

MORNING GLANCE



Market Outlook

The stock market on Friday remained positive throughout the day and concluded the session in the green zone amid IMF officials said they look forward “to working with the new government” of Pakistan. The Benchmark KSE-100 index made an intra-day high and low at 62,945.36 (1,031.02 points) and 61,849.67 (-64.67 points) respectively while closed at 62,815.81 by gaining 901.47 points. Trading volume increased to 197mn shares as compared to 172mn shares on the previous trading day. Going forward, we expect the market to remain positive amid clarity on the political front. The resistance for the index resides at 63,060 (50-DMA). Breaking this level would further push the index towards 63,500. Contrarily, the support for the index resides at 62,400.

62,815	▲ 901	▲ 1.45%
197 mn	YTD -2.85%	1 Year 54.31%

Key News

International

Asia Stocks Eye Mixed Open After US Rally Stalls

Stocks in Asia swung between gains and losses as traders assessed the latest economic development in China and South Korea's plan to boost companies' value. Hong Kong and mainland China stocks edged lower, erasing earlier advances as concerns about China took center stage. As many as 11 Chinese companies lost their credit ratings. [see more...](#)

Oil Holds Decline After Prices Retreat Below Key Moving Average

Oil edged lower after a weekly drop as traders awaited a fresh raft of clues about global crude demand and balances in March and beyond. Brent dipped toward \$82 a barrel after losing more than 2% last week, with US counterpart West Texas Intermediate above \$76. Market outlooks will come this week from International Energy Week in [see more...](#)

Politics

ECP plans presidential polls on March 9

After the process of general election is almost complete, there are moves for installation of governments in the Centre and provinces while the Election Commission of Pakistan (ECP) is planning to conduct the presidential election on March 9, a day ahead of the start of the fasting month. [see more...](#)

Economy

Govt says IMF conditions for \$1.2b tranche met - Positive

Pakistan has met the International Monetary Fund (IMF) benchmarks for maintaining the status quo in the energy sector – in an outcome that may help to get the next loan tranche of \$1.2 billion but does not stop the bleeding (debt) despite increase in electricity prices. The Ministry of Energy officials said that the end-December targets related to containing the flow [see more...](#)

ASIA		Value	Pts	Chg. (%)
	NIFTY 50	22,212.70	4.75	0.02% ▼
	DSE 30	2,139.58	7.46	0.35% ▲
	SHANGHAI	2,991.17	13.72	0.46% ▼
	Hang Seng	16,660.00	65.86	0.39% ▼
	Nikkei 225	39,325.00	226.32	0.58% ▲
EUROPE		Value	Pts	Chg. (%)
	FTSE 100	7,706.28	21.79	0.28% ▲
	DAX 30	17,419.33	48.88	0.28% ▲
USA		Value	Pts	Chg. (%)
	DOW JONES	39,131.53	62.42	0.16% ▲
	S&P 500	5,088.80	1.77	0.03% ▲
	NASDAQ	17,937.61	67.09	0.37% ▼
Commodities		Value	Chg.	Chg. (%)
	Gold (t oz.)	2,040.75	8.65	0.42% ▼
	Oil-WTI (bbl)	76.16	0.33	0.43% ▼
Currencies		Value	Chg.	Chg. (%)
	USD/PKR	278.86	0.64	0.23% ▼
	EURO/PKR	301.95	1.41	0.46% ▼
	GBP/PKR	353.30	1.08	0.30% ▼
	AED/PKR	75.91	0.14	0.18% ▼

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

MORNING GLANCE

IMF, debt and inflation challenge Pakistan's new coalition government – Neutral

Pakistan's traditional political power-brokers have unveiled a new coalition government, breaking a two-week impasse following elections, but the incoming administration will be quickly tested by the country's dire economic circumstances, FT reported. The new government will be led by Shehbaz Sharif, Nawaz's brother, while Zardari's father Asif Ali Zardari, the husband [see more...](#)

CCP approves three KSA-based mergers with stake in Pakistan's steel sector – Neutral

The Competition Commission of Pakistan (CCP) has granted approval to three mergers concerning Saudi Iron and Steel Company (Hadeed), having a presence in Pakistan's steel market. The overall transaction comprises of restructuring of two entities divided into three stages of transactions, [see more...](#)

Commerce Minister's Saudi Arabia visit strengthens bilateral ties - Neutral

Caretaker Federal Minister for Commerce and Industries, Dr. Gohar Ejaz led a delegation to Saudi Arabia, from 21 to 22 February, with an aim to fortify the already robust bilateral relations between the two countries while fostering new avenues for collaboration and economic growth According to press statement issued by commerce ministry [see more...](#)

Jul-Jan borrowing stands at \$6.3bn - Neutral

The country borrowed \$6.306 billion from multiple financing sources during the first seven months (July-January) of the current fiscal year 2023-24 compared to \$6.134 billion borrowed during the same period of 2022-23, revealed the Economic Affairs Division (EAD) data. Data further shows that the country received \$331.59 million in January 2024 compared to \$294.54 million in January 2023. [see more...](#)

Equities, T-bills attract \$98m in January – Neutral

The foreign investments in equity and treasury bills (T-bills) surged to \$98 million in January, surpassing the peak of \$65m in December 2023. The latest data from the State Bank of Pakistan (SBP) showed that the inflows in equities totalled \$67m during January under the Special Convertible Rupee Account (SCRA) which kept the market bullish during the month. [see more...](#)

Jewellery sector; ECC forms body to prepare viable plan – Neutral

The Economic Coordination Committee (ECC) of the caretaker Federal Cabinet has constituted an inter-ministerial committee to prepare viable plan for the jewellery sector, including enhancement of tax collection, sources in the Commerce Ministry told Business Recorder. On February 14, 2024, the Ministry of Commerce briefed [see more...](#)

1H: Provincial PSDP spending rises 19pc YoY - Neutral

The development spending (PSDP) of the provincial governments has increased by over 19 per cent during the first six months of the current fiscal year (July-December 2023-24) compared to the same period of the last fiscal year. According to official data for July-December 2023-24, the provincial public sector development [see more...](#)

IP gas pipeline project; CCoE decides to start work on first phase – Positive

The Cabinet Committee on Energy (CCoE) headed by the caretaker minister for power and petroleum has decided to start work on the first phase of the 80-km segment of the Iran-Pakistan (IP) gas pipeline inside Pakistan, i.e., from Pakistan's border to Gwadar. As per cost estimates for the construction of the pipeline, \$158 million [see more...](#)

Amended oil refinery policy notified – Positive

The Ministry of Energy (Petroleum Division) has notified the amended oil refining policy after its approval by the Cabinet on February 15, 2024 as recommended by the Cabinet Committee on Energy (CCoE) in its meeting of February 6, 2024. The policy, originally notified on August 17, 2023, has now been amended after taking into consideration the genuine concerns [see more...](#)

Gulf Oil enters Pakistan market with OTO partnership - Neutral

Gulf Oil International Limited, a global leader in high-performance lubricants, has signed a licensing agreement with OTO Pakistan (Private) Limited, a retail fuel and convenience store conglomerate, to market and sell its products in Pakistan. [see more...](#)

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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

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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Stock Rating	Expected Total Return	Sector Rating	Sector Outlook
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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