



February 3,  
2021

## KSE-100 index hits three-year high above 47,000 mark

Benchmark index tested high of 47,123.82 points, level not seen since Apr'18, on improving industrial data and strengthening exports. Stocks opened on positive note on Wednesday after APCMA data revealed ~16% YoY jump in cement sales during Jan'21. Earlier this week, OCAC data release also showed improving trend in monthly petroleum products sales. Investors' confidence in bourse was boosted on the back of finalization of government-IPPs agreements and upward trend in January exports reading. International markets also contributed positive cues to the bourse as full-swing vaccination drives taking place globally and rising trend in oil prices supported the rally in global markets. Going forward, we believe ongoing corporate earnings season and progress on pending policy proposals with ECC will set the stage for another rally.

The major scrips that added to the index were MARI (60pts), LUCK (49 pts), CHCC (30 pts), POL (27 pts), and SEARL (26 pts). The index found its support and resistance at 46,580.34 points and 47,123.82 points, respectively.

Sector-wise, Power Generation & Distribution sector took the spotlight today, generating a volume of 74mn shares. Cement sector was the runner up, clocking in a total volume of 63mn shares. Technology & Communication sector was the third-most traded sector amassing a volume of 60mn shares.

The bourse witnessed a volume of 616mn shares, with the value traded clocking in at PKR 29.5bn. The advance-to-decline ratio favored the bulls as 205 scrips closed green, 168 closed red and 18 remained unchanged.

## News & Corporate Announcements:

Pakistan and Uzbekistan have agreed to enhance bilateral trade relations and expressed the resolve to enter into Preferential Trade Agreement (PTA).

Oil prices surged on the back of the upbeat market sentiment and a snowstorm that socked the northeastern United States. US benchmark West Texas Intermediate oil soared to a one-year high of around \$55.07 a barrel, while Brent North Sea crude hit \$57.77, a level last reached nearly a year ago.

Agha Steel Industries, a leading Steel rebar manufacturing company has signed a contract with Renewable Power Pvt. Ltd. for installing a 2.25 Megawatt solar power project at its production facility located at Port Qasim Karachi.

Unity Foods Limited has submitted a progress report on the utilization of proceeds of the second Right Issue of 375 million shares. As per the report, the acquisition of the Crude Palm Oil (CPO) refinery is already completed and after taking physical possession of the CPO refinery the asset was transferred in the books of the Company, and production was also commenced.

The Security Exchange Commission of Pakistan (SECP), to safeguard the interest of investors, has proposed amendments to the Non-Banking Finance Companies (NBFCs) and Notified Entities Regulations, 2008.

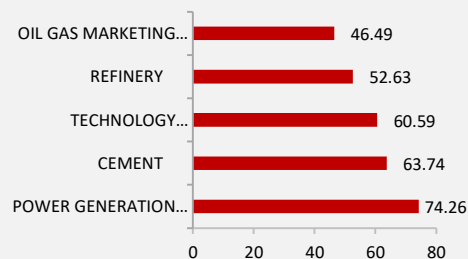
Economic Coordination Committee (ECC) has allowed Mari Petroleum to remove the cap on dividends' distribution. Earlier, Petroleum division had assured stakeholders of moving a summary to the economic coordination committee (ECC) allowing Mari Petroleum to remove the cap for dividend distribution.

### Market Summary

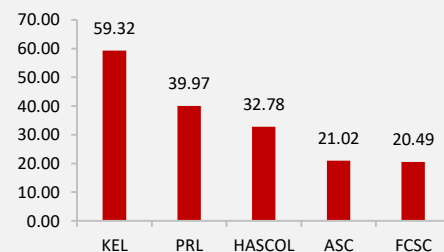
Current Index	46,933.63
Change	353.29
Percent change	0.76
High	47,123.82
Low	46,580.34
Volume traded (mn shares)	324.70
Value traded (PKR mn)	20.83

Source: PSX and AAH Research

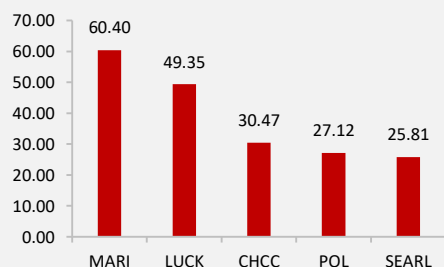
### Top-5 Traded Sectors (mn shares)



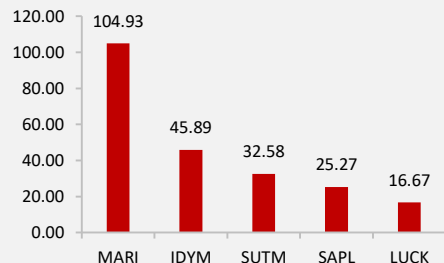
### Top-5 Volume Leaders (mn shares)



### Top-5 Index Movers (Points)



### Top-5 Gainers (PKR)



Data Source: PSX

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## 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 FCFF based DCF methodology.

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