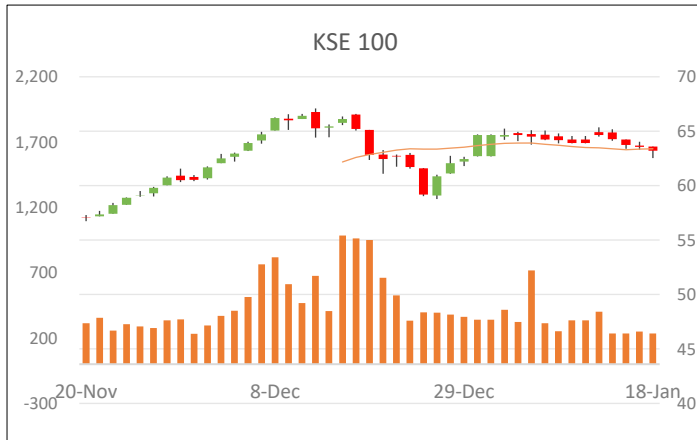


MORNING GLANCE



63,202	▼ -365	▼ -0.57%
235 mn	YTD -2.26%	1 Year 62.76%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	21,462.25	109.7	0.51% ▼
DSE 30	2,138.83	9.06	0.43% ▲
SHANGHAI	2,839.01	6.77	0.24% ▼
Hang Seng	15,393.25	1.46	0.01% ▲
Nikkei 225	35,998.50	532.33	1.50% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,459.09	12.80	0.17% ▲
DAX 30	16,567.35	135.66	0.83% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	37,468.61	201.94	0.54% ▲
S&P 500	4,780.94	41.73	0.88% ▲
NASDAQ	16,982.29	246.01	1.47% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,025.80	4.20	0.21% ▲
Oil-WTI (bbl)	73.84	0.11	0.15% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	279.98	0.12	0.04% ▼
EURO/PKR	304.67	0.23	0.08% ▲
GBP/PKR	355.24	0.73	0.21% ▲
AED/PKR	76.26	-	-

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

Market Outlook

The stock market, on Thursday, witnessed a sharp decline of over 1,000 points on an intra-day basis following Pakistan's retaliatory strikes into Iran. However, it showed resilience by recovering more than half of the intra-day losses, ultimately closing the session in the red zone amid heightened uncertainty surrounding Iran's impending response. The Benchmark KSE-100 index made an intra-day high and low at 63,579.96 (12.63 points) and 62,528.55 (1,038.78 points) respectively while closed at 63,202.40 by losing 364.93 points. Trading volume increased to 365mn shares as compared to 249mn shares on the previous trading day. Going forward, we expect the market to remain volatile amid tensions between Pakistan & Iran. The support for the index resides at 62,500, if it breaks below this level then it will be targeting 62,000. Meanwhile the resistance for the index resides at 63,500.

Key News

International

Asian stocks surge as TSMC fuels tech gains; weekly losses still on tap

Most Asian stocks rose on Friday as a positive, AI-fueled outlook from TSMC spurred a rebound in the technology sector, although weakness in China and uncertainty over interest rates put most bourses on course for a weekly loss. Regional markets also took some positive [see more...](#)

Oil prices drift lower on China demand worries

Oil prices drifted lower on Friday after a rally the day before, as geopolitical tensions and disruptions in U.S. oil production from a cold blast were countered by concerns over slow demand growth in China. futures fell 17 cents, or 0.2%, to \$78.93 a barrel by 0151 GMT, and U.S. West Texas Intermediate crude futures (WTI) slid 3 cents to \$74.05. [see more...](#)

Politics

Ballot paper printing 'halted for some constituencies

Even though it had warned that any changes to electoral symbols could delay the elections by holding up the process of printing ballot papers, an official from the Election Commission of Pakistan (ECP) told Dawn on Thursday that ballot-printing [see more...](#)

Economy

Pakistan, Dubai ink over \$3bn pacts in diverse fields – Positive

In a landmark move, the governments of Pakistan and Dubai have solidified their economic ties through the signing of two inter-governmental framework agreements, securing a comprehensive investment pact exceeding \$3 billion. The significant deal, inked at the World Economic Forum in Davos, Switzerland, encompasses [see more...](#)

MORNING GLANCE

IMF Directs Pakistan Not to Allow Supplementary Grants Until Formation of New Govt – Neutral

The International Monetary Fund (IMF) has directed Pakistan not to allow supplementary grants until the formation of a new government after the elections. Sources told ProPakistani that the Finance Division has written a letter to all ministries and divisions about commitments under Stand-By Agreement (SBA) with the IMF. Pakistan is currently under a SBA [see more...](#)

IMF debt dilemma looms after election: ex-SBP governor – Neutral

The International Monetary Fund faces tough choices on how to deal with Pakistan after the February election and how to assess the country's debt situation, a former central bank governor of the South Asian nation said. The country, which is operating under a caretaker government, secured a \$3 billion loan programme with IMF in July that helped pull the cash-strapped [see more...](#)

\$5.968bn borrowed from multiple sources during 1HFY – Neutral

The country borrowed \$5.968 billion from multiple financing sources during the first half (July-December) of the current fiscal year 2023-24 compared to \$5.595 billion borrowed during the same period of 2022-23, revealed the Economic Affairs Division (EAD) data. Data further shows that the country received \$1.621 billion in December 2023 compared to \$478.05 million in December 2022. [see more...](#)

Forex reserves down \$111m on debt servicing - Neutral

The country's total liquid foreign exchange reserves declined by \$111 million during the last week due to external debt servicing. According to weekly report issued by State Bank of Pakistan (SBP) on Thursday, the total liquid foreign exchange reserves held by the country stood at \$ 13.145 billion as of Jan 12, 2024 compared to \$13.256 billion as of Jan 5, 2024. During the week under review, SBP's reserves decreased by \$ 127 million [see more...](#)

Tensions with Iran add to Pakistan's economic challenges – Negative

An escalation of geopolitical tension between Pakistan and neighbouring Iran on Thursday sent ripples through Pakistan's bonds and stocks, and raised the spectre of more pressure on the country's struggling economy. Pakistan conducted strikes inside Iran, targeting separatist Baloch militants two days after Tehran said it had attacked the bases of another group [see more...](#)

Flare-up at borders may destabilise exchange rate – Neutral

Tensions with Iran and Afghanistan could lead to uncertainty in the country and destabilise the exchange rate, as the demand for dollars will rise, said currency dealers in Karachi. A currency dealer mentioned that the grey market, which had disappeared after the crackdown, started showing activity on Thursday. "I am not sure about the grey market activity. If the situation leads to more uncertainty, it [see more...](#)

Decrease in RLNG rate notified – Positive

The Oil and Gas Regulatory Authority (Ogra) on Thursday notified a modest decrease in the weighted average sale price without GST of Re-gasified Liquefied Natural Gas (RLNG) upto 7.81 percent for end consumers with retrospective effect from January 1, 2024. The decrease in RLNG prices is due to a decrease in DES price. According to the OGRA's notification, the price for the Sui Southern [see more...](#)

Energy sector; Circular debt jumps to over Rs5.725trn – Negative

Pakistan's energy sector circular debt has jumped to Rs 5.725 trillion as of November 2023, of which share of power sector stood at Rs 2.703 trillion whereas contribution of gas sector at Rs 3.022 trillion, sources close to caretaker Minister for Power and Petroleum told Business Recorder. The caretaker minister has prepared an innovative plan to reduce [see more...](#)

Pak Suzuki agrees Rs609/share buyback price – Neutral

Suzuki Motor Corporation (SMC), the parent company of Pak Suzuki Motor Company Ltd, has agreed to purchase the ordinary shares of PSMCL at a buyback price of Rs609 per share for delisting. In a stock filing, the company said that the above deal is subject to the purchase of at least 13,915,775 ordinary shares (62.84 per cent) out of 21,145,760 ordinary shares outstanding with the shareholders other than [see more...](#)

Johnson & Phillips decides to delist from PSX – Neutral

Johnson & Phillips Pakistan Limited on Thursday announced its decision to delist from the Pakistan Stock Exchange (PSX) after fulfilling all regulatory requirements. According to a notice sent to the PSX, 545,983 ordinary shares will be purchased from shareholders other than the sponsors for the purpose of delisting with a buyback price of Rs 160, as approved by the Voluntary delisting committee [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

VALUATION METHODOLOGY

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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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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