



December
31, 2020

Bulls add meagre 60 points to the index due to profit-taking

The bourse witnessed a highly volatile session today, taking jumps and dips all day long till benchmark ended the year at 43,755.38 points with a meagre gain of 60.62pts. The market was unable to sustain a stable trend as investors resorted to profit booking, however, even with a fickle market the session was bullish and ended CY20 trading with a gain of 7% YoY. Going forward, we believe start of CY21 will launch the market on positive trend supplementing investors' confidence and bring in more volumes initially.

The major scrips that kept the bourse afloat were HUBC (+37 pts), UBL (+18 pts), LUCK (+16 pts), MLCF (+16 pts), and MCB (+15 pts). The index found its support and resistance at 43,665.93 points and 43,890.14 points, respectively.

Sector-wise, Technology & Communication sector stole the spotlight, generating a volume of 73mn shares. Refinery sector remained the second-most traded sector, down from being the leader in the previous session, clocking in a total volume of 58mn shares. Cement sector was the third-most traded sector amassing a volume of 57mn shares.

The bourse witnessed a volume of 578mn shares, with the value traded clocking in at PKR 23.78bn. the advance-to-decline ratio favored the bulls as 190 scrips closed green, 177 closed red and 17 remained unchanged.

News & Corporate Announcements:

Pakistan Air Force (PAF) on Wednesday formally inducted the JF-17 Thunder Block II dual-seater fighter aircraft into its fleet and also launched the production of Block III of the same aircraft, a significant advance in the country's air defense arsenal.

Pakistan has decided to purchase 1.2 million doses of coronavirus vaccine from Chinese manufacturer Sinopharm, Federal Science Minister Fawad Chaudhry confirmed on Thursday.

The Independent Group, commonly known as the Asma Group, is likely to sweep the Pakistan Bar Council (PBC) elections in Punjab and it may also gain a comfortable majority in the 23-member council for the next five-year term. The elections will be held on Thursday (today).

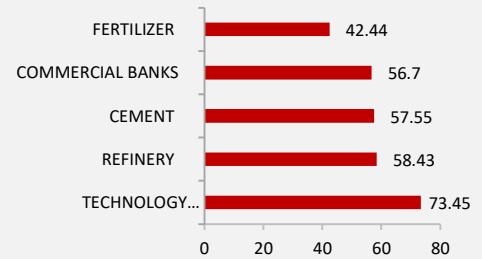
Pakistan's automobile assembler, Gandhara Industries Limited (GIL) has dismissed reports that it is planning to launch the Chery Tiggo 8 SUV in Pakistan. In a filing to the bourse on Thursday, GIL that also serves as the authorized assembler and manufacturer of Isuzu vehicles in Pakistan stated: "Gandhara Industries Limited has not entered into any negotiations or contract whether written or otherwise with any company to introduce Chery Tiggo 8 in Pakistan."

Market Summary

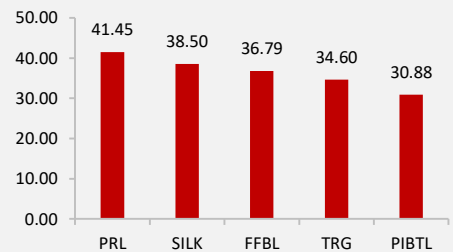
Current Index	43,755.38
Change	60.62
Percent change	0.14
High	43,890.14
Low	43,665.93
Volume traded (mn shares)	320.62
Value traded (PKR mn)	16.48

Source: PSX and AAH Research

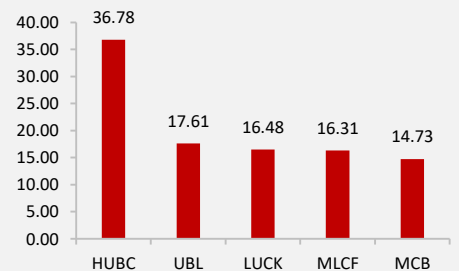
Top-5 Traded Sectors (mn shares)



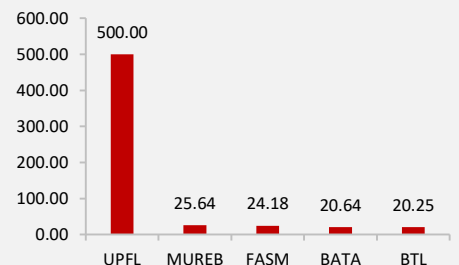
Top-5 Volume Leaders (mn shares)



Top-5 Index Movers (Points)



Top-5 Gainers (PKR)



Data Source: PSX

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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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