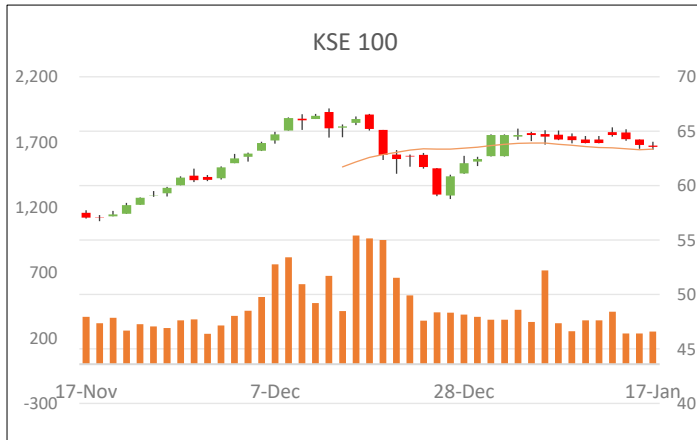


MORNING GLANCE



63,567	▼ -170	▼ -0.27%
249 mn	YTD -1.69%	1 Year 63.87%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	21,571.95	460.35	2.09% ▼
DSE 30	2,129.77	6.44	0.30% ▲
SHANGHAI	2,774.03	59.59	2.10% ▼
Hang Seng	15,263.00	13.9	0.09% ▼
Nikkei 225	35,598.50	120.75	0.34% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,446.29	112.05	1.48% ▼
DAX 30	16,431.69	139.99	0.84% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	37,266.67	94.45	0.25% ▼
S&P 500	4,739.21	26.77	0.56% ▼
NASDAQ	16,736.28	94.43	0.56% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,008.85	2.35	0.12% ▲
Oil-WTI (bbl)	72.71	0.23	0.32% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	280.10	0.2	0.07% ▼
EURO/PKR	304.44	2.58	0.84% ▼
GBP/PKR	354.51	1.5	0.42% ▼
AED/PKR	76.26	0.7	0.91% ▼

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

Market Outlook

The stock market on Wednesday after increasing in early part of session, concluded the session in the red zone amid political distress in the country and rising tensions between Iran and Pakistan. The Benchmark KSE-100 index made an intra-day high and low at 64,043.86 (306.40 points) and 63,290.18 (447.28 points) respectively while closed at 63,567.33 by losing 170 points. Trading volume increased to 249mn shares as compared to 234mn shares on the previous trading day. Going forward, we expect the market to remain volatile amid uncertainty on the political front. The support for the index resides at 63,000, if it breaks below this level then it will be targeting 62,500. Meanwhile the resistance for the index resides at 64,000.

Key News

International

Asia Mixed as Rate Cut Doubts Hit US Stocks, Bonds

Asian equities were mixed Thursday after US stocks and Treasuries fell as strong retail sales data cast fresh doubt on the prospect the Federal Reserve will cut rates in March. Australian and mainland China shares slipped, while Japanese and South Korean stocks edged higher. US futures traded within a narrow range early Thursday after the S&P 500 and Nasdaq 100 both slipped 0.6% Wednesday. [see more...](#)

Oil prices edge higher amid mixed US cues, Red Sea strikes continue

Oil prices rose slightly in Asian trade on Thursday as severe cold weather appeared to have spurred some disruptions in U.S. production, while military action in the Middle East raged on. But gains in crude were limited by industry data showing an unexpected build in U.S. inventories. While the cold weather caused some production stoppages, [see more...](#)

Politics

Pakistan recalls ambassador from Iran, expels Iranian envoy

Caretaker Foreign Minister Jalil Abbas Jilani received on Wednesday a telephone call from the Foreign Minister of Iran, Hossein Amir Abdollahian. The development comes after Pakistan recalled its ambassador from Iran and expelled the Iranian envoy in response to what [see more...](#)

Economy

\$705m IMF tranche received; UAE rolls over \$2bn deposits for one more year – Positive

The United Arab Emirates (UAE) has rolled over its \$2 billion deposits with Pakistan for another one year, while the International Monetary Fund (IMF) has also released \$ 705 million loan tranche to Pakistan, the State Bank of Pakistan said on Wednesday. On Wednesday, the SBP revealed two pieces of good [see more...](#)

MORNING GLANCE

Dec CA posts surplus of \$397m – Positive

The country's current account has improved significantly and recorded a \$ 397 million surplus in December 2023. Previously, the current account also showed a surplus of \$ 9 million in Nov 2023, however, in the latest revised data of the State Bank of Pakistan (SBP), Nov 2023 surplus has turned down to a deficit of \$ 15 million. Therefore, first current account surplus for FY24 is recorded in Dec 2023. [see more...](#)

1H FDI jumps 35pc to \$863m YoY - Positive

The Foreign Direct Investment (FDI) rose by 35 percent during the first half of this fiscal year (FY24) supported by higher inflows from China. According to statistics released by the State Bank of Pakistan (SBP) on Wednesday, the country fetched net FDI amounting to \$863 million during July-Dec of FY24 compared to \$640 million in the same period of last fiscal year (FY23), depicting an increase of \$223 million. During the period under [see more...](#)

Essential oral polio vaccines: Japan announces \$3.62m grant - Positive

The Government of Japan has announced a new USD 3.62 million grant to procure essential oral polio vaccines as part of its continued support to polio eradication efforts in Pakistan. Pakistan Polio Programme will use these funds to procure more than 21 million doses of vaccines to support polio campaigns in 2024. Pakistan is one of only two countries globally that has yet to stop polio. In 2023, Pakistan reported [see more...](#)

Rs100bn target set; Auction for Ijarah Sukuk on 23rd – Neutral

The Pakistan Stock Exchange (PSX) will conduct an auction for GoP Ijarah Sukuk (GIS) instruments on January 23, 2024 with the targeted amount of Rs 100 billion. The instruments include one year discounted, 3-5 year fixed rental rates (FRR), and 3-5 year variable rental rates (VRR). The one-year discounted security would act as a zero-coupon bond, with [see more...](#)

SAP funding: SIFC rules no more doling out of funds to lawmakers – Neutral

Ahead of general elections, the Special Investment Facilitation Council (SIFC) has approved the capping of all projects of Prime Minister's initiatives at current levels and stopping further authorization of Sustainable Development Goals (SDGs) Achievement Program (SAP). The last PDM-led government had released whole allocated funds for the controversial [see more...](#)

PL rate on HOBC fuel kept unchanged – Neutral

Interim government has kept Petroleum Levy (PL) rate on Hi-Octane blending component (HOBC) fuel unchanged at Rs 50 per litre against Rs 60 per litre levied on low grade (motor gasoline). In the last review the price of HOBC declined by Rs 9 per litre starting from January 16, 2024, an owner of petrol station told this correspondent. Oil and Gas Regulatory Authority (OGRA) does not control Hi-Octane [see more...](#)

SIFC directives: New power tariff to be introduced after IMF nod - Neutral

In line with the direction from SIFC (Special Investment Finance Council), the Power Division has deposited the draft of a new power tariff design with the Finance Ministry. This has been done to get a nod from the IMF to accelerate economic growth as the existing tariff regime is causing economic meltdown. [see more...](#)

330MW Thar coal-fired project; PPIB to conduct ICB for sale of power to KE sans GoP guarantee - Neutral

Private Power and Infrastructure Board (PPIB) has decided to conduct International Competitive Bidding (ICB) for an Independent Auction Administrator (IAA) for the 330 MW Thar coal power project for sale of electricity to K-Electric (KE) as a private power purchaser without GoP guarantee, official sources told Business Recorder. Sharing the details, sources said, M/s Siddiqsons Energy Limited (SEL), the [see more...](#)

Govt decides to set up renewable energy plants – Positive

After failing to attract bids from investors for installing 600 MW solar power plants, the government has decided to set up reliable plants under a government-to-government (GtG) arrangement, top officials of the Energy Ministry told The News. The government received no bids for installing its pilot solar power plant of 600 MW at Muzaffargarh [see more...](#)

IT, ITes export remittances rise around 9pc in 1HFY24 - Positive

The IT and IT-enabled Services (ITes) export remittances comprising computer services and call centre services increased by around nine per cent during the first half (July-December) of the current fiscal year 2023-24 and remained \$1.455 billion compared to \$1.335 billion during the same period of last fiscal year. [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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