



December 9, 2020

Bulls rotate market direction, elevate benchmark by 102 points on global cues

Investors' confidence returned as the bourse witnessed a bullish run for most of the session taking the KSE-100 benchmark index up by 102.25 points to close at the 42,204.03 level. We believe the support resulted from positive trends witnessed in the global equity markets and oil prices. However, the political uncertainty surrounding resignation of PDM members' from parliament dampened investors' confidence and enticed them to book profits in midday session.

Technology & Communications sector once again became in the limelight amassing a total volume of 80.04mn shares. Chemical sector was the second most traded sector witnessing a volume of 44.81mn shares being traded, followed by the Cement sector that clocked in a volume of 40.81mn shares.

The major scrips that supported the market today were TRG (+30 pts), OGDC (+24 pts), PPL (+12 pts), UBL (+11 pts), and HBL (+10 pts). The bourse found its support and resistance at 42,030.61 points and 42,350.23 points respectively.

The total volume traded today reached 438mn shares slightly up from previous day, with a total value traded reaching PKR 18.99 bn. The advance to decline ratio favored the bulls as 187 scrips advanced in green whereas 156 closed red and 24 remained unchanged.

News & Corporate Announcements:

Prime Minister Imran Khan has stated that if the opposition resigns from parliament, the government will go ahead with by-elections on the vacant seats.

State Life Insurance Corporation of Pakistan (SLIC), intends to sell its entire holding of Ravi Textile Mills Limited and Mian Textile Industries Limited under buy back arrangement at price of above SLIC average holding cost i.e. Rs. 16.52 per share for Ravi Textile and Rs. 12.28 per share for Mian Textile Industries Ltd.

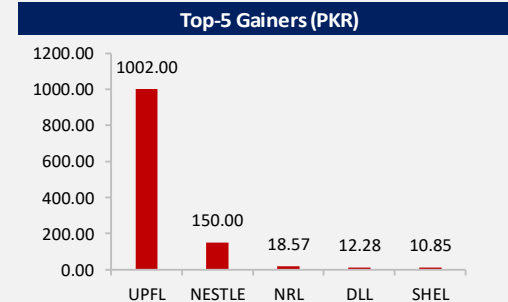
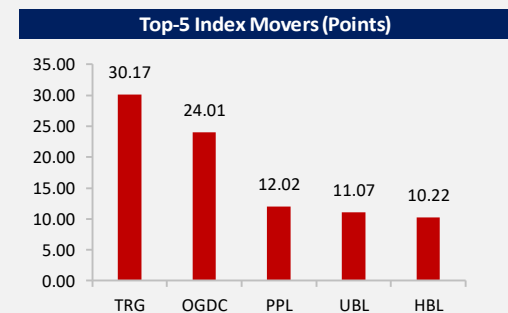
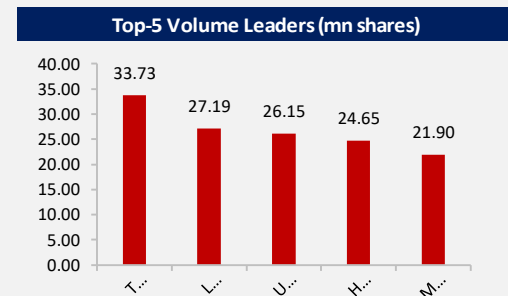
Oil prices eased on Wednesday as an unexpected jump in U.S. oil inventories fueled concerns over slow demand, but positive news on COVID-19 vaccines boosted investor optimism about a recovery in fuel demand, capping losses.

The Shareholders of Al Shaheer Corporation Limited in extraordinary general meeting held today has resolved that the authorized share capital of the company be and is hereby increased by Rs. 1,000,000,000 (Rupees One Billion Only) divided into 100,000,000 (One Hundred Million Only) ordinary shares at Rs. 10 (Rupees Ten) each. In addition, Right issue to be offered to the members in proportion of 50 right shares for every 100 ordinary share held.

The Board of directors of Shell Pakistan Limited, in conclusion of the extraordinary general meeting, have decided to issue further 107,012,331 ordinary shares having face value of Rs. 10 as Right shares. The proportion of Right shares offered is 100 Right shares for every 100 Ordinary shares.

Market Summary	
Current Index	42,204.03
Change	102.25
Percent change	0.24
High	42,350.23
Low	42,030.61
Volume traded (mn shares)	244.32
Value traded (PKR mn)	12.18

Source: PSX and AAH Research



Data Source: PSX

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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}

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.

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