

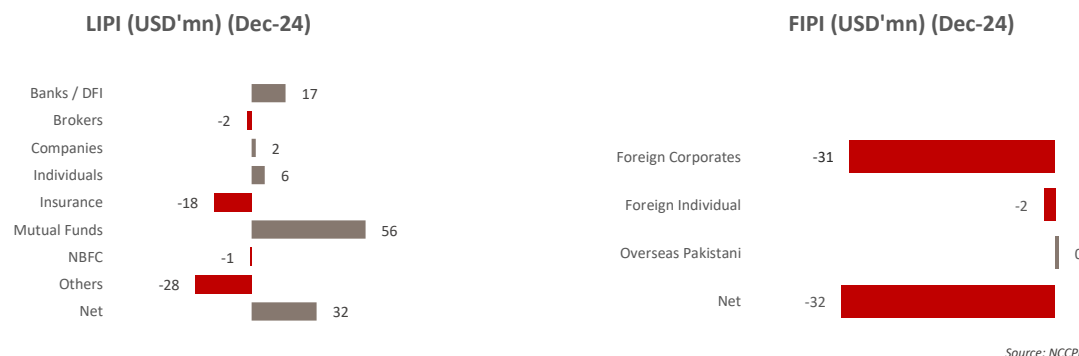
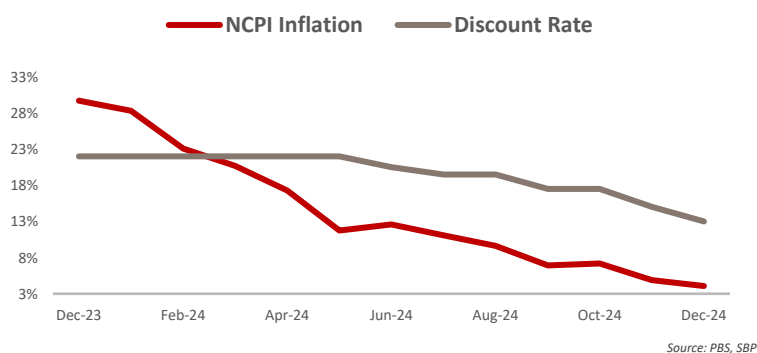
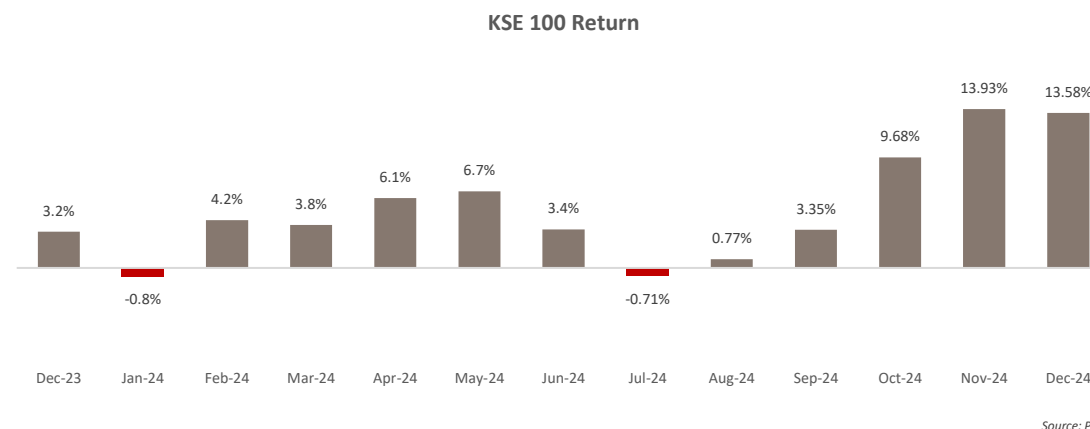
ACPL DIGEST (Dec-24)



Remittances			Exports			Imports			Current Account	
5MFY25	5MFY24	Change	5MFY25	5MFY24	Change	5MFY25	5MFY24	Change	5MFY25	5MFY24
\$14.80 bn	\$11.10 bn	▲ 33.33%	\$13.69 bn	\$12.16 bn	▲ 12.6%	\$22.34 bn	\$21.50 bn	▲ 3.9%	\$0.944 bn	-\$1.680 bn

In December 2024, the KSE-100 index achieved a historic milestone, rising by 13.6% to close at a record high of 115,126 points. This rally was driven by a 200bps policy rate cut, easing inflation, and improving economic indicators, which collectively strengthened investor confidence. However, the market experienced a sharp correction from December 17th to 19th, losing nearly 10,000 points in just three days. Despite this volatility, the KSE-100 staged an impressive recovery by the end of the month, regaining all intra-month losses and maintaining its upward momentum.

The KSE-100 Index closed 2024 with a record-breaking 84% annual gain, the highest in 22 years, adding 52,676 points to become the second-best performing market globally in USD terms, after Argentina (Bloomberg). Key contributors to this stellar performance were banks (+13,847 points), fertilizers (+11,169 points), and E&P (+10,012 points),



collectively accounting for 66% of the gains. Standout performers included FFC (+6,086 points), Mari Petroleum (+3,977 points), UBL (+3,957 points), and OGDC (+2,613 points). This rally was fueled by falling inflation, declining fixed-income yields, a 900-basis-point monetary easing by the State Bank of Pakistan, and a stable rupee, underpinned by political stability and a new IMF program, which significantly boosted investor confidence. Looking ahead, the index holds further upside potential amid improving economic conditions. A "buy on dips, sell on peaks" approach is recommended to maximize opportunities in the coming year.

Our recommended stocks include FECTC, GAL, PAEL, FFC, BERG, and TRG.

		(USD' mn) (Dec-24)										
		Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross
LIPI Portfolio	Banks / DFI	-0.41	0.29	6.93	1.39	10.18	-0.05	3.82	-0.68	0.91	-5.68	16.68
	Broker Proprietary Trading	0.08	1.02	2.67	0.79	-6.14	-1.95	0.26	1.23	0.03	-0.41	-2.41
	Companies	-8.19	13.90	-0.08	-0.60	-0.54	0.51	-0.48	-2.18	-2.12	1.79	2.01
	Individuals	8.95	1.44	-2.09	1.10	0.54	-2.06	-8.25	1.12	-1.22	6.92	6.43
	Insurance Companies	-6.15	-0.49	0.58	-0.17	-3.24	-2.02	-0.74	-0.66	-0.01	-5.46	-18.37
	Mutual Funds	5.91	2.90	3.25	2.59	17.63	11.52	6.43	1.03	0.79	3.87	55.91
	NBFC	0.07	0.22	0.01	-0.09	-0.03	0.05	-0.06	0.01	-0.03	-0.90	-0.75
	Other Organization	-1.27	-6.82	-3.92	-0.79	-8.53	-1.90	-1.20	-1.29	-1.24	-0.59	-27.54
	LIPI Total	-1.02	12.45	7.35	4.21	9.87	4.09	-0.21	-1.43	-2.88	-0.46	31.97
FIPI Portfolio	Foreign Corporates	-1.97	-14.85	-8.09	-3.10	-9.82	-0.69	1.51	1.77	2.13	2.36	-30.76
	Foreign Individual	-0.23	-0.06	-0.18	0.00	-0.38	-0.20	-0.01	-0.25	-0.03	-0.33	-1.69
	Overseas Pakistani	3.22	2.46	0.93	-1.10	0.34	-3.20	-1.29	-0.08	0.78	-1.57	0.49
	Total	1.02	-12.45	-7.35	-4.21	-9.87	-4.09	1.40	1.43	2.88	0.46	-31.97

Source: NCCPL

COMMODITIES OVERVIEW

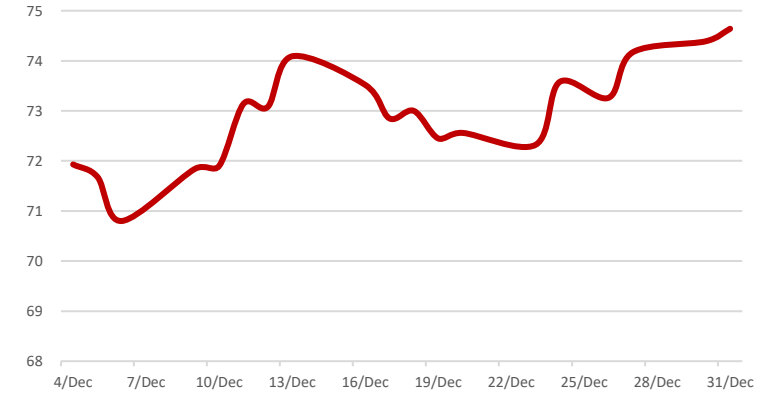
Crude

In December 2024, Brent crude oil futures rose by 9.8%, fueled by a drawdown in U.S. crude inventories, strong holiday demand, and recovering manufacturing activity in China. OPEC+ maintained its cautious production strategy, further supporting prices. However, the rally faced headwinds from concerns over a potential supply glut, a strengthening U.S. dollar, and ample crude supply. While short-term drivers boosted prices, lingering supply-demand uncertainties kept market sentiment cautious. In 2024, Oil prices fell around 3%, slipping for a second straight year. Brent oil prices in 2025 will balance between supply and demand factors. OPEC+ is expected to maintain cautious production levels to avoid oversupply, while rising U.S. shale output and growing renewable energy investments could limit long-term price gains. Demand may see some support from China's reopening and fiscal stimulus in the Eurozone, but the shift toward renewable energy could limit consumption growth.

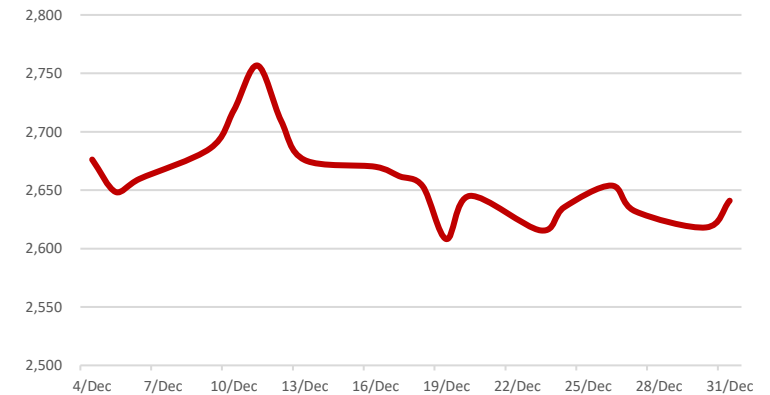
Gold

In December 2024, gold exhibited notable volatility, initially surging to \$2,756 in the first ten days of the month before losing momentum and declining to a monthly low of \$2,595. This decline was largely attributed to the post-election impact of President Trump taking office, coupled with a strengthening U.S. dollar, which exerted downward pressure on gold prices. By the end of the month, gold posted a modest monthly decline of 1.5%. However, the metal closed the year on a strong note, delivering an impressive 26% year-to-date gain. This stellar performance was fueled by expectations of lower interest rates, aggressive central bank buying, policy easing, and heightened geopolitical tensions, which collectively boosted its appeal as a safe-haven asset. Looking ahead to 2025, the outlook for gold remains bullish. We anticipate gold to be bullish due to ongoing Federal Reserve rate cuts, persistent geopolitical uncertainties, and continued central bank demand. With these supportive factors in play, gold is expected to remain a key asset for investors seeking stability amid global economic and political volatility.

Brent



Gold



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DEFINITION OF TERMS

TP	Target Price	DDM	Dividend Discount Model	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DCF	Discounted Cash Flows
PE	Price to Earnings Ratio	PB	Price to Book Ratio	BVPS	Book Value Per Share
EPS	Earnings Per Share	DPS	Dividend Per Share	ROE	Return of Equity
ROA	Return on Assets	SOTP	Sum of the Parts	JPB	Justified Price to Book

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

VALUATION METHODOLOGY

To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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