



January 27,
2021

Earnings optimism adds to 3-day winning streak

Bulls carry the KSE-100 benchmark into a three-day winning streak as index settles at 46,458.13 with a gain of 170.75pts. During the day the bourse maintained low-key volatility as investors remained focused on key sectors such as Technology, Refinery, Cements and Commercial bank. ECC meeting today, which carried seven agenda items of which Textile policy 2020-25 and review of OMCs and dealers margins on petroleum, also added to investors' positive sentiments. Encouraging earnings from BAHL, HCAR, HINO, ACPL, ATRL, APL and POL announced today raised market momentum. Going forward, we believe bulls to maintain winning streak during the week due to upcoming announcements.

The major scrips that added to the index were TRG (80pts), MARI (25 pts), FFC (23 pts), LUCK (22 pts), and FCCL (20 pts). The index found its support and resistance at 46,287.38 points and 46,698.33 points, respectively.

Sector-wise, Technology & Communication sector remained in the spotlight today, generating a volume of 84mn shares. Cement sector was the runner up, clocking in a total volume of 71mn shares. Refinery sector was the third-most traded sector amassing a volume of 65mn shares.

The bourse witnessed a volume of 611mn shares, with the value traded clocking in at PKR 29bn. The advance-to-decline ratio favored the bulls as 196 scrips closed green, 178 closed red and 10 remained unchanged.

News & Corporate Announcements:

Securities and Exchange Commission of Pakistan (SECP) has made significant capital market reforms featuring legal, structural, regulatory, operational and product development initiatives which were helping in the development of a robust and transparent capital market in the country.

The Universal Service Fund (USF) awarded a contract worth approximately PKR 254 Million to Jazz for providing High-Speed Mobile Broadband services in rural and remote areas of Punjab. Federal Minister for IT and Telecommunication, Syed Amin UI Haque and Federal Minister for Science and Technology, Fawad Chaudhry witnessed the contract signing ceremony held at the Ministry of IT and Telecommunication, Islamabad on Monday.

Minister for planning Asad Umar has stressed maintaining the momentum of CPEC projects and following the timelines for their early completion. The meeting was briefed on the overall progress of CPEC projects in Industrial Cooperation, Energy, Infrastructure, Gwadar, Science and Technology, Socio-Economic Development, Agriculture, Transport and Communications and issues faced in the implementation of these projects.

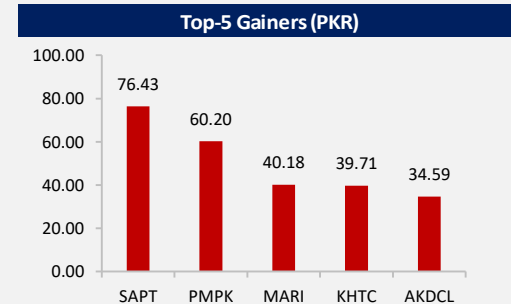
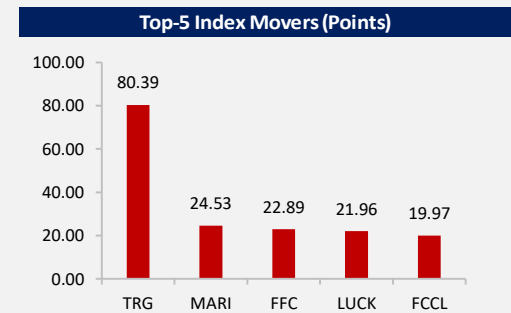
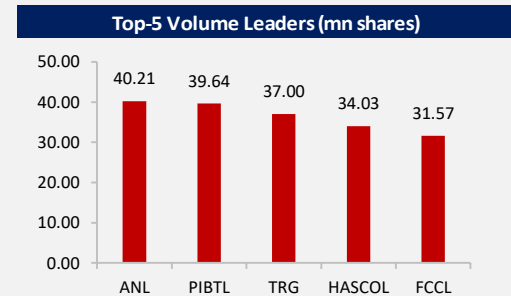
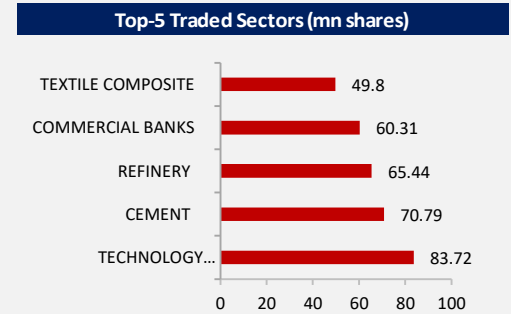
Only online visa forms will be processed between Pakistan and Birmingham, Bradford, Glasgow and Manchester after February, 2021. Manual processing of visas will not be entertained, it was decided between the Pakistan High Commission in London and UK consulates. The decision to discontinue manual processing of visa cases is in line with the Pakistan government's effort to encourage online visa applications.

Pakistan and China on Tuesday embarked on a new venture as they established the first agricultural and industrial cooperation information platform in an attempt to promote in-depth business-to-business cooperation between the two countries.

The UK government says Pakistan is showing global leadership in tackling climate change with its 10 Billion Tree Tsunami project. UK Environment Minister Lord Goldsmith of Richmond Park terms afforestation initiative as a great achievement, which the world can learn from and emulate

Market Summary	
Current Index	46,458.13
Change	170.75
Percent change	0.37
High	46,698.33
Low	46,287.38
Volume traded (mn shares)	373.94
Value traded (PKR mn)	19.73

Source: PSX and AAH Research



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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