

MORNING GLANCE



| | | |
|--------|------------|---------------|
| 61,841 | ▼ -933 | ▼ -1.49% |
| 234 mn | YTD -4.36% | 1 Year 52.05% |

| ASIA | Value | Pts | Chg. (%) |
|------------------|-----------|--------|----------|
| भारत NIFTY 50 | 21,522.10 | 215.5 | 0.99% ▼ |
| देश DSE 30 | 2,103.36 | 11.25 | 0.53% ▼ |
| चीन SHANGHAI | 2,825.14 | 5.39 | 0.19% ▼ |
| चीन Hang Seng | 15,597.00 | 106.45 | 0.68% ▼ |
| जापान Nikkei 225 | 35,887.50 | 178.36 | 0.49% ▼ |

| EUROPE | Value | Pts | Chg. (%) |
|--------------------|-----------|-------|----------|
| इंग्लैण्ड FTSE 100 | 7,666.31 | 33.57 | 0.44% ▲ |
| जर्मनी DAX 30 | 16,972.34 | 30.63 | 0.18% ▲ |

| USA | Value | Pts | Chg. (%) |
|-------------------------|-----------|--------|----------|
| डोव जॉन्स DOW JONES | 38,467.31 | 133.86 | 0.35% ▲ |
| संयुक्त अधिकारी S&P 500 | 4,924.97 | 2.96 | 0.06% ▼ |
| संयुक्त अधिकारी NASDAQ | 17,476.71 | 119.56 | 0.68% ▼ |

| Commodities | Value | Chg. | Chg. (%) |
|-----------------------|----------|------|----------|
| गोल्ड Gold (t oz.) | 2,052.15 | 1.25 | 0.06% ▲ |
| पेट्रोल Oil-WTI (bbl) | 77.62 | 0.2 | 0.26% ▼ |

| Currencies | Value | Chg. | Chg. (%) |
|---------------------------|--------|------|----------|
| पाकिस्तानी روپया USD/PKR | 279.55 | 0.09 | 0.03% ▼ |
| पाकिस्तानी روपया EURO/PKR | 302.68 | 0.3 | 0.10% ▼ |
| पाकिस्तानी روपया GBP/PKR | 354.86 | 0.54 | 0.15% ▼ |
| पाकिस्तानी روपया AED/PKR | 76.11 | 0.03 | 0.04% ▼ |

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

Market Outlook

The stock market on Tuesday continued downward spiral fueled by incessant selling throughout the day and concluded the session deep into the losses amid political uncertainty in the country. The Benchmark KSE-100 index made an intra-day high and low at 63,074.50 (300.78 points) and 61,637.62 (1,136.10points) respectively while closed at 61,841.74 by losing 931.98 points. Trading volume increased to 234mn shares as compared to 162mn shares on the previous trading day. Going forward, we expect the market to remain volatile amid political uncertainty & foreign selling. The support for the index resides at 61,500. Breaking this level would further drag the index towards 61,000. Contrarily, the resistance for the index resides at 63,174(50-DMA).

Key News

International

Asian shares are mixed, with Chinese shares falling, ahead of Fed rate decision

Asian shares were mixed on Tuesday, with Hong Kong and Shanghai leading declines, ahead of a decision by the Federal Reserve this week on interest rates. U.S. futures and oil prices edged higher. Shares in property developer China Evergrande Group, the world's most heavily indebted real estate company with more than \$300 billion in liabilities, remained [see more...](#)

Oil prices climb on geopolitical tensions, positive economic data

Oil prices rose on Tuesday as a higher global economic growth forecast and escalating tensions in the Middle East offset concerns around Chinese demand. March Brent crude futures, which expire on Wednesday, rose 47 cents to settle at \$82.87 a barrel. The more active April contract settled up 67 cents at \$82.50. [see more...](#)

Politics

ECP bars interim govt from overhauling FBR

The Election Commission of Pakistan (ECP) has barred the caretaker federal government from overhauling the Federal Board of Revenue (FBR), terming the planned initiative a "major policy decision"—and to keep it "pending for consideration by the new to-be-elected government by virtue of the general elections 2024." [see more...](#)

Economy

IMF revises GDP growth projection downward – Negative

The International Monetary Fund (IMF) has revised GDP growth rate projection downward for Pakistan by 0.5 per cent to two per cent for 2024 against negative 0.2 per cent in 2023. The Fund in its latest report, "World Economic Outlook Update: Moderating inflation and steady growth [see more...](#)

MORNING GLANCE

SBP expects another \$5bn rollover, debt in check, growth ahead – Neutral

Riding the wave of positive news in the economic arena, the State Bank of Pakistan (SBP) is now banking on another \$5 billion rollover from friendly countries. Despite an anticipated \$10bn external outflow, the bank is left holding the bag with a net repayable amount of \$5bn for the rest of FY24. This was highlighted by Mr Jameel Ahmed, Governor of the [see more...](#)

Official reserve assets stand at \$13.67bn as of December: SBP – Neutral

The official reserve assets, including foreign currency reserves, IMF reserve position, Special Drawing Rights (SDRs), gold, and other reserve assets, stood at \$13.67 billion as of December 31, 2023, according to the latest data revealed by State Bank of Pakistan (SBP) on Tuesday. The foreign currency reserves comprised securities, currency, and deposits held [see more...](#)

Oil, gas reserves: PM for stepping up exploration efforts – Neutral

Caretaker Prime Minister Anwaarul Haq Kakar has emphasised the need for concerted efforts to explore onshore and offshore oil and gas reserves. According to the Prime Minister's Office, Kakar stated this while addressing the Petroleum Conference 2024 as a chief guest on Tuesday. Chief of Army Staff General Syed Asim Munir was the guest of honour at the conference. [see more...](#)

Tariff hike proposal: Nepra to hold public hearing today – Neutral

National Electric Power Regulatory Authority (Nepra) is all set to hold a public hearing on Wednesday (today) on proposed increase of Rs. 5.62 per unit in Discos' tariffs for December 2023 to recover additional Rs 42 billion from Discos consumers under monthly fuel charges adjustment (FCA). According to the data submitted to Nepra, in December 2023 hydel generation was just 1,859 GWh, constituting 24.06 per cent of total generation. [see more...](#)

Q2 QTA: Discos seek hike of Rs4/ unit – Neutral

Power Distribution Companies (Discos) have sought positive adjustment of up to Rs. 4 per unit to recover additional amount of Rs 81.5 billion from consumers for second quarter (Oct-December) of FY 2023-40 under Quarterly Tariff Adjustment (QTA) mechanism. National Electric Power Regulatory Authority (Nepra) is scheduled to conduct a public hearing on [see more...](#)

'Innovative' plan set to reduce circular debt – Neutral

The caretaker Minister for Power and Petroleum, Muhammad Ali, has set an extremely ambitious circular debt reduction plan amounting to Rs 1,268 billion for caretaker Finance Minister Dr Shamshad Akhtar for onward sharing with the International Monetary Fund (IMF) for its concurrence, well informed sources in Finance Ministry told Business Recorder. "Concurrence from IMF shall be [see more...](#)

15.3% shareholders reject unfair offer by PSMC, standing against unjust delisting – Neutral

Owners representing 15.39% of the total shareholding of Pak Suzuki Motor Company Limited (PSMCL) collectively reject the delisting of the company and the purchase price of Rs. 609/- per share. Hence, they will not be selling their shares to the sponsors of PSMC. In a letter written to MD PSX, Commissioner Securities and Exchange [see more...](#)

Localisation in hybrid SUV segment: IMC to step up efforts – Neutral

Localisation is poised to assume even more prominent role in the country's automotive industry, as IMC plans to reach 60% levels in the near future, especially intensifying its efforts for localisation in the Hybrid SUVs segment. This landmark shift promises to strengthen the domestic industry, reduce import dependence, and unleash a new [see more...](#)

First Habib Modarba to initiate certificate value change to Rs10 per share – Positive

The Board of Directors of Habib Metropolitan Modarba Management Company (Private) Limited, the management company of First Habib Modarba (PSX: FHAM), has passed a resolution dated January 30, 2024, to change the value of FHM's Modarba Certificate from Rs5/- each to Rs10/- each. This information was disseminated by [see more...](#)

New banknotes: SBP says process to take 2 years – Neutral

The State Bank of Pakistan (SBP), initiating the process for designing and issuing a new banknotes series of all existing denominations, has said that the complete process of new currency notes will take at least 2 years. It is an established practice of central banks to introduce new banknote series after every fifteen to twenty years [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 |
|--------------|----------------------------|
| BUY | Greater than 15% |
| HOLD | Between -5% to 15% |
| SELL | Less than and equal to -5% |

| Sector Rating | Sector Outlook |
|---------------|----------------|
| Overweight | Positive |
| Market Weight | Neutral |
| Underweight | Negative |

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

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The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

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