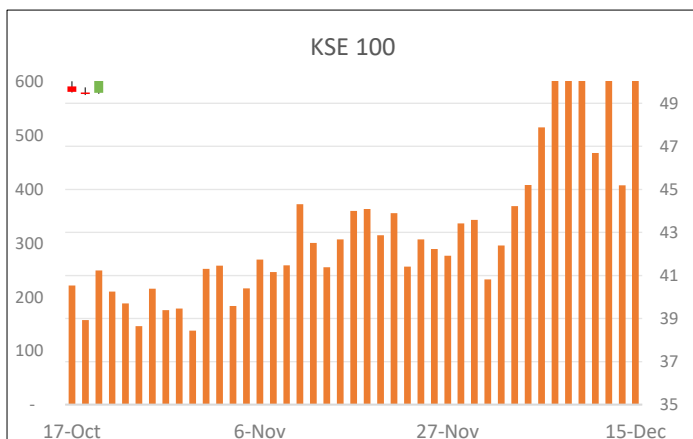


MORNING GLANCE



| | | |
|--------|------------|---------------|
| 66,130 | ▲ 680 | ▲ 1.04% |
| 984 mn | YTD 62.02% | 1 Year 60.59% |

| ASIA | Value | Pts | Chg. (%) |
|------------|-----------|--------|----------|
| NIFTY 50 | 21,456.65 | 273.95 | 1.29% ▲ |
| DSE 30 | 2,107.12 | 1.69 | 0.08% ▲ |
| SHANGHAI | 2,938.95 | 3.6 | 0.12% ▼ |
| Hang Seng | 16,656.50 | 133.5 | 0.80% ▼ |
| Nikkei 225 | 32,635.00 | 335.55 | 1.02% ▼ |

| EUROPE | Value | Pts | Chg. (%) |
|----------|-----------|-------|----------|
| FTSE 100 | 7,576.36 | 72.62 | 0.95% ▼ |
| DAX 30 | 16,751.44 | 0.79 | - |

| USA | Value | Pts | Chg. (%) |
|-----------|-----------|-------|----------|
| DOW JONES | 37,305.16 | 56.81 | 0.15% ▲ |
| S&P 500 | 4,719.19 | 0.36 | 0.01% ▼ |
| NASDAQ | 16,623.45 | 85.62 | 0.52% ▲ |

| Commodities | Value | Chg. | Chg. (%) |
|---------------|----------|------|----------|
| Gold (t oz.) | 2,037.10 | 1.40 | 0.07% ▲ |
| Oil-WTI (bbl) | 72.08 | 0.30 | 0.42% ▲ |

| Currencies | Value | Chg. | Chg. (%) |
|------------|--------|------|----------|
| USD/PKR | 283.26 | 0.25 | 0.09% ▼ |
| EURO/PKR | 311.39 | 2.90 | 0.94% ▲ |
| GBP/PKR | 361.55 | 3.59 | 1.00% ▲ |
| AED/PKR | 77.13 | 0.07 | 0.09% ▼ |

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

Market Outlook

The stock market on Friday surged over 700 points and closed the session in the green zone amid renewed interest from international companies in the country, raising hopes of increased foreign exchange inflows. The Benchmark KSE-100 index made an intra-day high and low at 66,346.76 (896.58 points) and 65,559.48 (109.30 points) respectively while closed at 66,130.02 by gaining 680 points. Trading volume increased to 984mn shares as compared to 407mn shares on the previous trading day. Going forward, we expect profit-taking in the short term as index had been hitting its all-time high in the past several trading sessions. The resistance for the index resides at 66,450. Breaking this level would further push the index towards 67,000. Contrarily, the support for the index resides at 66,000.

Key News

International

Asia stocks fall in early trade after US Fed pushback

Asian stocks slipped after US shares ended a six day rally as Federal Reserve officials pushed back against bets of aggressive interest rate cuts next year. Australian and Japanese equities fell in early trading while Hong Kong futures pointed to losses. US contracts edged higher after the S&P 500 ended a tad down while the [see more...](#)

Oil climbs nearly 1% on drop in Russia exports, Red Sea jitters

Oil prices rose nearly 1% in early Asian trade on Monday, supported by lower exports from Russia and as attacks by the Houthis on ships in the Red Sea raised concerns of oil supply disruption. futures climbed 69 cents, or 0.9%, to \$77.24 a barrel by 0037 GMT, while U.S. West Texas Intermediate crude was at \$72.08 a barrel, up 65 cents, or 0.9%. [see more...](#)

Politics

ECP issues schedule for Feb 8 general elections

The air of uncertainty surrounding the fate of general elections in the country finally cleared on Friday night after the electoral body issued the schedule for general elections. According to the schedule, the public notice of the general polls to be issued by the returning officers (ROs) on the coming Tuesday (December 19). [see more...](#)

Economy

MoUs signed for \$10bn Chinese investment - Positive

The joint ventures (JVs) are aimed at establishing industries in key sectors including textiles, agriculture, food, and car spare parts manufacturing, Caretaker Commerce Minister Gohar Ejaz told Dawn on Saturday. The MoUs were signed between the private sectors of the two countries. For boosting exports to China, Pakistan is set to despatch its first shipment of fresh chillies from [see more...](#)

MORNING GLANCE

IMF denies it plans to ask Pakistan to raise taxes on salaries - Neutral

The International Monetary Fund (IMF) resident representative in Pakistan on Friday denied media reports that the lending body is planning to ask Pakistan to increase taxes on salaries and business income, and increase the maximum threshold for petroleum levy. Media reports had been circulating stating that the IMF asked Pakistan to cut the number of tax slabs for [see more...](#)

Money market schemes allowed to invest in debt securities - Positive

The government has allowed money market schemes to invest into government debt securities, traded through the Pakistan Stock Exchange (PSX), to ensure maximum participation of mutual funds in Sukuks/government securities. The Securities and Exchange Commission of Pakistan (SECP) has issued a direction number 7 of 2023 on the Categorization of [see more...](#)

Investment in govt debt hits record – Neutral

The parking of bank deposits in the safe-haven government debt securities hit a new high at 92% in November 2023, leaving very little financing for the private sector, which has remained the engine of economic growth. According to State Bank of Pakistan's (SBP) latest data on commercial bank deposits, investments and advances, the banks lent Rs24.58 trillion to the government through investment in debt securities [see more...](#)

Oct LSMI output down 4.08pc YoY - Negative

The Large Scale Manufacturing Industries (LSMI) output decreased by 4.08 percent for October 2023 when compared with October 2022 and two percent when compared with September 2023, says Pakistan Bureau of Statistics (PBS). The LSMI output decreased by 0.44 per cent during the first four months (July-October) of the current fiscal year, i.e. 2023-24 when compared with the same period of last year. [see more...](#)

Declining inflows signal tough year for rupee, experts warn – Negative

The rupee is in for a rough ride next year, industry sources and currency experts have warned, insisting that the local currency might face a significant devaluation as its current facade of stability is not backed by economic fundamentals. To back up their assertion, experts point to the current fiscal year's data indicating troubling trends. [see more...](#)

Feasibilities/bankable projects; SIFC to hire top-level consultancy services – Neutral

The Implementation Committee (IC) of Special Investment Facilitation Council (SIFC) has decided to hire services of A-Ranking internationally reputed project development, financial and legal consultancy firm for undertaking feasibilities/ bankable projects, well informed sources in Board of Investment (BoI) told Business Recorder. [see more...](#)

Govt slashes petrol price by Rs14, HSD's by Rs13.50 – Positive

The caretaker government on Friday announced reduction in ex-depot prices of major petroleum products, owing to a significant drop in oil prices globally and strengthening of the rupee against UD dollar, effective December 16-31, 2023. In a fortnightly review, the prices of petroleum products — petrol and high-speed diesel (HSD) reduced by Rs14 per litre and Rs 13.50 per litre (4.6 percent), respectively [see more...](#)

Costly RLNG to replace cheap blended gas for Punjab textile sector from January – Positive

The textile industry in Punjab will have to pay more for gas from January as the state-owned gas utility switches to supplying costly imported liquefied natural gas (RLNG) for running captive power plants. The Sui Northern Gas Pipelines Ltd (SNGPL) has been providing a blend of 50 percent locally produced gas and 50 percent RLNG to new and old [see more...](#)

Industrial consumers in Sindh; SSGC plans three days a week gas suspension – Neutral

The Sui Southern Gas Company (SSGC) has planned two to three days industrial closure in Sindh in a week depending upon the line pack conditions and the acceptance of RLNG-local gas blend by industrial consumers. Suspension of gas supply to industrial units in Sindh in the winter is expected considering the short indigenous gas supplies [see more...](#)

Rs2.25trn agri credit target set by central bank - Positive

While setting the agriculture credit disbursement target at Rs 2.250 trillion for this fiscal year (FY24), Governor State Bank of Pakistan (SBP) has urged banks to increase outreach to the agriculture sector. According to the SBP, during the annual meeting of Agricultural Credit Advisory Committee (ACAC) held in Lahore, Governor SBP Jameel Ahmad informed that despite various challenges including floods, the [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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- 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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PREPARED BY

Haroon Abdul Razzaq

Phone: (+92) 42 38302028

Ext: 116

Email: haroon@abbasiandcompany.com

RESEARCH DEPARTMENT

6 - Shadman, Lahore

Phone: (+92) 42 38302028; Ext: 116, 117

Email: research@abbasiandcompany.com

web: www.abbasiandcompany.com

HEAD OFFICE

6 - Shadman, Lahore

Phone: (+92) 42 38302028

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com