



January 28,
2021

Bears snap winning streak, bourse corrects 292 points

Bears catch up on bulls, ends three-day winning streak on Thursday as the index plunged 292.08pts to close the day at 46,166.05pts. Profit taking was witnessed during the session across all major sectors, continuous rally in stock prices added to investors' anxiety. Market participants reflected mixed sentiments during the session on earnings optimism, despite negative global cues on vaccine supply concerns. Going forward, we believe that the long awaited ECC meeting and ongoing announcements season will set the trading tone in bourse

The major scrips that deducted from the index were TRG (-61pts), FFC (-36 pts), DAWH (-33 pts), MCB (-29 pts), and SYS (-28 pts). The index found its support and resistance at 46,110.92 points and 46,645.17 points, respectively.

Sector-wise, Commercial bank sector came in the spotlight today, generating a volume of 386mn shares. Technology & Communication sector was the runner up, clocking in a total volume of 70mn shares. Cement sector was the third-most traded sector amassing a volume of 67mn shares.

The bourse witnessed a volume of 844mn shares, with the value traded clocking in at PKR 26.23bn. The advance-to-decline ratio favored the bears as 139 scrips closed green, 219 closed red and 17 remained unchanged.

News & Corporate Announcements:

Corruption in Pakistan is perceived to be more rampant than it was last year as the country now ranks 124 out of 180 countries, four places down from 2019's ranking, on a global corruption perceptions list prepared by Transparency International (TI), an international non-governmental organisation based in Berlin.

Fauji Fertilizer Company (FFC) has announced its financial results for the year ended December 31, 2020 with net profitability of Rs 20.82 billion. The profitability translated into Earning Per Share (EPS) of Rs 16.36 which was 22% higher than last year.

The Rice Exporters Association of Pakistan (REAP) has announced that Pakistan received the geographical indication (GI) tag for its Basmati rice on January 26, 2021.

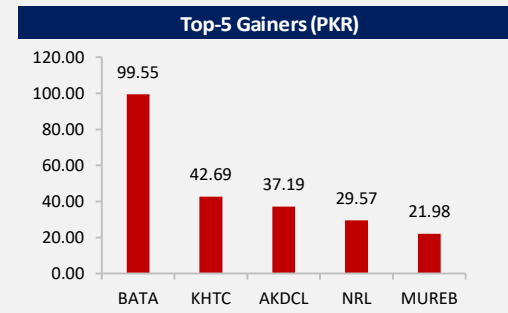
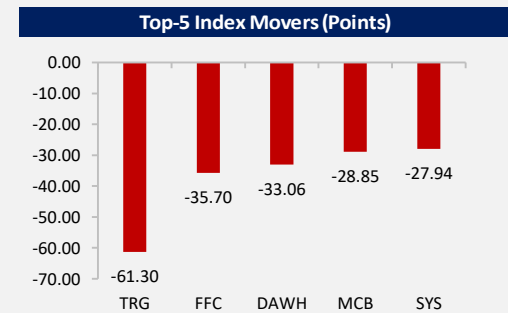
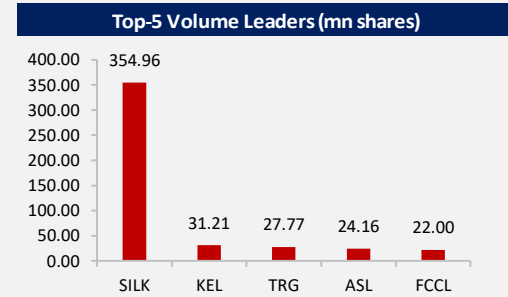
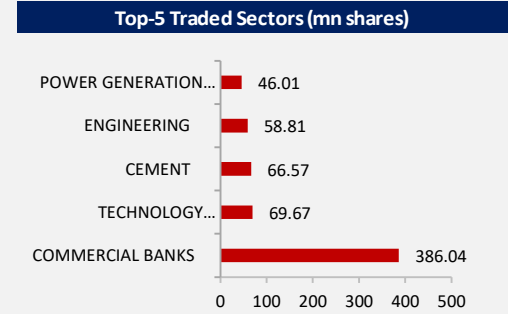
Oil & Gas Development Company Limited (OGDCL) has been awarded provisional new exploration blocks by the Directorate General of Petroleum Concessions (DGPC) after competitive bidding round for exploration blocks held by the Government in January 2021.

The Board of Directors of Pakistan Cables Limited (PCAL), in its meeting held on 28 January 2021, has approved the consolidation of the Company's manufacturing facilities at the new premises located at Plot No. K-23, S.I.T.E., Nooriabad that will enable the company to reduce the overheads resulting from operating two factories and will streamline the Company's finances and operations.

Bata Brands S.A., the brand holder of Trade Mark "Bata & other various brands", has given relief to Bata Pakistan by waiving off the Trade Mark License Fee of Rs. 223.36 million for the period starting from March 2020 to August 2020.

Market Summary	
Current Index	46,166.05
Change	-292.08
Percent change	-0.63
High	46,645.17
Low	46,110.92
Volume traded (mn shares)	296.47
Value traded (PKR mn)	17.89

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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