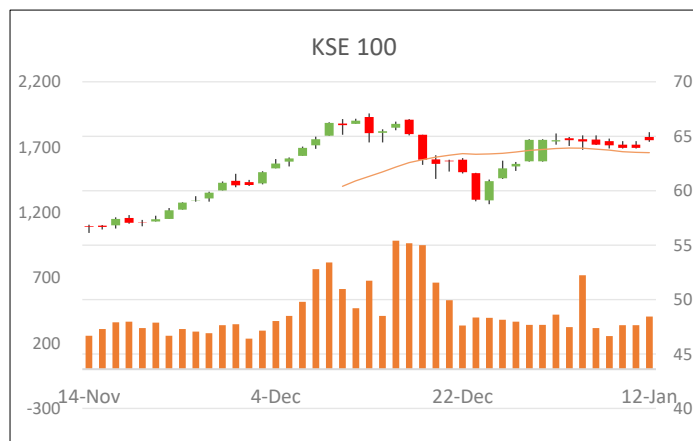


MORNING GLANCE



64,637	▲ 19	▲ 0.03%
403 mn	YTD -0.04%	1 Year 58.41%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	21,894.55	247.35	1.14% ▲
DSE 30	2,117.91	9.90	0.47% ▲
SHANGHAI	2,890.95	8.98	0.31% ▲
Hang Seng	16,228.00	27.50	0.17% ▲
Nikkei 225	35,865.50	288.39	0.81% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,624.93	48.34	0.64% ▲
DAX 30	16,704.56	157.53	0.95% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	37,592.98	118.04	0.31% ▼
S&P 500	4,783.83	3.59	0.08% ▲
NASDAQ	16,832.92	12.02	0.07% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,057.95	6.35	0.31% ▲
Oil-WTI (bbl)	72.88	0.09	0.12% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PAKR	280.36	0.75	0.27% ▼
EURO/PAKR	307.85	0.78	0.25% ▼
GBP/PAKR	358.18	0.59	0.16% ▼
AED/PAKR	76.33	0.21	0.27% ▼

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

Market Outlook

The stock market on Friday opened on a positive note and remained bullish for the majority part of the day. However, later on, it lost the impetus and reversed almost all of its intra-day gains while concluding the session flat amid political uncertainty ahead of general elections. The Benchmark KSE-100 index made an intra-day high and low at 65,356.85 (739.29 points) and 64,491.08 (126.48 points) respectively while closed at 64,637.63 by gaining 20.07 points. Trading volume increased to 403mn shares as compared to 365mn shares on the previous trading day. Going forward, we expect the market to remain volatile amid uncertainty on the political front. 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

Asian stocks mixed; China lags on rate-cut disappointment, Nikkei rallies

Most Asian stocks were a mixed bag on Monday, with Chinese shares under pressure after the People's Bank unexpectedly kept lending rates on hold, while outperformance in Japanese markets continued. Sentiment towards regional markets remained wary in anticipation of more key economic cues this week, including Chinese gross domestic product [see more...](#)

Oil slips; investors eye Mideast developments

Oil prices slipped on Monday with traders watching out for supply disruption risk in the Middle East following strikes by U.S. and British forces to stop Houthi militia in Yemen from attacking ships in the Red Sea. futures fell 31 cents, or 0.4%, to \$77.98 a barrel by 0124 GMT after settling up 1.1% on Friday. U.S. West Texas Intermediate [see more...](#)

Politics

Seeking poll postponement; Third resolution lands in Senate

Yet another resolution for a delay in February 8 general polls landed in the Senate on Sunday, seeking election delay under the pretext of bad weather and a poor security situation in Khyber Pakhtunkhwa. The third resolution demanding a delay in polls was submitted [see more...](#)

Economy

Disbursement of SBA tranche; Dollar bonds extend rally on IMF approval – Neutral

Pakistan's sovereign dollar bonds extended their rally on Friday with some bonds trading at the highest since June 2022, Tradeweb data showed, after the International Monetary Fund approved a loan disbursement. Pakistan's bonds had already rallied sharply in the previous session, with all of the issuance rising. But the 2026 rose the most, [see more...](#)

MORNING GLANCE

Pakistan asks UAE to roll over \$3 billion debt: minister – Neutral

Pakistan has asked the United Arab Emirates (UAE) to rollover its \$3 billion debt, as the South Asian nation faces a severe economic crisis, its caretaker commerce and industries minister said on Saturday. Gohar Ejaz, who is also a prominent businessman, said he made the request during a recent visit to the UAE for a trade accord, where he was told that Pakistanis had invested \$10 billion in the Gulf state's real estate sector. [see more...](#)

Rs85b tax collected from non-filers - Neutral

Tax authorities have collected Rs85 billion in six months on account of cash withdrawals and electricity consumption by non-filers of income tax returns, indicating that law violators are mostly concentrated in the two biggest urban centres - Karachi and Lahore. Out of the Rs85 billion collected from non-filers under just two heads, nearly 60% was pooled from Karachi and Lahore. These urbanised cities are the biggest in Pakistan, [see more...](#)

'Extensive' borrowing in foreign currency – Neutral

The caretaker Finance Minister, Dr. Shamshad Akhtar has reportedly accused both previous PTI and coalition (PDM+PPP) governments for "extensive" borrowing of forex during last five years to meet local expenditure, which had increased the burden of foreign debt of Pakistan substantially, well informed sources told Business Recorder. She made these remarks during a recent meeting of the ECC when a proposal of Finance Division [see more...](#)

Govt borrows Rs6tr from banks – Negative

Pakistan's central bank has injected almost Rs6 trillion into conventional and Shariah-compliant banks for up to 28 days, as the government has continued to make record borrowing primarily to make interest payments on debt. The central bank is now frequently injecting funds into the banking network in the wake of government's heavy borrowing in recent months, enhancing its outstanding financing for banks to around [see more...](#)

Volatile period for exchange rate: experts – Neutral

The election period is challenging for the government to maintain the exchange rate since the political uncertainty would cast its shadow over it, said financial experts. "Pakistan has somewhat salvaged the cash flow crises, courtesy of IMF's fresh tranche, but navigating around the election period will prove to be a challenge," said Tresmark CEO Faisal Mamsa. There are lots of positives in the first few days of the new year [see more...](#)

Short-term inflation surpasses 44pc – Negative

The short-term inflation surged 44.16 per cent year-on-year in the week ending on Jan 11, the steepest increase observed since May 2023, official data showed on Friday. The persistent rise in inflation, observed in the first week of the new year, indicates no signs of deceleration in the near term. This spike is primarily fuelled by a surge in gas prices, electricity tariffs, and the cost of essential kitchen items. [see more...](#)

Iran serves new notice on Pakistan for delay in IP gas line project – Neutral

Iran has issued a third notice to Islamabad, renewing its intention to move the arbitration court for not laying the pipeline as part of the IP gas line project. The project has been facing delays since 2014. Pakistan received the latest notice almost 10 days ago, top government officials told The News. "Iran earlier asked Pakistan in Nov-Dec 2022 [see more...](#)

Private sector's participation; Privatisation ministry, Power Div lock horns over Discos' operations – Neutral

Ministry of Privatisation and Power Division have reportedly locked horns on proposed plan of private sector participation in operation of Discos through long-term concessions leading to their eventual privatisation, well informed sources in Privatisation Commission told Business Recorder. Power Division, sources said, has prepared a new [see more...](#)

13 renewable projects; Foreign investors move power minister – Neutral

Pakistan Foreign Renewable Energy Investors Forum has approached caretaker Minister for Power and Petroleum, Muhammad Ali for removal of obstacles in the final approval of 13 renewable projects. In a letter to the caretaker Minister for Power and Petroleum, copies of which have also been sent to caretaker Prime Minister and Chief of [see more...](#)

NEPRA awards 10-Year Licence to PPIB to run power auctions in Pakistan – Positive

The National Power Regulatory Authority (NEPRA) has granted a 10-year licence to the Private Power & Infrastructure Board (PPIB) to act as an independent auction administrator (IAA) in the country's power sector. The licence will allow PPIB to implement a competitive market regime, known as the Competitive Trading Bilateral [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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- 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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