



March 4,
2021

Stocks plunge in to a bloodbath post Senate elections

The unanticipated PDM's victory in highly anticipated Senate polls resulted in a setback for the ruling party, led the bourse to nosedive 882.25 points on Thursday. Investors' sentiments took a turn for the worst as benchmarks shed ~1,073pts at the start of the session. Panic selling mustered the investors; however, strong support was witnessed at 45,000 level. Although, Senate elections concluded against popular inclinations, further government's correspondence regarding the matter has caused political turbulence within the country. At the international front, rising US bond yields have shaken up the global markets while investors await OPEC+ meeting outcome to decide fate of future oil prices. Thick mist covers the market, proving difficult to forecast future market direction. However, we expect market to remain range-bound tomorrow as PM has announced to seek vote of confidence from Parliament on Saturday.

The major scrips that deducted from the index were LUCK (-66 pts), TRG (-52 pts), HBL (-35 pts), HUBC (-33 pts), and UBL (-30 pts). The index found its support and resistance at 45,087.63 points and 46,160.78 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 80mn shares. Refinery sector was the runner up, clocking in a total volume of 48mn shares. Power generation & Distribution sector was the third-most traded sector amassing a volume of 43mn shares.

The bourse witnessed a volume of 441mn shares, with the value traded clocking in at PKR 21.23bn. The advance-to-decline ratio favored the bears as 46 scrips closed green, 305 closed red and 9 remained unchanged.

News & Corporate Announcements:

Central Directorate of National Savings (CDNS) has received Rs 29 billion new investments by February 28, through registered Premium Prize Bonds of Rs40,000 and Rs25,000 introduced by the institution.

Pakistan Credit Rating Agency (PACRA) has upgraded entity ratings of Pakistan International Bulk Terminal Limited (PIBT) from A- to A for the Long-term while it maintained ratings at A2 for short-term.

Securities and Exchange Commission of Pakistan (SECP) have made significant capital market reforms featuring legal, structural, regulatory, operational and product development initiatives which were helping in development of a robust and transparent capital market in the country.

Systems Limited has reported earnings of Rs2.16 billion (EPS: 17.78) for the year ended December 31, 2020, i.e. around 38% higher as compared to the earnings of last year.

The Board of Directors of Dawood Lawrencepur Limited, in its meeting held on March 3, 2021, has approved the renewal of the subordinated loan facility of up to PKR 300 million to its subsidiary, Tenega Generasi Limited (TGL), for a further one-year period, on an arm's length basis.

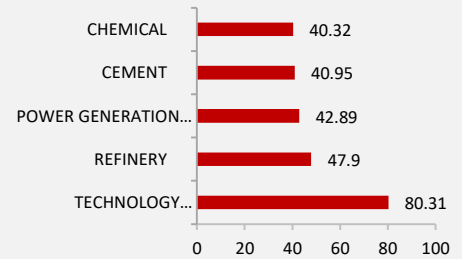
Mughal Iron & Steel Industries Limited has raised and received Rs.3 bln in its designated bank account by successfully issuing Rated, Privately Placed, Secured, to be Listed, Sukuk (Islamic Bonds) to Qualified Institutional Buyers (QIBs) for a period of 5 years.

Market Summary

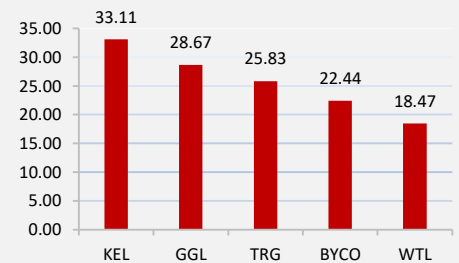
Current Index	45,278.53
Change	-882.25
Percent change	-1.91
High	46,160.78
Low	45,087.63
Volume traded (mn shares)	215.94
Value traded (PKR mn)	14.42

Source: PSX and AAH Research

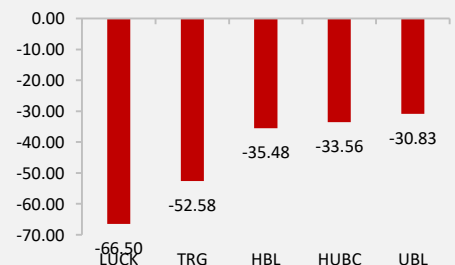
Top-5 Traded Sectors (mn shares)



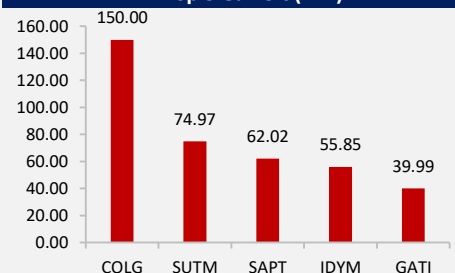
Top-5 Volume Leaders (mn shares)



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.

Analyst Certification ^{AC}

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