



February 8,  
2021

## Stocks plunge with benchmark dropping 183 points

KSE-100 takes a dive on Monday after a break from three day long week-end as political noise dampens investor sentiments despite positive economic cues. Index closed at 46,721.87 points shedding 183.92 points during the session, market succumbed to hefty profit taking pressure right after the opening bell. Although, global crude oil prices have witnessed a rising trend along with positive international markets, local bourse seems to be influenced by political uncertainty as PDM has resurfaced with a long march plan to put pressure on current government with the demand of fresh elections. Furthermore, textile policy 2020-25 speculations have been piling up as ECC delayed the approval of the policy for more than one month. Going forward, we believe multiple positive cues to enhance market trend during the week.

The major scrips that deducted from the index were ENGRO (-45pts), FFC (-26 pts), HBL (-22 pts), DAWH (-21 pts), and EFERT (-19 pts). The index found its support and resistance at 46,659.24 points and 47,074.16 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 153mn shares. Oil & Gas marketing sector was the runner up, clocking in a total volume of 33mn shares. Refinery sector was the third-most traded sector amassing a volume of 29mn shares.

The bourse witnessed a volume of 428mn shares, with the value traded clocking in at PKR 22.18bn. The advance-to-decline ratio favored the bears as 142 scrips closed green, 206 closed red and 19 remained unchanged.

## News & Corporate Announcements:

Pakistan's trade deficit for 7 months (July-January) FY21 was USD 14.96 billion compared to a deficit of USD 13.82 billion from the corresponding period from FY20.

The government has released funds amounting to Rs1,686.644 million during first seven months of the current fiscal year to execute eight petroleum projects under the Public Sector Development Programme (PSDP 2020-21) against the total allocation of Rs1,786.160 million.

Prime Minister Imran Khan says the government is determined for the development of agriculture sector and prosperity of farmers for which it will soon announce the biggest agriculture package of Pakistan's history.

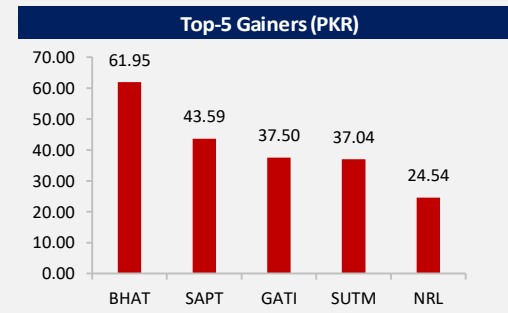
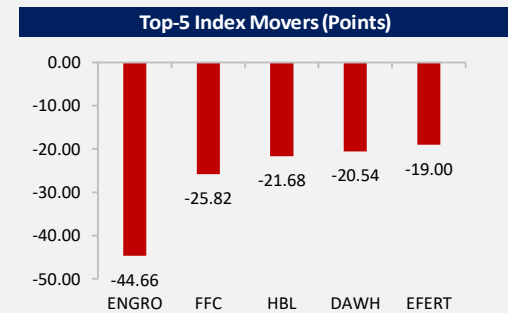
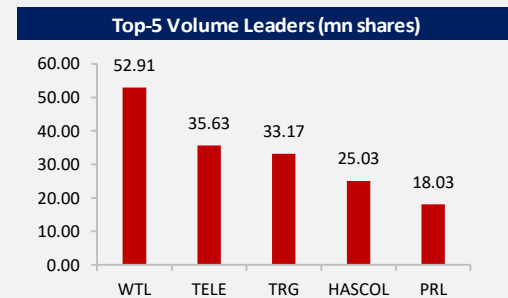
Prime Minister Imran Khan has directed the authorities concerned to accord special emphasis to reduce the burden of indirect taxes on the people. The Prime Minister also directed the economic team to furnish recommendations to bring down taxes on the imported edible items so that relief could be provided to the people especially the poor and middle class.

Amreli Steels Limited has reported earnings of Rs. 423 million (EPS: 1.42) for the half-year ended December 31, 2020, as opposed to the losses of Rs. 313.4 million (LPS: 1.06) reported in the same period of last year.

Federal Minister for Planning and Development, Asad Umar chaired a meeting of the Cabinet Energy Committee to discuss the payment of dues to Independent Power Purchasers (IPPs). The meeting reached an agreement with 46 out of 47 IPPs, wherein preliminary approval was given to pay Rs 403 billion to IPPs, sources said. The committee decided to pay Rs 161 billion to private power plants immediately, and the remaining in the next six months, Finance Ministry officials said.

Market Summary	
Current Index	46,721.87
Change	-183.92
Percent change	-0.39
High	47,074.16
Low	46,659.24
Volume traded (mn shares)	189.85
Value traded (PKR mn)	14.14

Source: PSX and AAH Research



Data Source: PSX

Research Team

[research@abaalihabib.com](mailto:research@abaalihabib.com)

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106

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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## THE TEAM

### CEO

Zahid Ali Habib  
[Zahid@abaalihabib.com](mailto:Zahid@abaalihabib.com)  
(021) 32425022

### RESEARCH TEAM

**Contact:** (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst  
[zubair@abaalihabib.com](mailto:zubair@abaalihabib.com)

Behroze Atique Bahalim – Research Analyst  
[behroze@abaalihabib.com](mailto:behroze@abaalihabib.com)

Ayesha Abid – Research Analyst  
[ayesha.abid@abaalihabib.com](mailto:ayesha.abid@abaalihabib.com)

### SALES TEAM

Zaheer Ahmed - Head of Institutional Sales  
[Zaheer.ahmed@abaalihabib.com](mailto:Zaheer.ahmed@abaalihabib.com)  
(021) 32418693-94

Salman Ahmed - Head of Retail Sales  
(021) 32412491

Syed Khalid Ahmed - Equity Trader  
[Syedkhalid@abaalihabib.com](mailto:Syedkhalid@abaalihabib.com)  
(021) 32429664

Muhammad Faisal - Equity Trader  
[faisal@abaalihabib.com](mailto:faisal@abaalihabib.com)  
(021) 32464835

Ammara Hayat Khan - Equity Trader  
[ammara@abaalihabib.com](mailto:ammara@abaalihabib.com)  
(021) 32464835

### Office (PSX Building)

Room # 419, 419 A & 421, 4<sup>th</sup> Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi  
Contact: 021-32429665  
Cell: [+92 3312766771](tel:+923312766771)



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