) via notification to Exchange has updated that the Narowal Energy Limited (a wholly-owned subsidiary of HUBC under the 2002 Power Policy) and Central Power Purchasing Agency (Guarantee) Limited (Power Purchaser) have initialed an agreement in furtherance of the Memorandum of Understanding dated 12th August 2020.

Market Summary

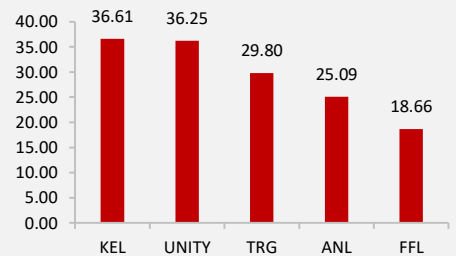
Current Index	46,087.64
Change	219.60
Percent change	0.48
High	46,189.02
Low	45,868.04
Volume traded (mn shares)	258.29
Value traded (PKR mn)	13.53

Source: PSX and AAH Research

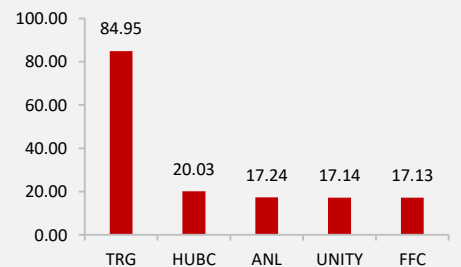
Top-5 Traded Sectors (mn shares)



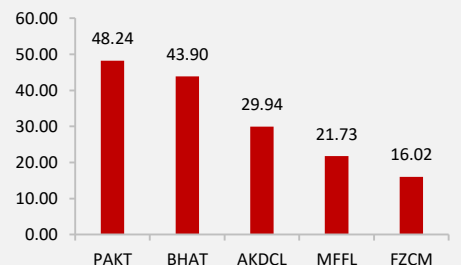
Top-5 Volume Leaders (mn shares)



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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