



March 8,
2021

KSE-100 tumbles 1,500 points on rising yields despite PM's smooth confidence vote

Benchmark index opened positive on Monday, with KSE-100 gaining +595 points to initiate the trading day. However, the index tracked a gradual bearish trend during the day as investors took to profit taking which closed the trading at 45,051.05 points shedding away 786.30 points by day end. There were two major developments which influenced investor sentiments. To start with, PM secured the vote of confidence by 178 votes in the National Assembly after the senate elections turbulent results, premier's victory provided mindful support to the participants, indicating stability amongst the political league of the country. However, rise in government bonds yield, along with an increase in profit rate last week in national saving certificates, has made investors cautious of future path of rates. Going forward, we believe market to track on positive sentiments and cautious profit taking opportunities.

The major scrips that deducted from the index were LUCK (-85 pts), HUBC (-48 pts), HBL (-39 pts), DGKC (-36 pts), and INDU (-24 pts). The index found its support and resistance at 44,849.07 points and 46,432.39 points, respectively.

Sector-wise, Technology & Communication sector took the spotlight today, generating a volume of 78mn shares. Food & Personal Care Products sector was the runner up, clocking in a total volume of 56mn shares. Textile Composite sector was the third-most traded sector amassing a volume of 43mn shares.

The bourse witnessed a volume of 459mn shares, with the value traded clocking in at PKR 24.75bn. The advance-to-decline ratio favored the bears as 77 scrips closed green, 271 closed red and 12 remained unchanged.

News & Corporate Announcements:

HUBC informed PSX via its notice that Hub Power Holdings Limited, a wholly owned subsidiary of The Hub Power Company Limited together with ENI's local employees (in a 50:50 joint venture) has executed definitive agreements to acquire all the upstream operations in Pakistan of Eni and renewable energy assets owned by Eni in Pakistan.

According to the State Bank of Pakistan (SBP), the share of development loans in total agricultural finance stood at 6pc in 2018-19. This percentage improved to 6.7pc in 2019-20 and further to 10pc in the first seven months of this fiscal year.

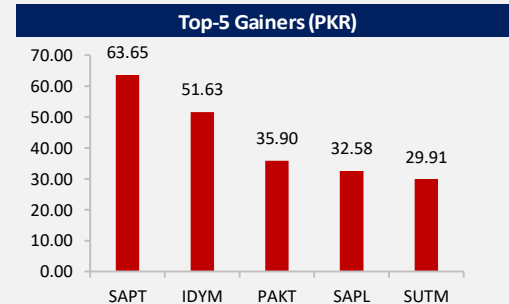
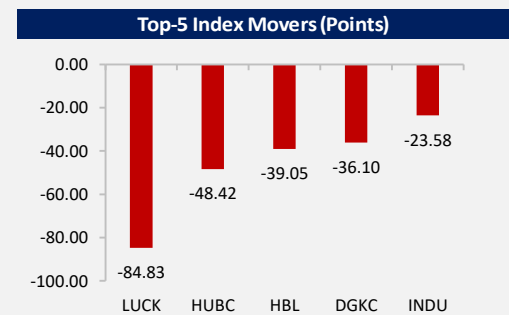
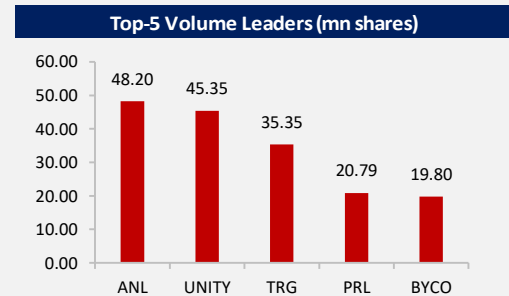
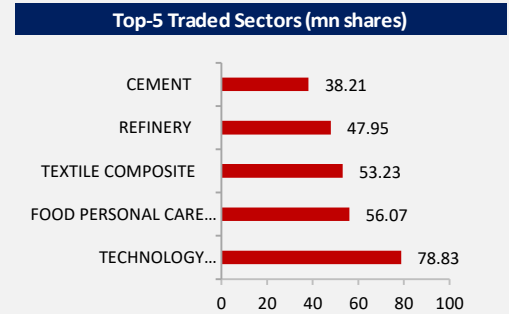
Special Assistant to Prime Minister (SAPM) on Overseas Pakistanis and Human Resource Development Sayed Zulfikar Bukhari has said that Pakistan would launch 'Brand Pakistan' as a customized brand and will get dozens of five stars international standard hotels and motels during the next two to three years.

Pakistan Stock Exchange (PSX) along with its partners, Women On Board (WOB) Initiative, Pakistan Institute of Corporate Governance (PICG), and Pakistan Business Council (PBC) held a gong ceremony on Monday to mark International Women's Day at the Stock Exchange.

The assets of the Non-Banking and Financial Company (NBFC) sector increased by 23.86 percent to Rs 1,412.42 billion during the financial year 2019-20 as compared to Rs 1,140.36 billion last fiscal year.

Market Summary	
Current Index	45,051.05
Change	-786.30
Percent change	-1.72
High	46,432.39
Low	44,849.07
Volume traded (mn shares)	235.64
Value traded (PKR mn)	16.91

Source: PSX and AAH Research



Data Source: PSX

Research Team

research@abaalihabib.com

Aba Ali Habib Securities (Pvt) Limited
(021) 32429665, Ext. 106

DAILY CLOSING NOTE



Disclaimer

This report has been prepared by Aba Ali Habib Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Aba Ali Habib Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Aba Ali Habib Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents.

In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Aba Ali Habib Securities' Research Department and do not necessarily reflect those of the company or its directors. Aba Ali Habib as a firm may have business relationships, including investment- banking relationships, with the companies referred to in this report. Aba Ali Habib Securities or any of its officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the subject company, may have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company, may serve or may have served in the past as a director or officer of the subject company, may have received compensation from the subject company for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from the subject company for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the subject company.

All rights reserved by Aba Ali Habib Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Aba Ali Habib Securities. Action could be taken for unauthorized reproduction, distribution or publication.

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}

The research Analyst(s) hereby certify that the views about the company/companies and the security/securities discussed in this report accurately reflect his or her or their personal views and that s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst
zubair@abaalihabib.com

Behroze Atique Bahalim – Research Analyst
behroz@abaalihabib.com

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

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

Salman Ahmed - Head of Retail Sales
(021) 32412491

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Office (PSX Building)

Room # 419, 419 A & 421, 4th Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi
Contact: 021-32429665
Cell: [+92 33312766771](tel:+9233312766771)



https://twitter.com/Aba_Ali_Habib



<https://www.facebook.com/aah162>



<https://www.linkedin.com/company/aba-ali-habib-securities/>