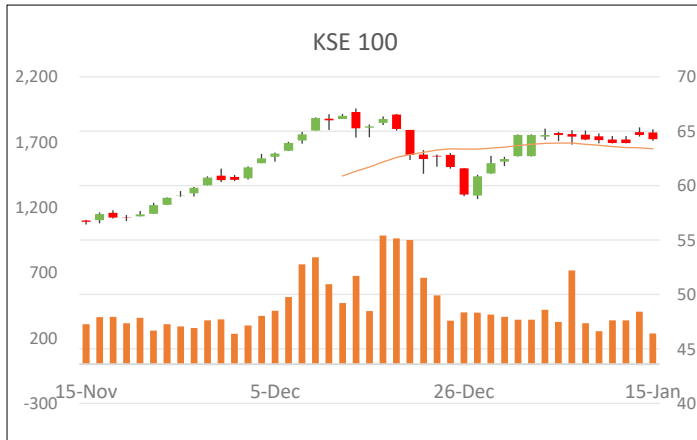


MORNING GLANCE



64,269	▼ -369	▼ -0.57%
235 mn	YTD -0.61%	1 Year 61.8%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	22,097.45	202.90	0.93% ▲
DSE 30	2,123.33	5.42	0.26% ▲
SHANGHAI	2,883.34	2.95	0.10% ▼
Hang Seng	16,037.50	169.5	1.05% ▼
Nikkei 225	35,733.50	168.29	0.47% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,594.91	30.02	0.39% ▼
DAX 30	16,622.22	82.34	0.49% ▼

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.)	2,054.40	4.6	0.22% ▼
Oil-WTI (bbl)	72.37	0.24	0.33% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	280.24	0.12	0.04% ▼
EURO/PKR	307.09	0.76	0.25% ▼
GBP/PKR	357.21	0.97	0.27% ▼
AED/PKR	76.30	0.03	0.04% ▼

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

Market Outlook

The stock market on Monday opened on a positive note and remained bullish for a few hours. However, later on, it lost the impetus and reversed almost all of its intra-day gains while concluding the session in the red zone amid political uncertainty ahead of general elections. The Benchmark KSE-100 index made an intra-day high and low at 65,173.87 (536.24 points) and 64,130.95 (506.68 points) respectively while closed at 64,269.37 by losing 368.26 points. Trading volume decreased to 235mn shares as compared to 403mn 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 63,700.

Key News

International

Asian stocks slip, Nikkei sees mild profit-taking at 34-year highs

Most Asian stocks fell on Tuesday, with Japan's Nikkei 225 retreating as investors locked-in profits from a stellar rally, while focus turned to key upcoming economic indicators from China. A U.S. market holiday gave regional markets few immediate trading cues, although risk appetite remained fragile amid concerns over an escalation in [see more...](#)

Oil ticks up as Middle East crisis escalates, tankers divert

Oil prices edged slightly higher on Tuesday as the Middle East crisis escalated and ship tracking data showed more tankers altering course away from the Red Sea in response to attacks in the area by Yemen's Houthi movement. futures rose 12 cents, or about 0.2%, to \$78.27 a barrel at 0002 GMT. The contract had settled 14 cents lower on Monday. [see more...](#)

Politics

Polls cannot be postponed 'at this stage': ECP

The poll organisation has declined to act on a non-binding yet controversial resolution adopted by the Senate earlier this month seeking delay in the general elections, terming it "unadvisable" to postpone the polls at this stage. The ECP has made all necessary arrangements [see more...](#)

Economy

Ministries, Divisions told; Submit no summary contrary to IMF commitments – Neutral

The Ministry of Finance has barred all ministries/ Divisions from submitting any summary to the Federal Cabinet and the committees contrary to commitments made with the International Monetary Fund (IMF), well-informed sources told Business Recorder. This message was conveyed by Secretary Finance, Imdadullah [see more...](#)

MORNING GLANCE

RDA attracts \$1.6bn in CY23 – Neutral

Roshan Digital Accounts (RDA) attracted fresh inflows amounted to \$1.6 billion during the last calendar year (FY23). According to the State Bank of Pakistan (SBP), inflows under RDA continued upward momentum and increased by 29 percent during CY23. With this surge, overall RDA inflows, since its launch, reached \$7.2 billion at the end of December 2023 compared to \$5.576 billion in December 2022. [see more...](#)

Nov LSM sees 1.59pc growth YoY – Neutral

Large-Scale Manufacturing (LSM) has registered a growth of 1.59 per cent in November year-on-year basis when compared with November, 2022 and 3.63 per cent when compared with October 2023, according to Pakistan Bureau of Statistics showed on Monday. Overall Large Scale Manufacturing Sector has shown a growth of -0.80% during July- November 2023-24 when compared with the same period of last year. [see more...](#)

Petrol price cut by Rs8/litre – Positive

The interim government on Monday slashed the ex-depot price of petrol by Rs 8 per litre in a fortnightly petroleum products' price review starting January 16, 2024. In a statement, the Finance Division has announced decrease in the rate of petrol by 2.9 percent, ie, from Rs 267.34 to Rs 259.34 per litre. However, the price of high speed diesel (HSD) has been kept unchanged at Rs 276.21 per litre. [see more...](#)

Pending TDS; KE seeks payment of Rs137.4bn from Centre – Neutral

K-Electric (KE) has sought payment of Rs 137.4 billion regarding pending Tariff Differential Subsidy (TDS) from the federal government. In a letter to Additional Secretary Incharge Power Division, Asad ur Rehman Gilani, Chief Financial Officer (CFO), Aamir Ghaziani referred to financial audit of KE's TDS for the period 2004-05 to 2012-13. [see more...](#)

Dec 23 FCA; CPPA-G seeks Rs5.62/unit raise in Discos' tariffs – Neutral

The Central Power Purchasing Agency-Guaranteed (CPPA-G) has sought an increase of Rs5.62 per unit in Discos' tariffs for December 2023 to recover additional Rs37 billion from Discos consumers under monthly fuel charges adjustment (FCA). The National Electric Power Regulator Authority (Nepra) will hold a public hearing on January 31, 2024, on the CPPA-G's [see more...](#)

PSX body determines 'minimum buyback price' of Rs609 for PSMC – Positive

The Voluntary Delisting Committee (VDC) of the Pakistan Stock Exchange (PSX) has determined the 'minimum buyback price' of Rs609 per share for Pak Suzuki Motor Company (PSMC), 50% higher than the sponsor's offer of Rs406 per share made in December. The transaction – at Suzuki Motor Corporation (SMC)'s intended purchase of [see more...](#)

Asset Management Companies' Funds Cross Rs. 2 Trillion for First Time – Positive

Asset Management Companies (AMCs) in Pakistan continued to attract inflows of funds from individual investors and corporations, which surged to over Rs. 2 trillion for the first time in Pakistan. According to the Mutual Fund Association of Pakistan (MUFAP), asset management companies through various funds of different categories [see more...](#)

MACFL launches new subsidiary in Dubai to boost global presence – Positive

Macpac Films Limited (PSX: MACFL) has established a wholly owned subsidiary in Meydan Free Zone Dubai, UAE to enhance Macpac's footprint in the global market, the company informed through a notice sent to the PSX today. The said subsidiary is established under the title of 'Macpac Films Middle East LLC-FZ'. [see more...](#)

Lotte Chemical Pakistan closes its operations for 10 days – Neutral

Lotte Chemical Pakistan has announced to suspend its plant operations for 10 days from January 15, 2024, to January 24, 2024. As per a notice sent to the Pakistan Stock Exchange (PSX) on Monday, Lotte Chemical Pakistan made the plant suspension decision to manage inventory efficiently. The company's reported financials reveal an increase [see more...](#)

Negative list: FBR excludes many items – Neutral

The Federal Board of Revenue (FBR) has excluded a number of items from the negative list and allowed input tax adjustment on the industrial inputs used by manufacturers of five leading export sectors. The FBR, on Monday, excluded items from the Sales Tax General Order (STGO) Number 9 of 2023. The said STGO contains a negative list of 714 items on which input tax adjustment was not allowed [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

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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