



January 5,
2021

KSE-100 index takes a break from bullish trend on weak global cues

Taking hints from weak global cues stemming from international oil prices and regional markets, benchmark plunged 227.75 points in early trading hours. However, stellar 11% YoY growth in cement sales during the month of December and government's approval to finance ~PKR 740 billion worth of Karachi Transformation Plan through PSDP and public-private partnership, pared some losses to close the benchmark at 44,650.43 points, with a loss of 36.03 points. Going forward we believe that upcoming result season will drive market sentiments.

The major scrips that kept the bourse anchored were HUBC (-74 pts), PPL (-55 pts), OGDC (-41 pts), PSO (-19 pts), and POL (-12 pts). The index found its support and resistance at 44,458.71 points and 44,830.28 points, respectively.

Sector-wise, Technology & Communication sector was the highest traded sector, generating a volume of 136mn shares. Refinery sector remained the second-most traded sector, clocking in a total volume of 72mn shares. Power Generation & Distribution sector was the third-most traded sector amassing a volume of 65mn shares.

The bourse witnessed a volume of 582mn shares, with the value traded clocking in at PKR 24.24bn. The advance-to-decline ratio favored the bulls as 191 scrips closed green, 175 closed red and 10 remained unchanged.

News & Corporate Announcements:

The non-government sector has borrowed another net sum of Rs.60.91 billion during the week ended December 25, 2020, which brings the cumulative net borrowing for ongoing fiscal year FY2021 to Rs.113.76 billion.

The government of Pakistan has acquired an additional debt of Rs.59.68 billion during the week ended December 25, 2020, which brings its total net borrowing for ongoing fiscal year 2021 to Rs.393.67 billion.

As per the data released by APCMA, cement dispatches for the month of Dec'20 increased by 11.2% YoY to clock in at 4.79mn tons. 1HFY21 dispatches posted the growth of 15.4% on a YoY basis at 28.56 MT as compared to 24.75 MT SPLY. On sequential basis, dispatches witnessed growth of 6.2% MoM as reported by APCMA.

Sigma Motorsports has launched the Q4 electric car in three variants and started taking bookings. Its top-of-the-line variant will cost Rs2,125,000. "Electric cars are the future," Muhammad Adeel Khalid, the co-founder of Sigma Motorsports, told SAMAA Money. "We want to be the first ones in the electric cars business."

Strong liaison between chambers of commerce and industry and business institutions of Argentina and Pakistan will help enhance the mutual trade volume, which currently stands very low, said Ambassador of Pakistan to Argentina Dr Khalid Ejaz.

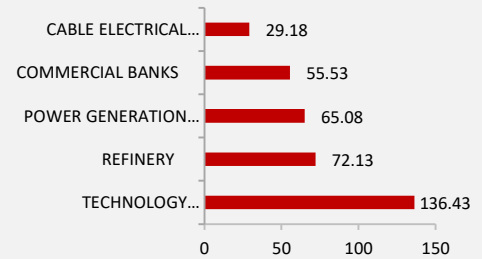
Hyundai Pakistan is likely to boost its production by 100 per cent in the first quarter of the calendar year 2021 (Q1C21). According to a statement issued by Hyundai-Nishat Motor (Pvt) Ltd. CEO Hassan Mansha, double shift operations would ensure that capacity is further enhanced by the end of Q2CY21. "This will ensure that Hyundai-Nishat continues to play its part by creating further employment opportunities as network and capacity are expanded," he added.

Market Summary

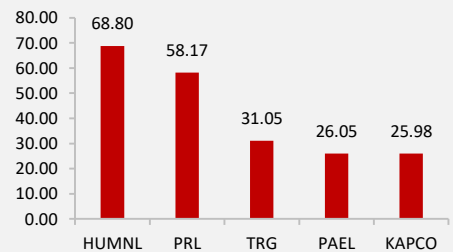
Current Index	44,650.43
Change	-36.03
Percent change	-0.08
High	44,830.28
Low	44,458.71
Volume traded (mn shares)	282.28
Value traded (PKR mn)	16.23

Source: PSX and AAH Research

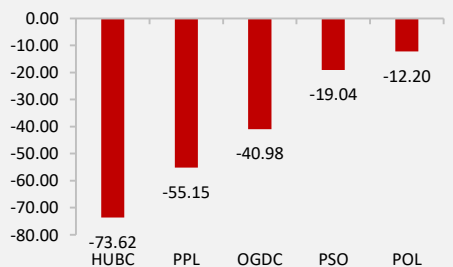
Top-5 Traded Sectors (mn shares)



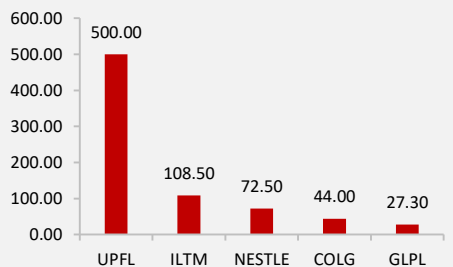
Top-5 Volume Leaders (mn shares)



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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