



January 26,  
2021

## Earnings expectation boost stocks; benchmark jump ~200 points

Bourse completes two-day winning streak on Tuesday as KSE-100 index benchmark gains over 199.74 points on earnings optimism. Analysts expects construction, textile and energy sector to post stellar improvement in their financial results, while banking sector is expected to perform on its payout resumption story. Agreement between government-IPPs and rumored price hike by northern cement manufacturers also added to investors' confidence in bourse. Going forward, we expect earnings optimism and government's uplift effort on vaccines procurement will drive investors' sentiments.

The major scrips that added to the index were TRG (37pts), PSO (26 pts), PIOC (22 pts), LUCK (21 pts), and POL (17 pts). The index found its support and resistance at 46,087.64 points and 46,398.01 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 89mn shares. Commercial banks sector was the runner up, clocking in a total volume of 87mn shares. Cement sector was the third-most traded sector amassing a volume of 71mn shares.

The bourse witnessed a volume of 603mn shares, with the value traded clocking in at PKR 26.8bn. The advance-to-decline ratio favored the bears as 176 scrips closed green, 193 closed red and 11 remained unchanged.

### News & Corporate Announcements:

The opposition-dominated Senate on Monday rejected a bill proposing to give powers to the Pakistan Electronic Media Regularity Authority (Pemra) to look into the complaints of violation of contractual obligations by private TV channels.

The World Bank (WB) is preparing a new Country Partnership Framework (CPF) for the next five years from fiscal year 2022 to 2026 with possible portfolio of \$10 to \$12 billion for different sectors of economy of Pakistan.

The Executive Management of Hi-Tech Lubricants Limited (HTL) has initiated expansions at the Plant Site of Hi-Tech Blending (Pvt.) Ltd. (HTBL) (a wholly-owned subsidiary of HTL) considering future high volumes of sales projections and increase in demand of locally blended products.

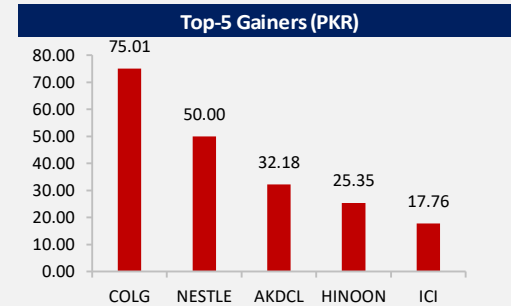
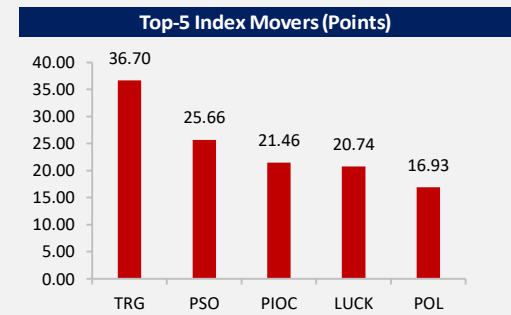
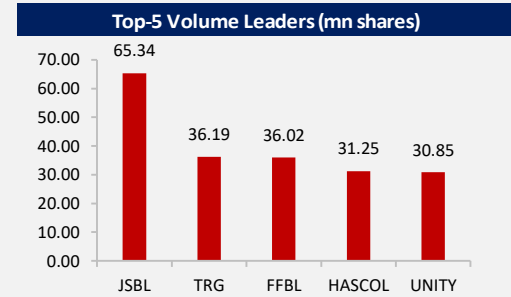
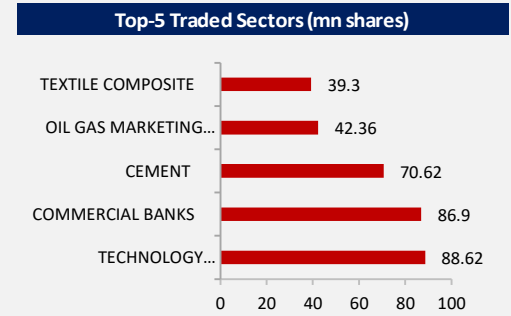
Rousch (Pakistan) Power Limited (RPPL), a subsidiary of Power Management Company (Private) Limited (which in turn is a subsidiary company of Altern Energy Limited —AEL), and the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) have initialled a Master Agreement and a Power Purchase Agreement (PPA) Amendment Agreement in furtherance to the Memorandum of Understanding (MoU) executed on August 12, 2020, between the Company and the Committee for negotiating with IPPs.

To further improve the security of electronic filings and the company registration process, the Securities and Exchange Commission of Pakistan (SECP) has integrated its e-Services with Pakistan Mobile Number Portability (MNP) Database (Guarantee) Limited to verify the cell number of applicants against their CNICs.

Japan committed to providing JPY 1.986 billion (PKR 3.078 billion) grant assistance for the Installation of Weather Surveillance Radar in Sukkur. This project will help deliver reliable and timely meteorological services to prevent damage to life and property caused by disasters. The grant agreement was signed by Mr. Noor Ahmad, Secretary EAD, and H.E. Mr. Matsuda Kuninori, Ambassador of Japan on behalf of their Governments on January 25, 2021..

| Market Summary            |           |
|---------------------------|-----------|
| Current Index             | 46,287.38 |
| Change                    | 199.74    |
| Percent change            | 0.43      |
| High                      | 46,398.01 |
| Low                       | 46,087.64 |
| Volume traded (mn shares) | 341.57    |
| Value traded (PKR mn)     | 18.58     |

Source: PSX and AAH Research



Data Source: PSX

Research Team

[research@abaalihabib.com](mailto:research@abaalihabib.com)

Aba Ali Habib Securities (Pvt) Limited  
(021) 32429665, Ext. 106

DAILY CLOSING NOTE



## 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 <sup>AC</sup>

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](mailto:Zahid@abaalihabib.com)  
(021) 32425022

### RESEARCH TEAM

**Contact:** (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst  
[zubair@abaalihabib.com](mailto:zubair@abaalihabib.com)

Behroze Atique Bahalim – Research Analyst  
[behroze@abaalihabib.com](mailto:behroze@abaalihabib.com)

Ayesha Abid – Research Analyst  
[ayesha.abid@abaalihabib.com](mailto:ayesha.abid@abaalihabib.com)

### SALES TEAM

Zaheer Ahmed - Head of Institutional Sales  
[Zaheer.ahmed@abaalihabib.com](mailto:Zaheer.ahmed@abaalihabib.com)  
(021) 32418693-94

Salman Ahmed - Head of Retail Sales  
(021) 32412491

Syed Khalid Ahmed - Equity Trader  
[Syedkhalid@abaalihabib.com](mailto:Syedkhalid@abaalihabib.com)  
(021) 32429664

Muhammad Faisal - Equity Trader  
[faisal@abaalihabib.com](mailto:faisal@abaalihabib.com)  
(021) 32464835

Ammara Hayat Khan - Equity Trader  
[ammara@abaalihabib.com](mailto:ammara@abaalihabib.com)  
(021) 32464835

### Office (PSX Building)

Room # 419, 419 A & 421, 4<sup>th</sup> Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi  
Contact: 021-32429665  
Cell: [+92 3312766771](tel:+923312766771)



[https://twitter.com/Aba\\_Ali\\_Habib](https://twitter.com/Aba_Ali_Habib)



<https://www.facebook.com/aah162>



<https://www.linkedin.com/company/aba-ali-habib-securities/>