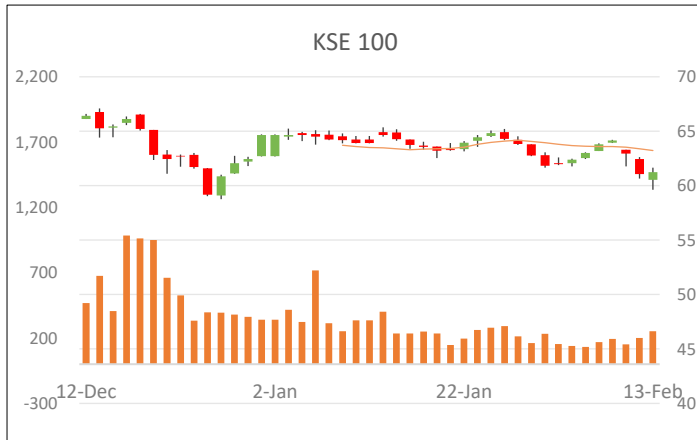


# MORNING GLANCE



61,226	▲ 161	▲ 0.26%
253 mn	YTD -5.31%	1 Year 48.79%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	21,743.25	127.20	0.59% ▲
DSE 30	2,165.93	27.71	1.30% ▲
SHANGHAI	2,865.90	36.21	1.28% ▲
Hang Seng	15,671.50	75.08	0.48% ▼
Nikkei 225	37,625.00	338.97	0.89% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,512.28	61.41	0.81% ▼
DAX 30	16,875.19	162.16	0.95% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	38,272.75	524.63	1.35% ▼
S&P 500	4,953.17	68.67	1.37% ▼
NASDAQ	17,600.42	282.24	1.58% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,004.50	2.7	0.13% ▼
Oil-WTI (bbl)	77.75	0.12	0.15% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	279.31	0.02	0.01% ▼
EURO/PKR	300.88	0.77	0.26% ▼
GBP/PKR	353.36	0.18	0.05% ▲
AED/PKR	76.05	-	-

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

## Market Outlook

The stock market on Tuesday plunged by 1452 points at the start of the trading session. However, later on, it recovered its intra-day losses and concluded the session in the green zone amid positive sentiment is prevailing among investors regarding the index's recovery. The Benchmark KSE-100 index made an intra-day high and low at 61,654.65 (589.34 points) and 59,613.17 (1,452.14 points) respectively while closed at 61,226.92 by gaining 161.61 points. Trading volume increased to 253mn shares as compared to 201mn shares on the previous trading day. Going forward, the market is expected to remain volatile due to the likelihood of another hung parliament, as indicated by electoral results. The resistance for the index resides at 61,600. Breaking this level would further push the index towards 62,000. Contrarily, the support for the index resides at 60,500.

## Key News

### International

#### Asia Stocks Track US Decline, Yen Weakens Past 150

Asian stocks tracked a decline on Wall Street following hotter-than-expected US inflation data, while the yen rose after its slump on Tuesday triggered a warning from Japan. Shares fell in South Korea, Japan and Australia, while Chinese equities traded in Hong Kong erased an early drop as the [see more...](#)

#### Oil prices dip on signs of massive US inventory build, hot CPI data

Oil prices fell in Asian trade on Wednesday after industry data pointed to an outsized build in U.S. crude inventories, while markets were also reeling from a hot inflation reading that further dented bets on early rate cuts by the Federal Reserve. Still, bigger declines in crude were held back by persistent geopolitical tensions in the Middle East and [see more...](#)

### Politics

#### Allies set to form 'PDM-2' govt

In a major political development a six parties' alliance—PMLN, PPP, MQMP, PMLQ, IPP and BAP—on Tuesday announced to form government in the Centre on the pattern of last government of Pakistan Democratic Movement (PDM). Pakistan Muslim League-Nawaz (PMLN) Information Secretary Marriyum Aurangzeb announce on social media [see more...](#)

### Economy

#### IMF rejection of CD, tariff strategy – Negative

The Finance Ministry's half-hearted support may have been a reason behind the IMF rejection of the circular debt and tariff rationalizations strategy that was proposed by the Ministry of Energy (Power Division and Petroleum Division), sources close to the Ministry of Energy told Business Recorder. The strateg with requisite projections, sources said, had [see more...](#)

## MORNING GLANCE

### 'No honeymoon period': Daunting challenges ahead for Pakistan's future government – Neutral

As political parties in Pakistan struggle to determine the contours of the next government following last week's general elections, financial experts say the country's new administration will need to hit the ground running since there are numerous economic challenges that required its immediate attention. Thursday's vote presented no clear winner, with independent [see more...](#)

### ECC approves Rs7.492bn Ramazan package – Neutral

The Economic Coordination Committee (ECC) of the Cabinet has approved Rs7.492 billion Ramazan package to provide subsidy to the targeted beneficiaries of the Benazir Income Support Programme (BISP) but deferred a decision on the proposed increase in gas prices till the next meeting for further deliberation. The meeting of the ECC presided over by the caretaker Finance Minister, Dr Shamshad Akhtar, on Tuesday, to [see more...](#)

### Infrastructure, development get Rs190bn – Neutral

The utilisation of funds for development schemes of the former parliamentarians appeared to taper off on the eve of elections yet remained the second-largest expenditure portfolio in the Rs190 billion overall disbursements for a struggling Public Sector Development Programme (PSDP) in the first seven months of 2023-24. The latest data on development expenditure released by the Planning Commission, special areas [see more...](#)

### ECC may approve increase in gas prices today – Neutral

The Economic Coordination Committee (ECC) is likely to approve increase in natural gas prices on Wednesday (Feb 14) to be effective from Feb 2024. Sui Southern Gas Company Ltd (SSGCL) and Sui Northern Gas Pipelines Ltd (SNGPL) are public sector gas utility companies licensed from Oil & Gas Regulatory Authority (Ogra) for purchase, transmission, distribution and sale of gas to consumers in the country. Ogra determines [see more...](#)

### Diesel price likely to soar – Neutral

The interim government may raise the price of high-speed diesel (HSD) by Rs8 per litre; however, keep the price of petrol unchanged with effect from February 16, 2024. The interim government may raise the HSD price by Rs8 per litre with effect from February 16, 2024, depending on the premium and exchange rate adjustments. Pakistan State Oil (PSO) has paid [see more...](#)

### PPL successfully drills, tests development well in Sindh – Positive

Pakistan Petroleum Limited (PPL), a key supplier of natural gas in the county, has successfully drilled and tested hydrocarbon reserves in Adam-2 well, located in Adam D&PL Area, Hala Block, Sindh. The E&P shared the development in its notice to the Pakistan Stock Exchange (PSX) on Tuesday. "We wish to inform that as part of the field development [see more...](#)

### Car sales rise 30pc in January, but slump 49pc in seven-month period – Negative

Car sales rose 30 percent in January from a year earlier, boosted by a low base effect and new model launches, but were still down 49 percent in the first seven months of the fiscal year, industry data showed on Tuesday. According to data released by Pakistan Automotive Manufacturers Association (PAMA), passenger car sales [see more...](#)

### 'IT exports rise 32pc in 60 days' due to SIFC's decisions: minister – Positive

Caretaker Federal Information Technology and Telecommunications (MoITT) Minister Dr Umar Saif said due to timely decisions of the Special Investment Facilitation Council (SIFC) on the recommendations of the Ministry of IT, the overall IT exports in the country have increased by a record 32 percent in the last 60 days. He [see more...](#)

### Private manufacturers contracted for imported urea sale – Positive

The government of Pakistan has finalised an agreement with the private manufacturers of fertilizers for the sale of 220,000 metric tons of urea fertilizer worth \$100 million imported from Azerbaijan. Sources said that agreements had been signed between Pakistan government's National Fertilizers Marketing Limited (NFML) and private [see more...](#)

### MSCI Main Frontier Market Index; Three additions notified for Pakistan – Neutral

The MSCI has released an update on its Quarterly Index Review, notifying three additions for Pakistan in the MSCI Main Frontier Market Index. According to MSCI announcement, all changes will be effective from March 1, 2024. [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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