

MORNING GLANCE



64,617	▲ 697	▲ 1.09%
365 mn	YTD -0.07%	1 Year 58.36%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	21,740.10	92.90	0.43% ▲
DSE 30	2,108.01	6.11	0.29% ▲
SHANGHAI	2,886.87	0.22	0.01% ▲
Hang Seng	16,277.50	9.5	0.06% ▼
Nikkei 225	35,445.00	395.14	1.13% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,576.59	75.17	0.98% ▼
DAX 30	16,547.03	142.78	0.86% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	37,711.02	15.29	0.04% ▲
S&P 500	4,780.24	3.21	0.07% ▼
NASDAQ	16,820.90	27.86	0.17% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,038.15	18.95	0.94% ▲
Oil-WTI (bbl)	73.44	1.42	1.97% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	281.11	0.17	0.06% ▼
EURO/PKR	308.63	1.07	0.35% ▲
GBP/PKR	358.77	1.51	0.42% ▲
AED/PKR	76.54	0.05	0.07% ▼

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

Market Outlook

The stock market on Thursday remained bullish for most of the day and concluded the session up in the green zone amid a decline in T-Bills cut-off yields. The Benchmark KSE-100 index made an intra-day high and low at 64,700.97 (781.13 points) and 63,914.94 (4.90 points) respectively while closed at 64,617.56 by gaining 697.72 points.. Trading volume increased to 365mn shares as compared to 337mn shares on the previous trading day. Going forward, we expect the market to remain positive amid \$700m tranche approved by IMF board. The resistance for the index resides at 65,000, if it breaks above this level then it will be targeting 67,000. Meanwhile the support for the index resides at 63700.

Key News

International

Equities Mixed as Inflation Assessed, Oil Rallies: Markets Wrap

Stocks in Asia rose, supported by a continuing rally in Japanese shares. Oil climbed on Mideast tensions. An Asian equity gauge gained as much as 0.6% as the Nikkei 225 advanced more than 1%, on track for the biggest weekly increase since April 2020. Shares in China, Hong Kong and Australia were little changed, while South Korea's fell. US equity futures slipped after Wall Street benchmarks.. [see more...](#)

Oil prices rise more than 2% after US, Britain strikes in Yemen

Oil prices rose more than 2% on Friday as the United States and Britain carried out strikes against Houthi military targets in Yemen in retaliation for attacks by the Iran-backed group on shipping in the Red Sea starting from late last year. Brent crude futures were up \$1.81, or 2.3%, at \$79.22 a barrel, while U.S. West Texas Intermediate crude futures were trading \$1.80, or 2.5% higher, at \$73.82 at 0154 GMT.. [see more...](#)

Politics

Upheaval in top judiciary as Justice Ijazul Ahsan resigns a day after Justice Naqvi

Justice Ahsan was slated to be the next chief justice of Pakistan (CJP) after CJP Qazi Faez Isa. According to the resignation addressed to the president, Justice Ahsan said: "I no longer wish to continue as a judge of the Supreme President Dr Arif Alvi earlier today accepted. [see more...](#)

Economy

\$700m tranche approved by IMF board - Positive

Finance Ministry has stated that the Executive Board of the International Monetary Fund (IMF) has completed the 1st review of Pakistan's economic reform program Stand By Arrangement (SBA) on Thursday. The Board's approval allows for an immediate disbursement of SDR 528 million (around US\$ 700 million) bringing the total . [see more...](#)

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IMF official pinpoints ‘increasing risks’ – Neutral

Sustained failure of tax reforms for over 30 years and overall fiscal constraints are increasing risks for Pakistan. This was stated by a former senior official of the International Monetary Fund (IMF), Ehtisham Ahmed while speaking via Zoom on the topic of “Digital Transformation of Institution and Policies Tools for Resilient and Sustainable Growth” organised by the PIDE on Thursday. He stated that the sustained failure of tax reforms [see more...](#)

‘Political turmoil’ in Pakistan to slow private sector growth: World Bank – Neutral

In its latest publication ‘Global Economic Prospects — January 2024’ released on Wednesday, the World Bank shared that Pakistan’s economic outlook for FY2023/24 (July 2023 to June 2024) remains subdued, with growth projected at only 1.7%. “Monetary policy is expected to remain tight to contain inflation, while fiscal policy is also set to be. [see more...](#)

Forex reserves rise, KIBOR dips – Neutral

The country’s total liquid foreign exchange reserves increased by \$ 36 million during the last week due to a surge in commercial banks’ reserves. According to a weekly report issued by the State Bank of Pakistan (SBP) on Thursday, the total liquid foreign exchange reserves held by the country stood at \$ 13.257 billion as of Jan 5, 2024 compared to \$13.221 billion as of Dec 29, 2023. The break-up of the foreign reserves position shows. [see more...](#)

Govt borrows record Rs4.2tr – Negative

This intense borrowing has not only burdened the economy with debts but has also restricted the private sector’s access to banking funds. According to the latest data from the State Bank of Pakistan, the government borrowed Rs4.284 trillion from banks during July-Dec FY24, exceeding the total borrowing of Rs3.716tr in FY23. In the first six months of FY23, borrowing was limited to Rs280 billion, showing substantial growth in.. [see more...](#)

MPCL announces gas discovery in N Waziristan - Positive

Mari Petroleum Company Limited (MPCL) as the operator of Waziristan Block on Thursday announced a gas discovery resulting from its exploratory efforts at Kawagarh of Shewa-2 Appraisal Cum Exploratory well, located in North Waziristan District, Khyber Pakhtunkhwa. MPCL holds 55 percent working interest along with Oil and Gas Development Company Limited (OGDCL) and OPI as joint venture partners having 35 percent and 10 percent. [see more...](#)

Gas supply to Quetta to be affected: SNGPL – Negative

The Sui Northern Gas Pipelines Limited (SNGPL) said Thursday that the gas supply to Quetta will remain affected after a pipeline was ruptured in Bolan. “The reason behind the pipeline’s explosion is being determined,” the company said in a statement. “As a result, the gas supply to Quetta will be affected.” The gas supply company added that a team has been dispatched to repair the ruptured [see more...](#)

SSGC announces 48-hour gas holiday for all industries – Negative

Sui Southern Gas Company (SSGC) has announced 48-hours gas holiday for all industries including their power generation units for forty-eight (48) hours from 08:00am on Friday, January 12, 2024 to 08:00am on Sunday (January 14, 2024). “Due to the short supplies of around 65 mmscfd gas during last night from different gas [see more...](#)

Nepra approves 2pc transmission losses for STDC – Neutral

The National Electric Power Regulatory Authority (NEPRA) has approved 2.0 percent transmission line losses to Sindh Transmission and Despatch Company (STDC) from its Commercial Operation Date (COD), i.e, January 18, 2018 after Sindh government made hue and cry over the delay in the decision. The NEPRA awarded the Transmission License to STDC on December 17, 2015 under Section [see more...](#)

Govt fails to woo a single investor for solar project – Neutral

This was the first pilot project for the acquisition of renewable energy through international competitive bidding (ICB) in line with the projections under the long-term Indicative Generation Capacity Expansion Plan (IGCEP). Multiple rounds of bidding were held and revisions in incentives were made since late 2022 under the already approved Framework Guidelines for Fast-Track Solar PV Initiatives 2022. [see more...](#)

Cement sector; FBR extends deadline for T&T implementation – Positive

The Federal Board of Revenue (FBR) has extended deadline for cement manufacturers to fully implement the Track and Trace System by April 30, 2024. It is learnt that the last date for implementation of the T&T System on the cement sector was December 31, 2023. The cement sector was unable to comply with the deadline of December 31, 2023. [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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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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