



December
23, 2020

Stocks end losing streak as oil prices stabilize, benchmark recovers 181 points

KSE-100 index gained for the first time during the week, hitting breaks on three-day losing streak as international oil prices take breather after new Covid strain consternation. Bourse gained 180.76 points on Wednesday, after losing over 859 points in past three sessions, consolidating the day's session at 43,087.70 points. Positive trend in stocks mainly stemmed from price hike in local steel prices, recovery in international oil prices and expectation of pumped-up payouts in banks' annual results. Going forward, we believe market will remain range-bound until the conclusion of rollover week.

The major scrips that pushed the bourse in the green zone today were MLCF (+21 pts), HBL (+20 pts), LUCK (+18 pts), ENGRO (+18 pts) and CHCC (+13 pts). The index found its support and resistance at 42,852.79 points and 43,216.16 points respectively.

The Technology and Communication sector witnessed the greatest activity throughout the day, generating a volume of 58mn shares. Refineries sector was the second most traded sector with 41mn shares being traded, followed by the Cement sector that clocked in 34mn shares.

The bourse witnessed a total volume of 378mn shares, with the value traded clocking PKR 17.7bn. The advance to decline ratio favored the bulls as 214 scrips closed green, 133 closed red and 20 remained unchanged.

News & Corporate Announcements:

Govt files reference in SC seeking guidance on open ballot for Senate polls. In which the government has also sought out guidance of the SC, as to, if the issue can be decided without amending the constitution and introducing amendment in section 122 (vi) of the Election Act 2017.

The White Paper summarizes the development and achievements of China's transport sector in 2020 and highlights the development of transport projects under China Pakistan Economic Corridor (CPEC). The white paper, titled Sustainable Development of Transport in China, released on the country's transport development provides a full picture of its achievements in the field and share its strategy and activities in building a sustainable transport system, according to China Economic Net (CEN) on Wednesday.

The non-government sector has borrowed a net sum of Rs.24.08 billion during the week ended December 11, 2020, which brings the cumulative net retirement for ongoing fiscal year FY2021 to Rs.7.03 billion. The net retirement as of prior week was recorded at Rs.31.1 billion.

The JV of Oil and Gas Development Company Limited (OGDCL) as operator (97.5%) and Khyber Pakhtunkhwa Oil & Gas Company Limited (KPOGCL) (2.5%) has discovered Gas & Condensate from its exploratory Well Siab-1, which is located in District Kohat, Khyber Pakhtunkhwa Province.

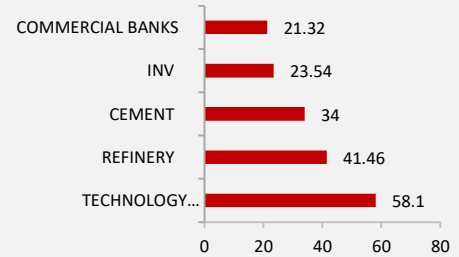
Pakistan's IT exports grew 39% during the Jul-Nov 2020, country's IT exports stood at USD 763 million as compared to USD 549 million in the corresponding period last year.

Market Summary

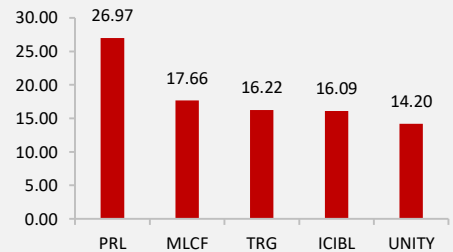
Current Index	43,087.70
Change	180.76
Percent change	0.42
High	43,216.16
Low	42,852.79
Volume traded (mn shares)	164.60
Value traded (PKR mn)	9.76

Source: PSX and AAH Research

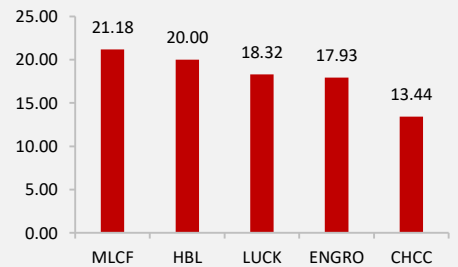
Top-5 Traded Sectors (mn shares)



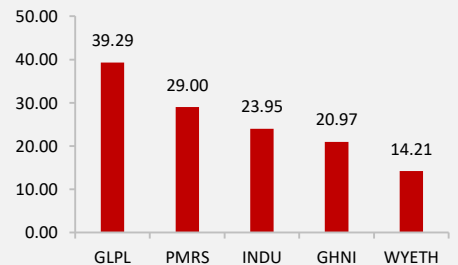
Top-5 Volume Leaders (mn shares)



Top-5 Index Movers (Points)



Top-5 Gainers (PKR)



Data Source: PSX

Research Team

research@abaalihabib.com

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

REP-055

www.jamapunji.pk



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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}

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

Ammara Hayat Khan - Equity Trader
ammara@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 3312766771](tel:+923312766771)



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