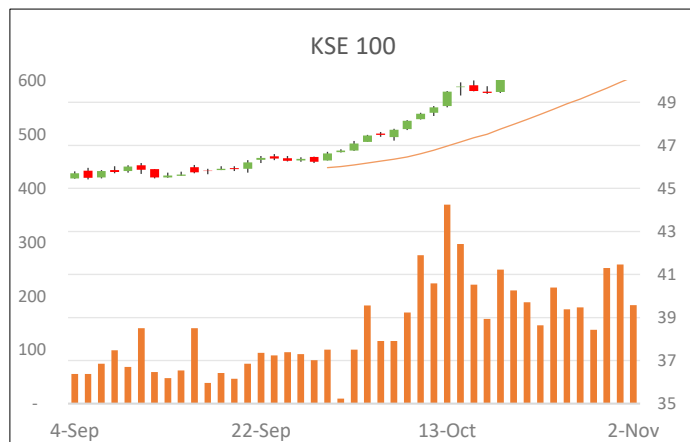


MORNING GLANCE



Market Outlook

The stock market on Thursday Surged over 300 points and concluded the session in the green zone amid ECP's notification to the Supreme Court of the upcoming general elections scheduled for February 11th. The Benchmark KSE-100 index made an intra-day high and low at 52,706.20 (363 points) and 52,239.58 (-103 points) respectively while closed at 52,656.76 by gaining 314 points. Trading volume decreased to 183mn shares as compared to 258mn shares on the previous trading day. Going forward, the resistance for the index resides at 52,800. Breaking this level would further push the index towards 53,000. Contrarily, the support for the index resides at 52,300.

| | | |
|--------|------------|--------------|
| 52,656 | ▲ 313 | ▲ 0.60% |
| 183 mn | YTD 29.01% | 1 Year 25.1% |

Key News

International

Asian equities surge on upbeat global sentiment

Asian stock markets are on the rise, buoyed by positive sentiment in the global financial landscape. This rally comes as investors anticipate the conclusion of central banks' interest rate hikes worldwide. Notable gains were seen in key Asian indices, including Japan's Nikkei 225 and Topix, South Korea's KOSPI, and Australia's S&P/ASX 200, reflecting the strong investor [see more...](#)

Oil prices steady after wild swings, but set for second week of losses

Oil prices steadied in Asian trade on Friday after a weakened dollar and easing concerns over the Israel-Hamas war spurred wild swings over the prior sessions, although they were still set to close lower for a second straight week. Crude prices saw some strength this week after the Federal Reserve stood pat on interest rates and offered somewhat dovish signals [see more...](#)

Politics

Elections in Pakistan on Feb 8

Chief Election Commissioner (CEC) Sikandar Sultan Raja and President Arif Alvi Thursday agreed that the general elections will take place across Pakistan on February 8, 2024. The development came after an ECP delegation headed by CEC Raja and Attorney General for Pakistan (AGP) Mansoor Usman Awan met Alvi [see more...](#)

Economy

IFC unveils \$1.5bn investment plan for Pakistan – Positive

The Board of Investment and the World Bank-affiliate International Finance Corporation unveiled a visionary investment plan, for which the IFC committed to inject over \$1.5 billion into Pakistan's economy in the form of short- and long-term investments aimed at catapulting the country into a new era of prosperity and development, Bol [see more...](#)

| ASIA | Value | Pts | Chg. (%) |
|------------|-----------|--------|----------|
| NIFTY 50 | 19,133.25 | 144.10 | 0.76% ▲ |
| DSE 30 | 2,133.74 | 0.24 | 0.01% ▼ |
| SHANGHAI | 3,035.21 | 25.81 | 0.86% ▲ |
| Hang Seng | 17,580.50 | 341.50 | 1.98% ▲ |
| Nikkei 225 | 31,949.89 | 378.35 | 1.20% ▲ |

| EUROPE | Value | Pts | Chg. (%) |
|----------|-----------|--------|----------|
| FTSE 100 | 7,446.53 | 104.10 | 1.42% ▲ |
| DAX 30 | 15,143.60 | 220.33 | 1.48% ▲ |

| USA | Value | Pts | Chg. (%) |
|-----------|-----------|--------|----------|
| DOW JONES | 33,839.08 | 564.50 | 1.70% ▲ |
| S&P 500 | 4,317.78 | 79.92 | 1.89% ▲ |
| NASDAQ | 14,919.54 | 254.64 | 1.74% ▲ |

| Commodities | Value | Chg. | Chg. (%) |
|---------------|----------|------|----------|
| Gold (t oz.) | 1,993.90 | 0.40 | 0.02% ▲ |
| Oil-WTI (bbl) | 82.53 | 0.07 | 0.08% ▲ |

| Currencies | Value | Chg. | Chg. (%) |
|------------|--------|------|----------|
| USD/PKR | 283.43 | 0.78 | 0.28% ▲ |
| EURO/PKR | 300.43 | 1.63 | 0.55% ▲ |
| GBP/PKR | 344.74 | 1.73 | 0.50% ▲ |
| AED/PKR | 77.17 | 0.78 | 1.02% ▲ |

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

MORNING GLANCE

IMF knows full well SOEs govt's Achilles heel – Neutral

The International Monetary Fund (IMF) staff-level mission led by its Mission Chief, on Thursday, held a meeting with the caretaker Finance Minister Dr Shamshad Akhtar before embarking on the technical-level discussion from Friday (Nov 3) The Finance Ministry, in a statement, said the caretaker finance minister held a meeting with IMF review mission led by IMF Chief Nathan Porter at the Finance Division. [see more...](#)

Finance minister briefs IMF on govt measures to 'improve economic situation' – Neutral

The finance ministry said on Thursday that interim Finance Minister Shamshad Akhtar briefed the International Monetary Fund (IMF) mission visiting Pakistan on the steps being taken by the government to "improve the economic situation". The IMF delegation is visiting Pakistan to review progress on targets set in a \$3 billion programme approved in July this year to bail [see more...](#)

World Bank commits to strengthening BISP – Neutral

World Bank has reiterated its commitment to support the Benazir Income Support Programme (BISP) social protection system in order to strengthen and financially empower the marginalised segments of society and ensure relief to the poorest of the poor. A high-level delegation of the bank had a meeting with BISP Chairperson Dr Amjad Saqib at the BISP headquarters here on Thursday. The delegation was led by WB's South Asia [see more...](#)

Forex reserves down \$79m – Negative

The country's liquid foreign exchange reserves declined by \$79 million to stand at \$ 12.576 billion by the end of last week, the State Bank of Pakistan (SBP) reported Thursday. During the week ended Oct 27, 2023, the SBP's reserves increased by \$ 14 million to \$ 7.508 billion. However, net forex reserves held by commercial banks fell sharply by \$93 million to \$ 5.068 billion by the end of last week. [see more...](#)

Rupee posts 9th straight loss vs dollar – Neutral

The foreign exchange reserves held by the State Bank rose \$14 million in a week, the central bank said on Thursday, but the rupee remained under pressure and fell for the ninth consecutive day in the interbank market to close at 283.43 against the dollar. According to the SBP data, its reserves increased \$14m during the week ending Oct 27 to \$7.51 billion, though the bank did not specify the contributing factors. [see more...](#)

POL products' sale up 19pc MoM – Positive

The sales of petroleum products in the country increased by 19 percent on month-on-month basis to 1.3 million tons in October 2023 while the Ex-Furnace Oil (FO) sales remained up 24 percent MoM in this month. The MoM jump in sales is due to low base of the previous month amid higher prices and consumers were waiting in anticipation of a decline in prices to fuel up their tanks, experts said. [see more...](#)

Refinery sector turns profitable in first quarter of FY24 – Positive

The refinery sector turned around in the first quarter of FY24, recording a profit after tax of Rs16.18 billion as compared to a loss of Rs3.3bn incurred in the same period last year (SPLY). The refinery sector includes; Attock Refinery Limited (PSX: ATRL), National Refinery Limited (PSX: NRL), Pakistan Refinery Limited (PSX: PRL), and Cnergyico PK Limited [see more...](#)

Nepra allows KE to recover Rs3/unit subsidy availed by industrial consumers – Positive

While approving the federal government's decision regarding removal of subsidy on account of the industrial relief package in 2019, the National Electric Power Regulatory Authority (NEPRA) has allowed K-Electric (KE) to recover Rs3/unit subsidy availed by the industrial consumers. The NEPRA, while vetting the Supreme Court's decision [see more...](#)

Textile exports rebound in October after months of slump – Positive

Pakistan's textile exports, the backbone of its economy, rose for the first time in 10 months in October, signaling a potential recovery for the industry that has been battered by rising input costs and a global recession. Textile shipments increased by 5 percent to \$1.43 billion in October from a year earlier, according to data from the All Pakistan [see more...](#)

High wheat output yields Rs400bn benefit – Neutral

The Ministry of National Food Security and Research said on Thursday that the country was able to achieve a financial benefit of Rs400 billion with the increase of 4 million tonnes of wheat production in 2022-23. This result was achieved in the wake of the national project aimed at increasing the productivity of wheat and reducing the productivity gap costing Rs30.45 billion. [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 |

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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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| 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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