

MORNING GLANCE



61,020	▼ -1134	▼ -1.82%
155 mn	YTD -5.63%	1 Year 47.65%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	21,910.75	70.70	0.32% ▲
DSE 30	2,172.35	0.82	0.04% ▲
SHANGHAI	2,865.90	36.21	1.28% ▲
Hang Seng	15,944.63	65.25	0.41% ▲
Nikkei 225	38,157.94	461.18	1.22% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,597.53	29.13	0.38% ▲
DAX 30	17,046.69	101.21	0.60% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	38,617.24	192.97	0.50% ▲
S&P 500	5,014.65	14.03	0.28% ▲
NASDAQ	17,799.90	7.73	0.04% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,015.55	11.25	0.56% ▲
Oil-WTI (bbl)	78.11	1.47	1.92% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	279.38	0.06	0.02% ▲
EURO/PKR	299.86	0.95	0.32% ▲
GBP/PKR	350.51	0.05	0.01% ▲
AED/PKR	76.07	0.02	0.03% ▲

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

Market Outlook

The stock market on Thursday remained positive in majority part of the day. However, it experienced a sharp decline in the second half and concluded the session in the red zone amid political uncertainty prevailing in the country. The Benchmark KSE-100 index made an intra-day high and low at 62,394.25 (240.41 points) and 60,926.85 (1,226.99 points) respectively while closed at 61,020.05 by losing 1,133.79 points. Trading volume decreased to 155mn shares as compared to 179mn shares on the previous trading day. Going forward, we expect the market to remain volatile as uncertainty prevailing in the country with regards to formation of new government. The support for the index resides at 60,900. Breaking this level would further drag the index towards 60,500. Contrarily, the resistance for the index resides at 61,700

Key News

International

Asian stocks edge higher; Japan's Nikkei in sight of record high

Most Asian stocks rose on Friday tracking a strong lead-in from Wall Street, while Japan's Nikkei 225 index extended its run of strong gains and was now trading within spitting distance of a record high. Wall Street bourses ended higher in overnight trade, aided by strong gains [see more...](#)

Oil prices roughly flat as unclear demand scenario weighed

Oil prices meandered on Friday as investors pondered slowing demand forecast by an influential group and weak U.S. retail sales data that sparked optimism about U.S. interest rate cuts. futures dropped 11 cents, or 0.1%, to \$82.75 a barrel at 0131 GMT. U.S. West Texas Intermediate crude futures rose 1 cent to \$78.04 a barrel. [see more...](#)

Politics

PTI to stage 'peaceful' protests on Feb 17 against 'rigged polls

The Pakistan Tehreek-e-Insaf (PTI) has announced countrywide "peaceful" protests against the alleged rigging in the February 8 general elections, inviting different political parties having the stance of 'engineering' in polls results to join. Former PTI chairman Barrister Gohar Khan, while speaking to journalists after a meeting with party founder Imran Khan at Adiala jail, invited [see more...](#)

Economy

Pakistan downgraded to 'authoritarian regime' – Negative

Democratic standards across the world fell in 2023 amid the spread of wars, authoritarian crackdowns and declining levels of trust in mainstream political parties, the Economist Intelligence Unit (EIU) said on Thursday. While the number of countries categorised as democracies increased by two last year, the global [see more...](#)

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Moody's downgrades Pakistan's credit outlook to negative due to political uncertainty – **Negative**

Credit rating agency Moody's has cut Pakistan's credit outlook to negative, citing persistent political uncertainty worsened by inconclusive election results. The general election on February 8 and the ensuing delay in completing the vote count have contributed to the uncertainty. The agency raised worry over Pakistan's capacity to quickly negotiate a new deal [see more...](#)

LSM attains negative growth in 1H – **Negative**

The overall Large Scale Manufacturing (LSM) sector has shown a growth of -0.39 per cent during the first half (July-December) of 2023-24 when compared with the same period of last year, says Pakistan Bureau of Statistics (PBS). The Large Scale Manufacturing Industries (LSMI) output increased by 3.43 per cent for December 2023 when compared with December 2022 and 15.69 per cent when compared with November 2023. [see more...](#)

Forex reserves rise by \$52m in a week – **Neutral**

The country's total liquid foreign reserves rose by \$ 52 million and stood at \$ 13.149.1 billion end of the last week, the State Bank of Pakistan (SBP) reported on Thursday. During the week ended on Feb 9, 2024, SBP's reserves increased by \$ 13 million to reach \$ 8.057 billion up from \$8.044 billion. However, net foreign reserves held by commercial banks surged by \$39 million to \$ 5.093 billion end of last week compared to \$5.054 billion a week earlier. [see more...](#)

Price of diesel hiked by Rs8.37, petrol's by Rs2.73 – **Negative**

Interim government on Thursday decide to raise the ex-depot prices of petroleum products up to Rs 8.37 per litre for fortnight starting from February 16, 2024, owing to increase global oil prices and exchange rate adjustment. The price of petrol has been increase by Rs 2.73 per litre, while rate of high speed diesel (HSD) by Rs 8.37 per litre. In a late night announcement, Finance Division said: "Government has decided to bring [see more...](#)

Ogra cuts rates of imported RLNG - **Positive**

The Oil and Gas Regulatory Authority (Ogra) on Thursday notified a decline in the rates of imported RLNG up to 9.03 per cent on a month-to-month basis in February. According to the notification, the Ogra states, "The decrease in RLNG prices is due to decrease in DES price." New prices will be applicable with retrospective effect from February 1, 2024. [see more...](#)

Cabinet ratifies ECC decision on gas tariffs – **Positive**

The caretaker federal cabinet on Thursday approved an increase in gas prices for various sectors with an expected highest increase in gas tariff for domestic consumers. The meeting of the federal cabinet presided over by Caretaker Prime Minister Anwaar-ul-Haq Kakar has ratified the decisions of the ECC dated February 14 and February 7, 2024. On Wednesday, February 14, 2024, a meeting of the [see more...](#)

Unprotected gas consumers to bear the brunt – **Negative**

Protected consumers face a gradual increase in tariff slabs (Rs. 80-100/MMBtu) with a cross subsidy of Rs 108 billion, while unprotected consumers see a larger increase (Rs. 200-300/MMBtu). monthly fixed charges remain unchanged with effect from February 1, 2024. Oil and Gas Regulatory Authority (OGRA) on Thursday notified the revised sale price of natural gas in line with the decision of [see more...](#)

Aramco refinery likely to be included in CPEC framework - **Neutral**

The government is likely to include \$10 billion Saudi Aramco refinery project in framework of China Pakistan Economic Corridor (CPEC), well informed sources in Petroleum Division told Business Recorder. Ministry of Foreign Affairs, sources said, has revealed that Pakistan Deputy Ambassador in Beijing met the President of Sinopec Engineering [see more...](#)

HTL gets more time to set up OMC as OGRA extends license – **Neutral**

The Oil and Gas Regulatory Authority (OGRA) has extended the provisional license for the establishment of an Oil Marketing Company (OMC) by Hi-Tech Lubricants Limited (PSX: HTL) until December 31, 2025, according to the latest notice issued by HTL today. HTL primarily engages in procuring and distributing lubricants and petroleum products. [see more...](#)

Sazgar Engineering launches its first electric vehicle – **Positive**

Sazgar Engineering has introduced its first electric vehicle (EV), the ORA 03, in Pakistan. This launch marks the company's entry into the electric vehicle market, expanding its existing lineup of locally assembled vehicles. The ORA 03 is manufactured by Great Wall Motor (GWM) of [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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