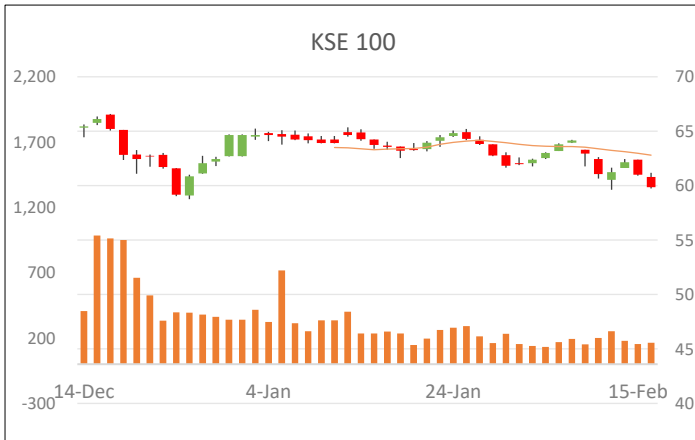


MORNING GLANCE



59,872	▼ -1148	▼ -1.88%
163 mn	YTD -7.41%	1 Year 45.75%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	22,040.70	129.95	0.59% ▲
DSE 30	2,157.06	15.29	0.70% ▼
SHANGHAI	2,880.74	14.84	0.52% ▲
Hang Seng	16,175.00	164.96	1.01% ▼
Nikkei 225	38,350.00	137.24	0.36% ▼
EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,711.71	114.18	1.50% ▲
DAX 30	17,117.44	70.75	0.42% ▲
USA	Value	Pts	Chg. (%)
DOW JONES	38,627.99	145.13	0.37% ▼
S&P 500	5,005.57	24.16	0.48% ▼
NASDAQ	17,685.98	159.74	0.90% ▼
Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,029.35	5.25	0.26% ▲
Oil-WTI (bbl)	77.88	0.58	0.74% ▼
Currencies	Value	Chg.	Chg. (%)
USD/PKR	279.36	0.02	0.01% ▼
EURO/PKR	300.66	0.80	0.27% ▲
GBP/PKR	351.41	0.90	0.26% ▲
AED/PKR	76.06	0.01	0.01% ▼

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

Market Outlook

The stock market on Friday remained under pressure in majority part of the day and concluded the session in the red zone amid political unrest is deepening, casting a shadow of uncertainty over the future of the country. The Benchmark KSE-100 index made an intra-day high and low at 61,173.30 (153.25 points) and 59,739.46 (-1,280.59 points) respectively while closed at 59,872.96 by losing 1,147.09 points. Trading volume increased to 163mn shares as compared to 155mn shares on the previous trading day. Going forward, we expect the market to remain under pressure as uncertainty prevailing in the country with regards to formation of new government for next 5 years term & IMF's disapproval on Circular Debt Management Plan. The support for the index resides at 59,600. Breaking this level would further drag the index towards 59,000. Contrarily, the resistance for the index resides at 60,500.

Key News

International

China to Rally on Reopen, Other Stocks Seen Mixed

Asian shares fell as earlier optimism that was triggered by positive Chinese holiday data dissipated. A gauge of Asia Pacific shares slipped after rising 0.4% in the early trading as mainland Chinese stocks pared their advances, with the CSI 300 Index dragged down by declines in financials and health care. Chinese shares in Hong Kong also fell [see more...](#)

Oil Near Highest This Year as Mideast Tensions Stoke Bullishness

Oil edged lower, but remained near the highest level this year as persistent tensions in the Middle East added a risk premium to the market. Brent crude traded near \$83 a barrel after rallying 8% over the past two weeks, while West Texas Intermediate was close to \$79. Qatar said negotiations aimed at securing an Israel-Hamas cease-fire [see more...](#)

Politics

PML-N dragging feet on govt formation

The PML-N is apparently dragging its feet on forming a government in the center despite the alleged assurances by the PPP-P, the second largest party in the National Assembly, of unconditional [see more...](#)

Economy

Bonds rally on Goldman Sachs forecast – Neutral

Responding to Goldman Sachs' forecast of a rebound in Pakistan's US dollar-denominated Eurobond, the leading foreign bond maturing in April 2024, and others maintained an uptrend for the second consecutive working day on Friday. This marks a partial recovery from the approximately 5% decline following the post-election upset. [see more...](#)

MORNING GLANCE

WB, FBR agree to identify new taxpayers – Neutral

The Federal Board of Revenue (FBR) has accepted demands of the World Bank (WB) for the identification of millions of new taxpayers through automated data sharing and ICT-based business intelligence under \$400 million Pakistan Raises Revenue Project (PRRP). Numbers of new taxpayers, including individuals and firms with income above the taxable threshold who receive notices to register, are added to the tax register and pay [see more...](#)

EIU Democracy Index: Pakistan downgraded further – Neutral

Pakistan has been downgraded to an “authoritarian regime” in the Economist Intelligence Unit’s (EIU) Democracy Index 2023 report, registering the greatest deterioration of any country in the region classified as “Australia and Asia”. The EIU Democracy Index provides a snapshot of the state of democracy in 165 independent states and two territories. Of the 28 countries in the region that are included in the index, 15 recorded [see more...](#)

PSX plans Sukuk auction for lower financing costs – Neutral

The Pakistan Stock Exchange (PSX) is scheduled to hold its next auction to sell one to five-year Sukuks on Tuesday (February 20), helping the cash-strapped government raise a targeted Rs150 billion at apparently comparatively lower rates of return. This would be the third auction in a row since December 2023. The key element to be observed by financial experts would be to see the cost of financing, which [see more...](#)

SBP purchases \$2b from market - Neutral

The State Bank of Pakistan has bought over \$2 billion from the interbank market in the past seven months aimed at retaining official foreign exchange reserves at their current levels and also offsetting the impact of low disbursements of foreign loans. The purchases from the market have also helped achieve the targets set by the International Monetary Fund regarding the net international reserves (NIR) requirements [see more...](#)

Gas price surge expected to propel inflation to 25% - Neutral

The latest hike in gas and petroleum oil prices for households and industrial consumers in February is estimated to increase the inflation rate by almost half a percentage point to around 25% in the current fiscal year 2023-24, reducing the likelihood of a token cut in the benchmark interest rate in mid-March 2024. The projection for the inflation rate does not account [see more...](#)

MPCL makes gas discovery in Kohlu – Positive

Mari Petroleum Company Limited (MPCL) has made a gas discovery at Maiwand X-I ST-I exploration well drilled in Block 28, in Kohlu District of Balochistan. The well was spudded-in on June 12, 2023, and successfully drilled down to 2,516 meters on November 12, 2023. MPCL is the operator of Block-28 having 95 percent working interest along with OODCL as a joint [see more...](#)

Petrol, diesel prices; Exchange rate adjustment to PSO led to hike - Neutral

An exchange rate adjustment to Pakistan State Oil (PSO) of Rs3.01 per litre on high-speed diesel (HSD) and 10 paise on petrol has led to a raise in the price of both petroleum products for the current fortnight (February 1-29). The outgoing caretaker government jacked up the petrol price by Rs2.73 per litre to Rs275.62 per litre for the fortnight, [see more...](#)

300-MW KE project to stay; SIFC decides to scrap Lots of Cat-III wind projects – Neutral

The Apex Committee (AC) of Special Investment Facilitation Council (SIFC) has decided to scrap all Letters of Interest (LOIs) of category –III wind projects as per policy except 300-MW for K-Electric (KE), well informed sources told Business Recorder. With regard to solar projects, AC has decided that National Transmission and Despatch Company (NTDC) would [see more...](#)

Hubco to acquire another 9.5pc stake in SECMC – Positive

The Hub Power Company Limited has entered into a definitive agreement to acquire additional 9.5 percent stake in Sindh Engro Coal Mining Company Limited (SECMC) held by Habib Bank Limited (HBL). This will take Hub Power Company total holding in SECMC to 17.5 percent, making it the second largest shareholder in SECMC. This transaction is anticipated to have a positive [see more...](#)

Captive plant-based industry must shift to grid power: Gohar – Positive

Caretaker Minister for Commerce, Industries, Interior and Overseas Pakistanis, Gohar Ijaz Saturday said the captive plant-based industry must shift to grid but at the same time electricity prices be fixed at cents 9/kWh instead of cents 14/kWh. [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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