



December
8, 2020

Benchmark index remains flat as investors await PDM meeting outcome

The market participants remained cautious today as the bourse oscillated between red and green zone throughout the trading session on political uncertainty. Investors' confidence seemed to be dampened by the increasing political tension ahead of the opposition's 11-party alliance, PDM, meeting today with respect to their Lahore rally on Dec 13. Furthermore, global markets trade range bound as rising concerns over sluggish recovery outlook continue to irk investors. As a result, local investors played safe, taking the KSE-100 benchmark index slightly lower by 13.53 points to close at the 42,101.78 level.

Sector-wise, Technology & Communication sector continued to steal the spotlight as a total volume of 74mn shares was traded. Cement sector became the second most traded sector clocking in a total of 54mn shares, while Engineering sector followed as the third most traded sector with a total volume of 40mn shares.

The major scrips that dragged the market into the red zone were PPL (-19 pts), FFC (-15 pts), SYS (-14 pts), PSO (-13 pts) and SEARL (-12 pts). The bourse found its support and resistance at 41,948.35 points and 42,233.96 points respectively.

The bourse witnessed comparatively higher turnover of 409 mn shares, up by 7% DoD, translating into total traded value of PKR 11.26bn. The advance to decline ratio favored the bears as 137 scrips closed green, 201 closed red whereas 22 remained unchanged.

News & Corporate Announcements:

Adviser to Prime Minister on Commerce and Investment Abdul Razzak Dawood on Tuesday stated that Pakistan's exports to the US were over \$400 million in the month of October and November.

National Command and Operation Center (NCOC) on Tuesday said that coronavirus positivity rate has climbed to 8.58 percent in Pakistan with highest positivity ratio being observed in Karachi at 21.80%.

The Pakistan International Airlines (PIA) has announced a voluntary separation scheme (VSS) for its employees, including pilots and engineers, and asked them to apply for it till Dec 22.

Prime Minister (PM) Imran Khan said that five decades later after Mangla and Tarbela, Pakistan is going to build two big water dams Mohmand and Bhasha.

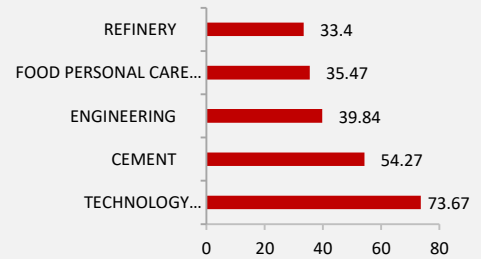
The National Price Monitoring Committee (NPMC) was informed on Monday that currently sufficient stocks of wheat were available to meet existing demand across the country.

Following an extensive search and competitive selection process, the stakeholders of InfraZamin Pakistan, namely Karandaz Pakistan, and the Private Infrastructure Development Group (PIDG) companies InfraCo Asia Investments and GuarantCo, have appointed Ms Maheen Rahman as the company's Chief Executive Officer.

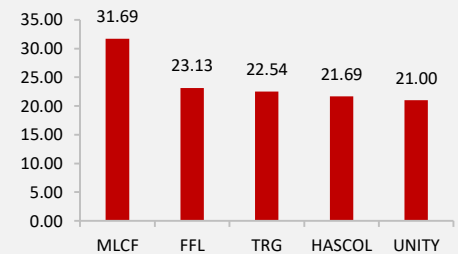
Market Summary	
Current Index	42,101.78
Change	-13.53
Percent change	-0.03
High	42,233.96
Low	41,948.35
Volume traded (mn shares)	194.70
Value traded (PKR mn)	11.26

Source: PSX and AAH Research

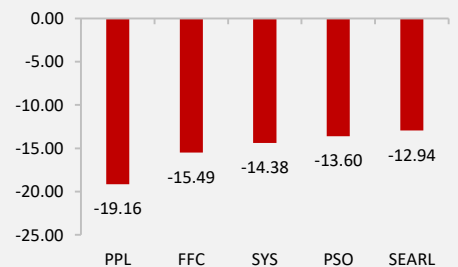
Top-5 Traded Sectors (mn shares)



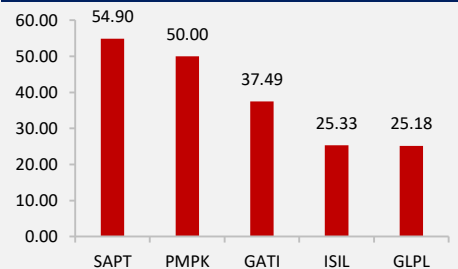
Top-5 Volume Leaders (mn shares)



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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