



38,444	▲ 36	▲ 0.09%
38 mn	YTD -5.81%	1 Year -14.6%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,118.55	90.90	0.50% ▲
DSE 30	2,208.61	1.81	0.08% ▼
SHANGHAI	3,264.81	24.53	0.76% ▲
Hang Seng	22,044.65	393.67	1.82% ▲
Nikkei 225	27,330.50	424.46	1.58% ▲

  

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,784.67	14.08	0.18% ▲
DAX 30	15,102.95	69.39	0.46% ▲

  

USA	Value	Pts	Chg. (%)
DOW JONES	33,629.56	254.07	0.76% ▲
S&P 500	4,019.81	47.20	1.19% ▲
NASDAQ	11,872.54	253.52	2.18% ▲

  

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,935.70	7.10	0.37% ▲
Oil-WTI (bbl)	81.77	0.15	0.18% ▲

  

Currencies	Value	Chg.	Chg. (%)
USD/PKR	230.10	0.10	0.04% ▲
EURO/PKR	251.17	2.06	0.83% ▲
GBP/PKR	284.59	-	-
AED/PKR	62.58	-	-

Source: dps.psx.com.pk, investing.com, forex.com

## Market Outlook

KSE-100 on Monday remained volatile throughout the day and managed to close flat ahead of the MPC meeting in which SBP decided to raise the interest rate by 100bps to curb inflation. The index made an intra-day high and low at 38,533 (145 points) and 38,136 (-272 points) respectively while closed at 38,444 by gaining 36 points. Trading volume has decreased to 38mn shares as compared to 52mn shares on the previous trading day. Going forward, we expect the market to rebound amid lower-than-expected hike in interest rate. The index is likely to test its resistance at 38,800. Breaking this level would further push the index towards 39,300. Contrarily, the support for the index resides at 38,300.

## Key News

### International

#### Dollar in doldrums as euro near 9-month peak, yen bounces

The dollar was on the back foot on Tuesday, hovering near a nine-month low to the euro and giving back recent gains against the yen, as traders continued to gauge the risks of a U.S. recession and the path for Federal Reserve policy. Europe's single currency was buoyed on Monday by comments from European Central Bank officials pointing to aggressive policy tightening. The U.S. dollar index - [see more...](#)

#### Oil steady amid China holiday, as "no news is good news"

It's China holiday week and for oil, that means the rest of the world trading blind-folded with the optimism that when the veil is lowered, crude prices will remain higher. New York-traded West Texas Intermediate, or WTI, crude for March settled at \$81.62, down just 2 cents, or 0.02%, on the day after last week's 2% gain. Monday's session high of \$82.62 [see more...](#)

### Politics

#### Irked by Naqvi's appointment, IK announces protest

A day after the Election Commission of Pakistan (ECP) appointed Syed Mohsin Raza Naqvi as interim Punjab Chief Minister, Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan has announced a country-wide protests against the appointment from Tuesday (today). "We would not accept a 'corrupt' person as an interim chief minister. We would [see more...](#)

### Economy

#### Policy rate hiked to 17pc to rein in soaring inflation - Neutral

The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) Monday increased the key policy rate by 100 basis points to 17 percent, highest-level since October 1997, due to rising inflationary pressure on the economy. Overall, the committee raised the policy rate by 325 bps during this fiscal year (FY23). The first increase of 125 bps was announced in July 2022, 100 bps in November 2022 and now policy [see more...](#)

**Country needs to repay \$3bn debt in five months: SBP - Neutral**

Governor State Bank of Pakistan (SBP) Jameel Ahmad has said that Pakistan is out of default as major external debt payments of \$15 billion have been settled in the first half of FY23 and now the country need to pay some \$3 billion external debt, in the remaining period of this fiscal year, which will be managed successfully. Addressing a press conference after the Monetary Policy Committee (MPC) on Monday at SBP head office, [see more...](#)

**Completion of IMF Review Critical for Unlocking Bilateral and Multilateral Flows - Neutral**

The reduction in the current account deficit, the external sector remains under stress due to delay in realization of official financial inflows, debt repayments and ongoing political uncertainty, says State Bank of Pakistan. In this regard, the MPC views that the completion of the pending 9th review under the IMF's EFF is critical for reducing uncertainty an unlocking multilateral [see more...](#)

**Rupee Continues to Lose Ground Against US Dollar 24th Day in a Row - Negative**

The Pakistani Rupee (PKR) continued its unprecedented fall against the US Dollar (USD) on Monday for the 24th straight session and reported losses in the interbank market. The local currency lost Rs. 0.48 against the greenback at the close of today's session. The PKR depreciated by 0.21 percent against the USD and closed at Rs. 230.15 today. The PKR had lost Rs. 0.52 [see more...](#)

**Pakistan begins restoring power - Positive**

Government began restoring power to millions of people on Monday after a breakdown in the grid triggered the worst electricity outage in months and highlighted the weak infrastructure of the heavily indebted nation. An inquiry has been launched into the outage, which began at around 7:00 a.m. local time (0200 GMT) and has so far lasted more than 12 hours during the peak winter season. As evening drew on and homes [see more...](#)

**Consignments stuck at ports: Banks told to give one-time facilitation to importers - Positive**

In order to clear the stuck consignments at ports, the State Bank of Pakistan (SBP) has advised banks to provide a one-time facilitation to all those importers who could extend their payment terms to 180 days or arrange funds from abroad to settle their pending import payments. The business community, including various trade bodies and chambers of commerce, have [see more...](#)

**SBP suspends authorisation of 11 outlets of 8 ECs - Neutral**

The State Bank of Pakistan (SBP) has suspended, with immediate effect, the authorisation of 11 outlets of eight exchange companies, for seven to fifteen days due to violations of regulatory instructions. The SBP conducted mystery shopping at the outlets of exchange companies wherein it was observed that the aforesaid outlets were refusing sale of foreign currencies to their customers [see more...](#)

**Telecom users face service disruptions due to countrywide power outage - Neutral**

Telecom customers faced serious issues on Monday, as telecom services, including mobile and internet disrupted across the country due to a nationwide power outage. Telecom industry officials said that their networks are running on backup power supply since the electricity breakdown early in the morning on Monday. With continued outage in [see more...](#)

**Honda Atlas raises car prices by up to Rs550,000 - Negative**

Honda Atlas Cars on Monday hiked prices of its entire line-up, with the increase going as high as Rs550,000. The company cited exchange rate volatility and inflation in material cost as the reason behind the price-increase. According to a notice sent to its dealers, the company said: "keeping in view the uncertain economic conditions, inflation in material cost and volatility of forex, HACPL was compelled to pass part of [see more...](#)

**Cement manufacturers: Implementation of track-and-trace system delayed - Neutral**

The implementation of the track and trace system at the cement manufacturers has been delayed for the next few months till all equipment, specifically applicators are become operational at the manufacturing premises. Sources told Business Recorder that the track and trace system has become operational at the fertiliser units, but it has [see more...](#)

**Non-filers: Govt considering imposing WHT on banking transactions - Neutral**

The government is considering to impose withholding tax on banking transactions of non-filers of income tax returns including cash withdrawals from banks through the Presidential Ordinance to generate around Rs 45 billion. Sources told Business Recorder that the Federal Board of Revenue (FBR) has drafted a proposal as a major [see more...](#)

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

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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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BUY	Greater than 15%	Overweight	Positive
HOLD	Between -5% to 15%	Market Weight	Neutral
SELL	Less than and equal to -5%	Underweight	Negative

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