



March 13,  
2021

## KSE-100 index ended 2,049 points lower during a turbulent week

KSE-100 index plunged more than 2,000 points during the week on rising political ambiguity and resurging Covid-19 cases. Uncertainty after PM Imran Khan's victory in last week's confidence vote and ECP's decision to reject PTI's plea against ex-PM Gillani's disqualification sent market bulls into abyss. Investors witnessed higher volatility in bourse during the week, as after dipping more than 6.7%WoW in first four sessions, benchmark recovered more than 1,008.32 points recovery on Friday to close the week at 43,788.08 level. Other fundamental factors like consternations among investors over rising G-sec. yields and government's decision to withdraw tax exemptions, also added to stocks battering.

On global front, recovery in international oil prices after OPEC+ meeting/depleting US inventories, and rally in international equities after OECD's improved global growth forecast failed to support domestic equities.

During the week, KSE-100 index witnessed one bullish and four bearish trading sessions, where it cumulatively dropped 4.47% compared to last week. During the week the average traded volume in benchmark stood at 204 mn shares, while the average value stood at PKR 14.62 bn.

During the week factors that influenced the benchmark are as follows: i) Government's effective expenditure controls has contained fiscal deficit at 2.5% of GDP. ii) foreign currency reserves held by the SBP were recorded at \$13,016.1 million, up \$38 million compared with \$12,978.4 million in the previous week iii) IMF's stern conditions has caused government to withdraw tax exemptions of up to ~140bn and upward revision in power tariffs toned down investors' confidence. iv) PAMA posted Auto sales numbers for February'21 depicting a rise in industry sales by 35% YoY. v) Remittance inflows into Pakistan jumped by nearly 24.2 percent in February to \$2.266 billion. vi) cut-off yield on T-bills rose by ~34bps last SBP auction

Among market participants' foreigners remained net buyers during the week amounting to USD 3.64mn, primarily contributed by O/S Pak amounting to USD 4.08mn. Whereas local investors remained net sellers amounting to USD 3.64mn, mainly contributed m-funds (USD 10.89mn), insurance (USD 5.63mn) and companies (USD 1.28mn). While bank remained net buyer with the amount of USD 6.19mn.

## News of the week:

**Defying numbers, PTI-backed candidates win coveted Senate chairman and deputy slots**

**Economy | Positive**

PTI candidate Sadiq Sanjrani won another term as the Senate chairman on Friday in a blow to the joint opposition — despite the latter having a majority in the Upper House. | [Click for more info.](#)

**Pakistan confident UAE will rollover \$1b loan**

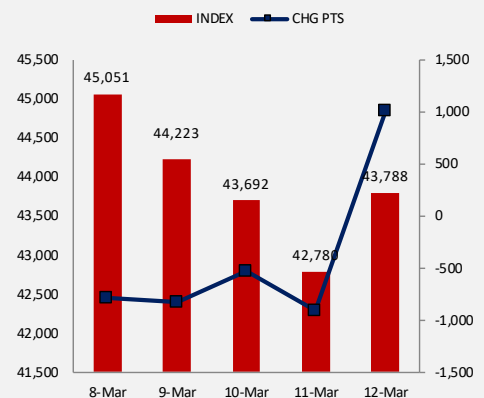
**Economy | Positive**

The finance ministry has said that it is "confident" that the United Arab Emirates (UAE) will rollover the \$1 billion loan that matured on Friday, quelling reports that Dubai had withdrawn the financial support. | [Click for more info.](#)

KSE-100	L-WEEK	C-WEEK	CHNG	% CHNG
INDEX	45,837	43,788	-2,049	-4.47%
WEEK HIGH	46,189	46,436	247	0.53%
WEEK LOW	45,088	42,689	-2,399	-5.32%
VOLUME (MN)	963	1,022	59	6.17%
VALUE US\$ (MN)	421	465	44	10.38%
AVERAGE	45,767	43,907	-1,860	-4.06%
MKT CAP (PKR)	1.98	1.88	-0.10	-5.28%
FIPI NET (US\$ MN)	-10.66	3.64	3.57	N/A

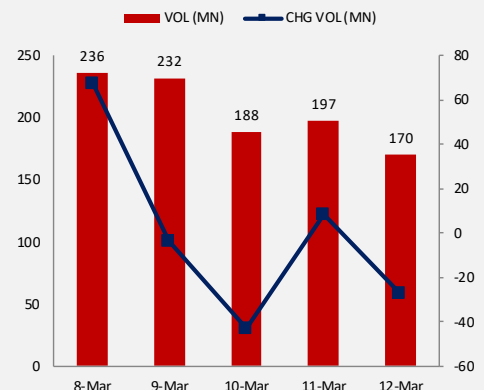
Source: PSX

### KSE-100 INDEX



Data Source: PSX

### KSE-100 INDEX VOLUME



Data Source: PSX

WEEKLY REVIEW



### Third Covid-19 wave has started: Asad Umar

**Economy | Negative**

Minister for Planning, Development and Special Initiatives Asad Umar on Thursday said that the third wave of the coronavirus has started in the country. | [Click for more info.](#)

### China transferred technology, skills to Pakistan through CPEC: envoy

**Economy | Positive**

The newly-appointed Chinese Ambassador to Pakistan, Nong Rong says China transferred its technology, knowledge and skills through the Lahore Orange Line Metro Train Project and other mega schemes launched and completed under CPEC. . | [Click for more info.](#)

### SAZGAR signs another agreement with Chinese Automobile Manufacturer

**SAZEW | Positive**

Sazgar Engineering Works Limited has signed another Vehicle Assembly Technical and Cooperation Agreement with a renowned Chinese Automobile Manufacturer, for the manufacture/Assembly, sales, and after-sales service of passenger and commercial vehicles. | [Click for more info.](#)

### Lucky Cement's Greenfield production facility in Iraq successfully commences operations

**LUCK | Positive**

Lucky Cement Limited has announced that the Greenfield cement production facility in Samawah, Iraq with a capacity of 1.2 million tons per annum has successfully commenced its operations with effect from March 10, 2021. The said cement production facility is a joint venture with Al-Shamookh group of Iraq. | [Click for more info.](#)

### H2O2 Industry: To greatly benefit from improved textile dynamics

**DOL | Positive**

A few years back, the domestic hydrogen peroxide (H2O2) industry was in dire straits due to dumping from different regions & severe energy crises in the country. However, things started to change in recent years where the imposition of anti-dumping duties, currency devaluation, and availability of RLNG have successfully brought the sector on right track. | [Click for more info.](#)

### CDNS receives Rs33 billion savings through new schemes

**Economy | Neutral**

Central Directorate of National Savings (CDNS) has received Rs 33 billion through the new launches schemes investments by March 10, from registered Premium Prize Bonds of Rs 40,000 and Rs 25000 introduced by the institution. | [Click for more info.](#)

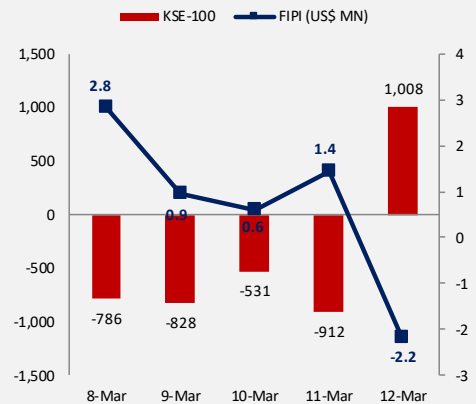
### Pakistan, Japan agree to enhance cooperation in ICT field

**Economy | Neutral**

Pakistan and Japan have agreed to enhance cooperation in the field of Information and Communication Technology (ICT).

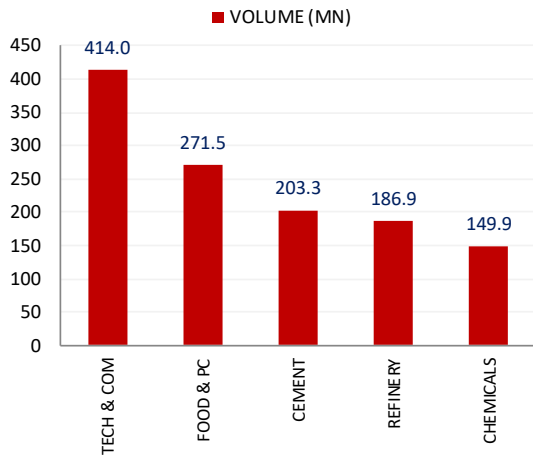
The understanding was reached between Minister for Information Technology and Telecommunication Syed Amin-ul-Haque and Japan Ambassador to Pakistan Kuninori Matsuda in Islamabad. | [Click for more info.](#)

### KSE-100 RETURN & FIPI FLOWS

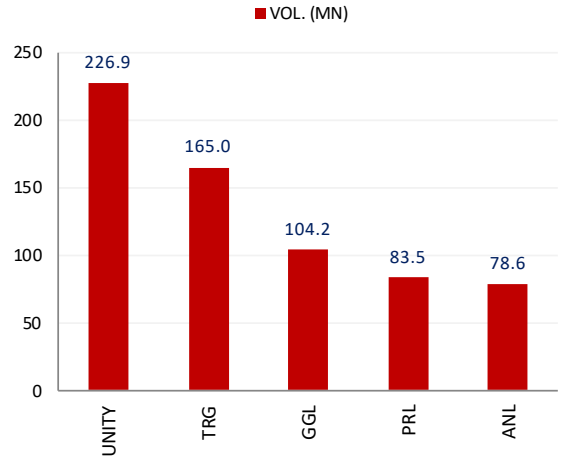




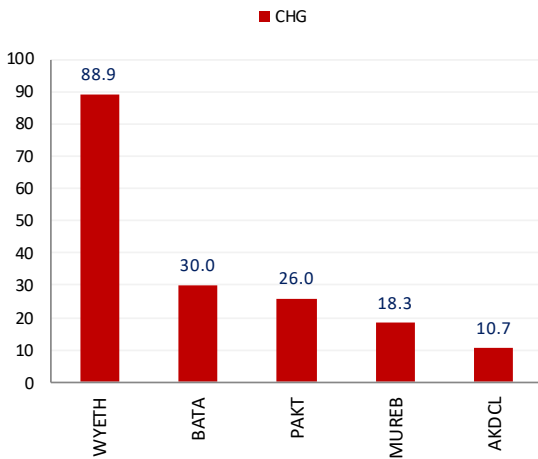
## TOP 5 SECTORS OF THE WEEK



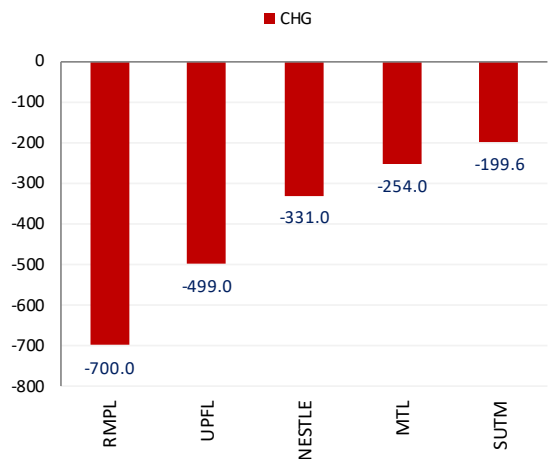
## TOP 5 VOLUME LEADERS OF THE WEEK



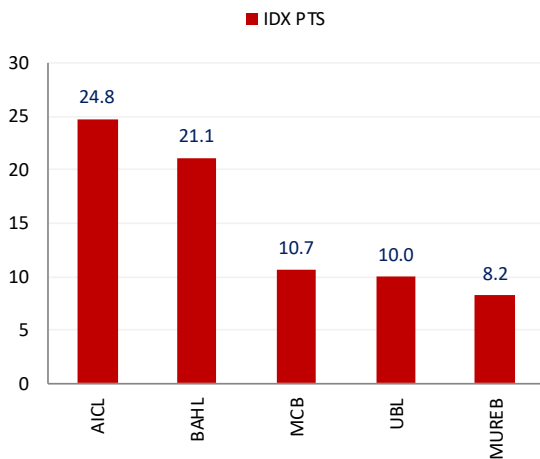
## TOP 5 PRICE GAINERS OF THE WEEK



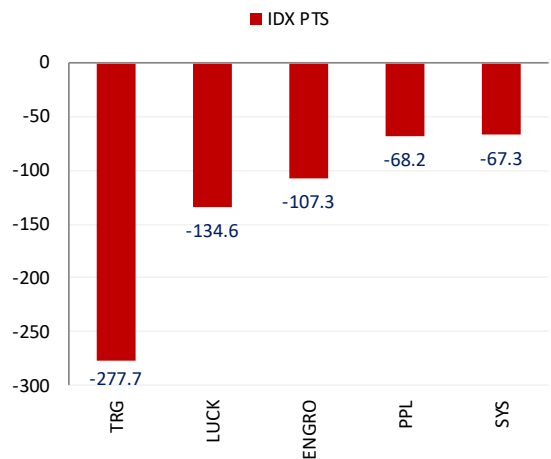
## TOP 5 PRICE LOSERS OF THE WEEK



## TOP 5 PARTICIPANTS OF THE WEEK (+ive)



## TOP 5 PARTICIPANTS OF THE WEEK (-ive)

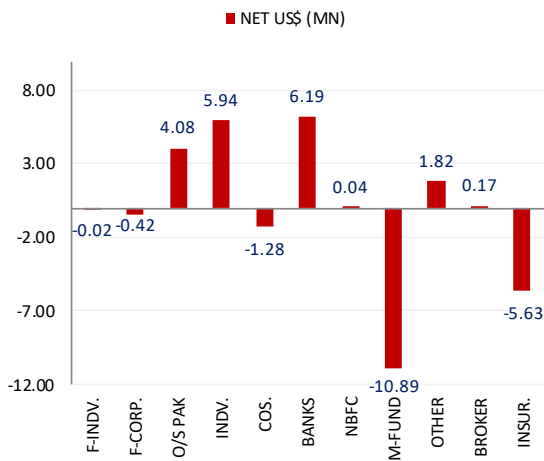




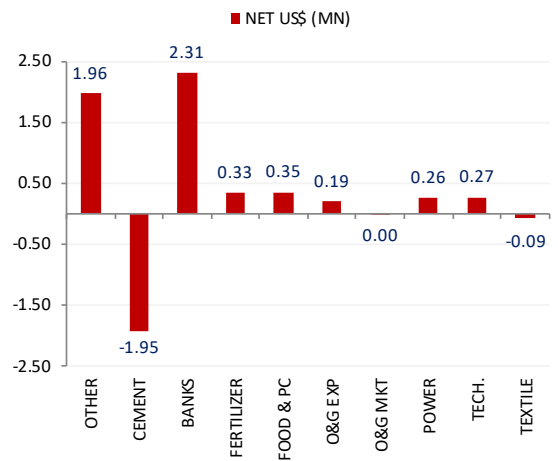
## Foreign & Local Portfolio Investments

SECTOR	F-INDV	F-CORP	O/S PAK	NET US\$	INDV.	COS.	BANKS	NBFC	M-FUND	OTHER	BROKER	INSUR
OTHER	0.09	-0.09	1.96	<b>1.96</b>	2.41	-0.90	2.75	-0.01	-3.90	0.28	-0.25	-2.34
CEMENT	-0.02	-2.98	1.05	<b>-1.95</b>	2.11	1.79	1.18	0.05	1.22	0.42	-0.23	-4.60
BANKS	0.04	2.50	-0.23	<b>2.31</b>	-1.18	-0.49	0.36	-0.02	-0.04	0.98	0.43	-2.36
FERTILIZER	-0.14	0.25	0.23	<b>0.33</b>	1.93	-0.04	-0.19	-0.01	-2.48	0.61	0.39	-0.54
FOOD & PC	0.03	-0.04	0.36	<b>0.35</b>	1.61	-4.02	-0.28	0.01	1.26	-0.19	0.57	0.70
O&G EXP	0.00	0.00	0.20	<b>0.19</b>	1.03	-0.01	1.11	0.00	-2.97	-0.05	0.25	0.45
O&G MKT	0.00	0.01	-0.01	<b>0.00</b>	0.49	-0.21	1.07	0.01	-0.79	0.01	-0.13	-0.45
POWER	0.00	-0.30	0.57	<b>0.26</b>	0.37	0.60	-0.77	0.00	-1.10	0.01	0.25	0.37
TECH.	-0.03	0.02	0.28	<b>0.27</b>	-3.17	2.10	0.16	0.01	-0.66	-0.07	-0.59	1.95
TEXTILE	0.01	0.21	-0.32	<b>-0.09</b>	0.33	-0.10	0.81	-0.01	-1.42	-0.18	-0.53	1.19
<b>NET US\$</b>	<b>-0.02</b>	<b>-0.42</b>	<b>4.08</b>	<b>3.64</b>	<b>5.94</b>	<b>-1.28</b>	<b>6.19</b>	<b>0.04</b>	<b>-10.89</b>	<b>1.82</b>	<b>0.17</b>	<b>-5.63</b>

PORTFOLIO INVESTMENT BY CLIENT



PORTFOLIO INVESTMENT BY SECTORS





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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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