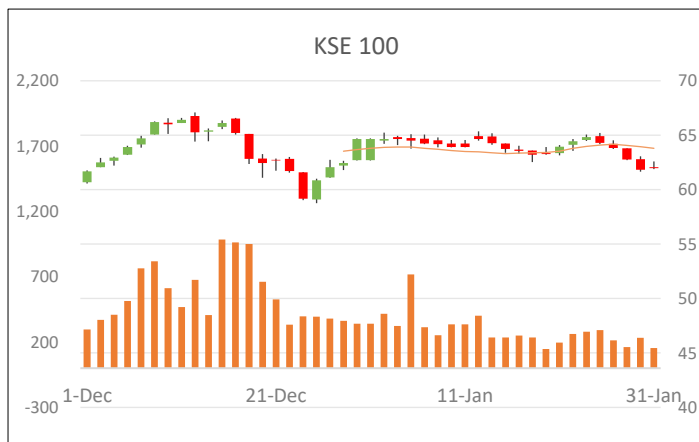


# MORNING GLANCE



61,979	▲ 137	▲ 0.22%
154 mn	YTD -4.15%	1 Year 52.58%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	21,725.70	203.60	0.95% ▲
DSE 30	2,111.09	7.73	0.37% ▲
SHANGHAI	2,796.06	7.51	0.27% ▲
Hang Seng	15,716.50	231.43	1.49% ▲
Nikkei 225	35,980.00	306.71	0.85% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,630.57	35.74	0.47% ▼
DAX 30	16,903.76	68.58	0.40% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	38,150.30	317.01	0.82% ▼
S&P 500	4,845.65	79.32	1.61% ▼
NASDAQ	17,137.24	339.47	1.94% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,065.25	2.15	0.10% ▼
Oil-WTI (bbl)	76.40	0.55	0.73% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	279.50	0.05	0.02% ▼
EURO/PKR	302.34	0.34	0.11% ▼
GBP/PKR	354.27	0.59	0.17% ▼
AED/PKR	76.09	0.02	0.03% ▼

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

## Market Outlook

The stock market on Wednesday remained uptrend in the first half of the day followed by downtrend in the second half. Eventually, concluding the session in the green zone amid political uncertainty prevailing in the country. The Benchmark KSE-100 index made an intra-day high and low at 62,600.12 (758.38 points) and 61,896.00 (54.26points) respectively while closed at 61,979.18 by gaining 137.44 points. Trading volume decreased to 154mn shares as compared to 234mn 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 61,600. Breaking this level would further drag the index towards 61,000. Contrarily, the resistance for the index resides at 63,252(50-DMA).

## Key News

### International

#### Asia markets weaker ahead of Fed decision; China economic data disappoint

Asian stocks mostly declined Wednesday as markets awaited a decision on interest rates by the Federal Reserve, while China reported manufacturing contracted in January for a fourth straight month. U.S. futures were mixed while oil prices fell back. Japan's Nikkei 225 fell 0.3% to 35,975.50. [see more...](#)

#### Oil prices rise on Middle East tensions, OPEC+ meeting in focus

Oil prices rose in Asian trade on Thursday as concerns over Middle Eastern supplies persisted amid increasing military action in the Red Sea, while anticipation of an OPEC+ meeting also kept traders cautious. Markets were also digesting the prospect of higher-for-longer U.S. interest rates, after the Federal Reserve shot down expectations for a March [see more...](#)

### Politics

#### Report on electoral poll: Pakistan is fifth largest democracy in world: Fafen

With the fifth-highest number of registered voters globally, Pakistan has a record 128 million people, constituting over half of its total population, registered as voters on the final electoral rolls (FER) for the upcoming general elections (GE) scheduled for February 8, 2024, marking a substantial [see more...](#)

### Economy

#### Foreign investors withdraw \$37m in January – Neutral

The foreign investors remained on the selling side and withdrew \$37 million from the local equity market during the month of January 2024. This was highest net selling by foreigners at Pakistan Stock Exchange after 12 months. To recall after IMF deal at June 2023 end, Pakistan saw [see more...](#)

## MORNING GLANCE

### **Budgetary requirements; Ijara Sukuk funding to help govt save Rs32bn per year – Neutral**

The federal government will save approximately Rs 32 billion annually by raising funds through the Ijara Sukuk for budgetary requirements as it's a cost-effective financing tool for the government as compared to traditional and conventional Market Treasury Bills (MTBs) and long-term Pakistan Investment Bonds (PIBs). [see more...](#)

### **Inflation, surging expenditures persist: MoF – Negative**

While painting an otherwise rosy economic picture at the fag-end of its rule, the caretaker government on Wednesday conceded the persisting inflationary trends and rising pressures on current expenditure mainly due to the policies of the government and the State Bank of Pakistan, respectively, continue to remain critical challenges, needing prudent policies of the next government to strengthen economic activities. [see more...](#)

### **FBR suffers Rs9bn shortfall in January – Neutral**

The Federal Board of Revenue (FBR) has suffered a shortfall of Rs9 billion during January 2024, as the provisional tax collection stood at Rs681 billion during the month against the monthly target of Rs690 billion. However, the FBR met the overall tax collection target for the first seven months of the current fiscal year. The government has identified eight contingency revenue measures to generate additional revenue of Rs18 billion [see more...](#)

### **Petrol price raised by Rs13.55 – Negative**

Interim government on Wednesday approved a substantial raise in ex-depot price of petrol, ie, by 13.55 per litre and high speed diesel (HSD) by Rs 2.75 per litre for the fortnight starting February 1, 2024 ahead of general elections on February 8. In a late night statement, finance ministry announced increase in the ex-depot price of petrol by Rs 5.2 percent and HSD by 1 percent. The price of light speed diesel (LDO) has [see more...](#)

### **LPG price increased by Re1/kg – Negative**

The Oil and Gas Regulatory Authority (Ogra), on Wednesday, increased LPG per kg price by Re 1 with effect from February 1. The price of domestic cylinder increased by Rs 14 and the commercial cylinder by Rs 53. After the increase, per kg LPG will be available at Rs 257 instead of Rs 256. The new price of domestic cylinder is Rs 3,040 instead of Rs 3,026. [see more...](#)

### **'Oil, gas E&P firms allowed to sell 35pc of gas to third party instead of Sui companies – Negative**

The caretaker government has allowed the oil and gas exploration and production (E&P) companies to sell 35 percent of their gas to third party instead of state owned Sui companies. The Council of Common Interest (CCI) had Monday also approved the Tight Gas 2024 policy. The forum, which met under [see more...](#)

### **Nepra voices its concern; Massive cut in use of power by industries – Neutral**

The National Electric Power Regulatory Authority (NEPRA) on Wednesday raised its concerns over massive reduction in consumption of electricity by the industrial sector due to higher electricity rates in the country. These remarks were expressed during a public hearing on a proposal of positive adjustment of Rs 5.62/kWh in tariffs of power [see more...](#)

### **Transmission line; Govt seeks 13-month extension of WB loan-closing date – Neutral**

The government has sought a 13-month extension in the closing date of the World Bank loan to continue the construction of the transmission line from Dasu hydropower plant to Islamabad. Official documents revealed that the Economic Affairs Division (EAD), through its letter dated December 20, 2023, requested an extension [see more...](#)

### **Farm sector gets Rs1.1 trillion loans in H1, nears half of annual target – Positive**

The financial institutions lent Rs1.106 trillion to the agriculture sector in the first half of the 2023/24 fiscal year, reaching nearly half of the annual target set by the central bank, official data showed on Wednesday. The loans, which were disbursed from July to December, mainly benefited the livestock, dairy and poultry sectors, the [see more...](#)

### **ADs allowed to make import advance payments without prior SBP approval – Neutral**

The State Bank of Pakistan (SBP) has allowed Authorised Dealers (ADs) to make import advance payments, without prior approval of SBP, against 100 percent irrevocable letters of credit or invoices. However, in case the goods against advance payment are not imported or [see more...](#)

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## DEFINITION OF TERMS

<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

## 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

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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