



March 3,
2021

Stocks gain 196 points ahead of Senate election results

Bourse opened positive on Wednesday, remained in bullish territory for the most of the session as participants await Senate elections results. Stocks rallied over 196.51 points on diffusing political uncertainty as analysts expect no major power shift in upper house in ongoing Senate elections. The lawmakers are voting on 37 vacant seats of the Senate with 11 senators elected unopposed from Punjab, while the polling is being held for 12 seats each of Baluchistan and KPK, 11 of Sindh and 2 of the Capital. Investors' remained confident throughout the trading session, mainly on continuous improvement in industrial data as APCMA reported 2%YoY improvement in cements dispatches in Feb'21 to 4.8MTs. Going forward, we expect PTI's lead in senate election will further discount the market volatility caused by political factors.

The major scrips that added to the index were MCB (23 pts), INIL (21 pts), DAWH (16 pts), MEBL (16 pts), and SNGP (15 pts). The index found its support and resistance at 45,923.57 points and 46,189.25 points, respectively.

Sector-wise, Refinery sector took the spotlight today, generating a volume of 63mn shares. Technology & Communication sector was the runner up, clocking in a total volume of 55mn shares. Engineering sector was the third-most traded sector amassing a volume of 41mn shares.

The bourse witnessed a volume of 403mn shares, with the value traded clocking in at PKR 23.50bn. The advance-to-decline ratio favored the bulls as 196 scrips closed green, 142 closed red and 23 remained unchanged.

News & Corporate Announcements:

OPEC and allies, known as OPEC+, are considering rolling over oil production cuts from March into April instead of raising output because of fragile oil demand recovery due to persisting worries about the coronavirus, three OPEC+ sources told Reuters.

National Clearing Company of Pakistan (NCCPL) Regulations has introduced certain amendments in its regulations in order to enhance the trading capacity of market participants and improve liquidity.

The Asian Development Bank (ADB) Country Director Pakistan, Xiaohong Yang has termed the gender inequities a significant challenge for Pakistan with low literacy rates and labor force participation for women, saying that if Pakistan closed the gender gap, it could raise GDP by as much as 30 percent.

Samba Bank has received Rs5 billion in its designated account for receipt of proceeds against the issue of Rated, Privately Placed, Unsecured, and Subordinated Term Finance Certificates (TFCs).

The Security and Exchange Commission of Pakistan (SECP) has given its no objection to convert the financing of Rs6.879 billion by Treet Corporation to First Treet manufacturing Modaraba (FTMM) into equity.

The federal government has collected around Rs679 billion on account of the Petroleum Development Levy (PDL) during the last three years to meet the country's budgetary revenue targets.

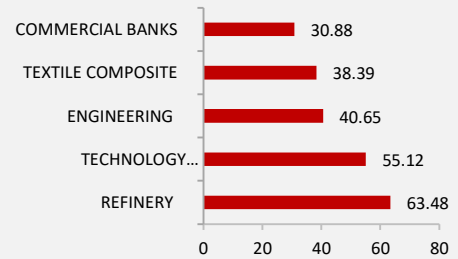
The government has so far released around 91.6 percent funds against the total allocation of Rs1,8441.230 million to execute eight petroleum sector projects under the Public Sector Development Programme (PSDP 2020-21).

Market Summary

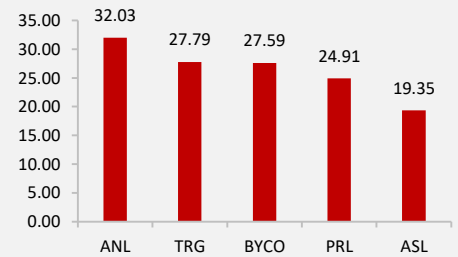
Current Index	46,160.78
Change	196.51
Percent change	0.43
High	46,189.25
Low	45,923.57
Volume traded (mn shares)	198.94
Value traded (PKR mn)	14.82

Source: PSX and AAH Research

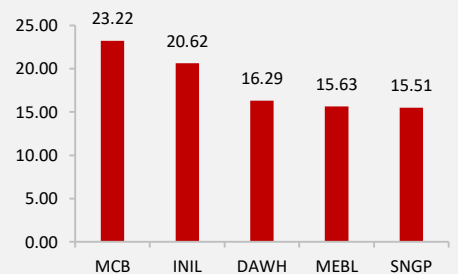
Top-5 Traded Sectors (mn shares)



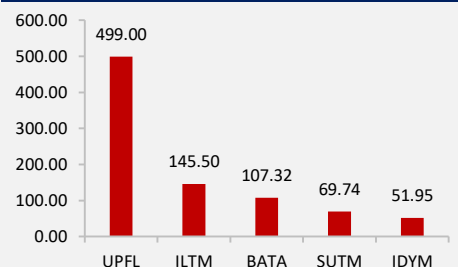
Top-5 Volume Leaders (mn shares)



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 FCF based DCF methodology.

Analyst Certification ^{AC}

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