



December
29, 2020

Bulls take a breather, benchmark index takes correction

The index started off on a positive note after yesterday's session, reaching a high of 43,912pts during midday; however bearish trends took over during the final trading hours which brought the bourse down by 418pts to 43,255 points. Variety of speculations were observed during the day concerning the bourse's direction as trading years nears its close. Investors' cautiousness at these levels and profit booking activity, initiated a selling spree in bourse before the end of session. Furthermore, market sentiments turned weaker at the day as the newly discovered strain of Covid-19 emerging from UK was detected in Pakistan, which increased investors concerns over new round of restrictions in country.

The major scrips that pushed the bourse in the red zone today were HBL (-63 pts), MCB (-42 pts), HUBC (-42 pts), UBL (-38 pts) and ENGRO (-35 pts). The index found its support and resistance at 43,203.68 points and 43,912.10 points respectively.

The Technology and Communication sector witnessed the greatest activity throughout the day, generating a volume of 63mn shares. Refinery sector was the second most traded sector with 56mn shares being traded, followed by the Power generation sector that clocked in 46mn shares.

The bourse witnessed a total volume of 501mn shares, with the value traded clocking PKR 20.96bn. The advance to decline ratio favored the bears as 132 scrips closed green, 227 closed red and 19 remained unchanged.

News & Corporate Announcements:

Prime Minister Imran Khan has directed to mobilize all resources to provide affordable electricity to the consumers. Addressing an Energy sector review meeting in Islamabad, he said the government is fully focused on meeting the energy needs of all sectors.

Pakistan on Tuesday reported its first confirmed cases of a new coronavirus strain detected in the United Kingdom earlier this year. According to the Sindh health department, 12 samples of UK returnees were taken for genotyping out of which six were positive and three showed the new variant of the Covid-19 virus in the first phase.

CPEC Media Forum becomes exchange activity between China-Pakistan media. The 6th China-Pakistan Economic Corridor Media Forum was themed "Post-pandemic China-Pakistan Media Cooperation" and conducted in-depth exchanges and discussions on the opportunities for digital media, media as an engine for the high-quality development of CPEC, and China-Pakistan media cooperation.

Around 11 wind projects with a cumulative capacity of 660 MW had already achieved financial closing and are likely to start generation by December 2021. Alternative Energy Development Board (AEDB) had already formulated a new Alternative & Renewable Energy Policy (ARE Policy 2019). The policy aims at creating a conducive environment for the sustainable growth of the ARE Sector in Pakistan.

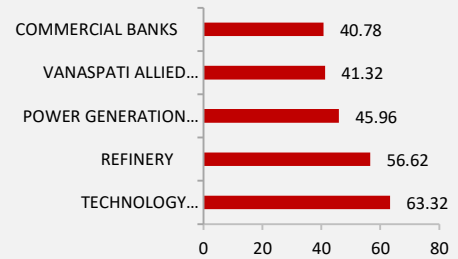
The federal government has released Rs 55,205 million for National Highway Authority (NHA) projects under the Public Sector Development Programme (PSDP) 2020-2021. Out of the released Rs 55,205 million amount, Rs 52,287.428 million were local components whereas Rs 2,917.606 million as foreign assistance

Market Summary

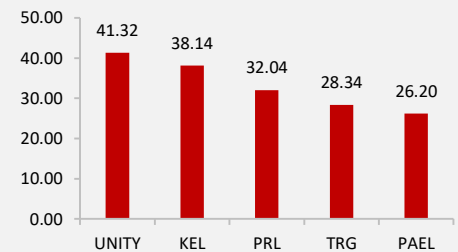
Current Index	43,255.55
Change	-418.73
Percent change	-0.96
High	43,912.10
Low	43,203.68
Volume traded (mn shares)	296.47
Value traded (PKR mn)	14.76

Source: PSX and AAH Research

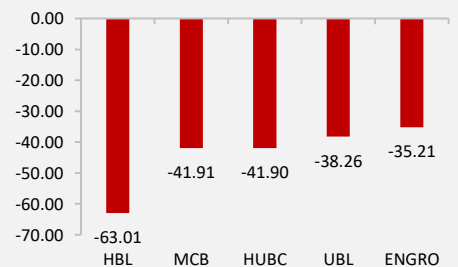
Top-5 Traded Sectors (mn shares)



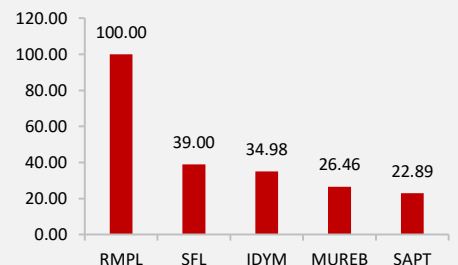
Top-5 Volume Leaders (mn shares)



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

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 ^{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

Behroz 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

Ammara Hayat Khan - Equity Trader
ammara@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/>