



March 2,  
2021

## Stocks rally on favorable multiples

KSE-100 followed positive momentum as today's trading session gains 370.84 points to close at 45,964.27 level. Although senate elections pose concerns for caution amongst investors, past five bearish session provided investors opportunities to take positions on favorable price multiples. Senate elections are to be held tomorrow which has kept the market participants to maintain a safe distance from the market as noted by weak trading volumes of 399mn. International oil prices slipped by 1.4% yesterday, as OPEC+ hints to increase oil supply this week. Going forward, we believe investors' sentiments to remain cautionary towards market till the conclusion of senate elections

The major scrips that added to the index were TRG (66 pts), HUBC (32 pts), PSO (31 pts), HBL (30 pts), and BAFL (27 pts). The index found its support and resistance at 45,535.87 points and 46,077.92 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 77mn shares. Engineering sector was the runner up, clocking in a total volume of 47mn shares. Textile Composite sector was the third-most traded sector amassing a volume of 41mn shares.

The bourse witnessed a volume of 399mn shares, with the value traded clocking in at PKR 22.97bn. The advance-to-decline ratio favored the bulls as 229 scrips closed green, 125 closed red and 19 remained unchanged.

## News & Corporate Announcements:

Pakistan Stock Exchange (PSX) and National Institutional Facilitation Technologies (NIFT) signed an agreement to collaborate in the development of a new payment and registration system by PSX.

Dawood Hercules Corporation Limited has reported earnings of Rs42.63 billion for the year ended December 31, 2020, i.e. nearly 42% higher as compared to the earnings of last year.

The Oil and Gas Regulatory Authority (OGRA) has issued a price-revision notification of Liquefied Petroleum Gas (LPG) for the month of March. According to the notification, the authority increased the locally produced LPG price by Rs.21.78 per cylinder of 11.8 kilograms.

The federal government has released Rs479.238 billion for various ongoing and new social sector uplift projects to date under its Public Sector Development Programme (PSDP) 2020-21.

Central Directorate of National Savings (CDNS) has paid encashment of Rs 115 billion by February 28 to the investors against the suspension of prize bonds of Rs25,000.

The Election Commission of Pakistan (ECP) said that the upcoming Senate elections, scheduled to be held on March 3, would be "conducted as provided in the Constitution and law as per past practice".

Rallying oil prices in recent weeks have intensified speculation that this week the OPEC+ group will decide to put more oil on the market as of April to prevent an over-tightening of the market and preserve market share.

Pakistan will have to make further legislation on at least two counts to meet three outstanding benchmarks of the 27-point action plan of the Financial Action Task Force (FATF) before the June deadline.

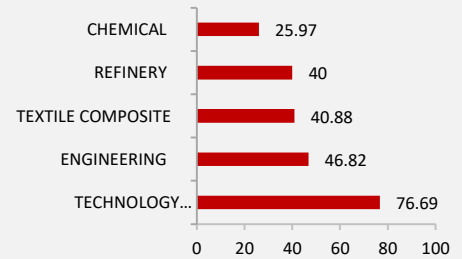
Pakistan's efforts to offer low-cost housing finance to people having slim resources are gradually gaining momentum. A scheme in this regard is expected to facilitate hundreds of thousands of people and protect banks from the risk of default by loan-seekers.

### Market Summary

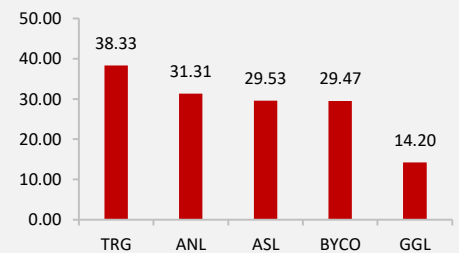
Current Index	45,964.27
Change	370.84
Percent change	0.81
High	46,077.92
Low	45,535.87
Volume traded (mn shares)	203.64
Value traded (PKR mn)	14.43

Source: PSX and AAH Research

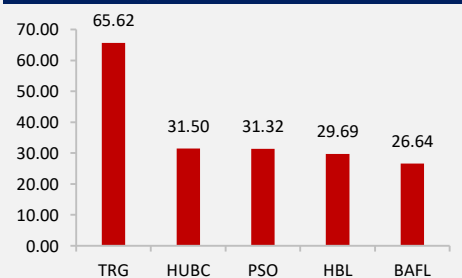
### Top-5 Traded Sectors (mn shares)



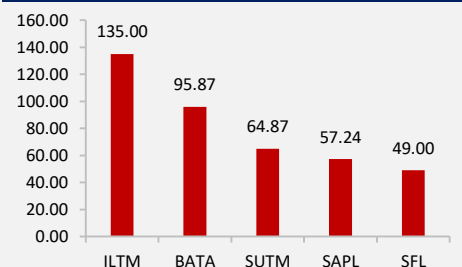
### Top-5 Volume Leaders (mn shares)



### Top-5 Index Movers (Points)



### Top-5 Gainers (PKR)



Data Source: PSX

Research Team

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

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106

REP-055

[www.jamapunji.pk](http://www.jamapunji.pk)



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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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## 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

### 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)



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