

# MORNING GLANCE



62,393






▲ 414

▲ 0.67%



139 mn

YTD -3.51%




1 Year 53.6%

ASIA	Value	Pts	Chg. (%)
 NIFTY 50	21,697.45	28.25	0.13% ▼
 DSE 30	2,103.93	7.16	0.34% ▼
 SHANGHAI	2,770.74	17.81	0.64% ▼
 Hang Seng	15,566.21	81.14	0.52% ▲
 Nikkei 225	36,011.46	326.21	0.90% ▼



  

EUROPE	Value	Pts	Chg. (%)
 FTSE 100	7,622.16	8.41	0.11% ▼
 DAX 30	16,859.04	44.72	0.26% ▼





  

USA	Value	Pts	Chg. (%)
 DOW JONES	38,411.48	261.18	0.68% ▲
 S&P 500	4,890.42	41.55	0.86% ▲
 NASDAQ	17,302.86	165.62	0.97% ▲

Commodities	Value	Chg.	Chg. (%)
 Gold (t oz.)	2,073.45	6.05	0.29% ▲
 Oil-WTI (bbl)	73.92	1.93	2.54% ▼

Currencies	Value	Chg.	Chg. (%)
 USD/PKR	279.48	0.02	0.01% ▼
 EURO/PKR	301.39	0.95	0.31% ▼
 GBP/PKR	353.52	0.75	0.21% ▼
 AED/PKR	76.11	0.02	0.03% ▲

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

## Market Outlook

The stock market on Thursday remained volatile in majority part of the day. However, it gained momentum in the second half of the day and concluded the session in the green zone amid strengthening of Pakistani rupee against other currencies. The Benchmark KSE-100 index made an intra-day high and low at 62,480.23 (501.05 points) and 61,764.69 (214.49points) respectively while closed at 62,393.73 by gaining 414.55 points. Trading volume decreased to 139mn shares as compared to 154mn shares on the previous trading day. Going forward, we expect the market to remain positive amid strong corporate results. The resistance for the index resides at 62,800. Breaking this level would further push the index towards 63,261(50-DMA). Contrarily, the support for the index resides at 62,000.

## Key News

### International

#### Asian Stock Markets Mixed, Chinese Shares Muted Despite Stimulus Pledge

Asian markets were split on Thursday as markets reacted to the Federal Reserve's interest-rate decision. Promises of further fiscal stimulus from China's government failed to give a significant boost to Chinese stocks. Officials from China's Ministry of Finance said at a press conference Thursday that fiscal expenditure [see more...](#)

#### Oil prices rise, but still set for weekly loss amid Gaza ceasefire chatter

Oil prices rose on Friday and recovered a measure of sharp losses from the prior session, but were headed for a weekly decline as a series of unsubstantiated reports suggested that an Israel-Hamas ceasefire was in the works. Prices were also encouraged by a softer dollar, which fell in anticipation of key nonfarm payrolls data due later in the day. The [see more...](#)

### Politics

#### ECP vows to hold polls on Feb 8 despite security challenges

The Election Commission of Pakistan (ECP) said on Thursday that despite the security challenges, it was fully prepared to hold the general election on February 8. Chief Election Commissioner Sikandar Sultan Raja, who presided over a meeting here, said [see more...](#)

### Economy

#### Trader's Guide to Pakistan Elections Ahead of Crucial IMF Deal – Neutral

Pakistan is gearing up for two key events in quick succession: a general election and the expiry of an International Monetary Fund bailout program. The election winner will be tasked with striking a new deal with the IMF, which investors say is crucial to the nation's outlook. [see more...](#)

## MORNING GLANCE

### Exports jump 27 percent, trade gap shrinks by a third in January – Positive

Pakistan's goods exports rose 26.9 percent year-on-year to \$2.786 billion in January, while imports fell 4.5 percent to \$4.665 billion, resulting in a 30 percent reduction in the trade deficit, the commerce minister said on Thursday. Imports for the same month saw a decrease of 4.5 percent, amounting to \$4.665 billion as opposed to the \$4.884 billion recorded in January 2023. [see more...](#)

### Kibor gains pace, chasing 22pc – Negative

The benchmark Karachi Interbank Offered Rate (Kibor) has started crawling up after the State Bank of Pakistan (SBP) left its policy rate steady at an unprecedented 22 per cent in its last monetary review on Jan 29, said market sources. The Kibor six-month tenor rose by 24 basis points during the week reflecting growing concerns over the high interest rate and inflation. It was 20.82 per cent on Jan 24 reaching 21.06pc on Feb 1. [see more...](#)

### Govt to borrow Rs3.2 trillion from banks in Feb-April to plug fiscal gap – Negative

The government plans to borrow Rs3.175 trillion from banks through treasury bills and bonds in the next three months to finance its fiscal deficit, the central bank said on Thursday. From February through April, the majority of the borrowing is expected to be done via fixed and floating rates Pakistan Investment Bonds (PIBs) that have maturities of three, five, 10, 15, 20 and [see more...](#)

### Jan CPI inflation soars to 28.3pc YoY – Neutral

The Consumer Price Index (CPI) based inflation increased to 28.3 percent on a year-on-year (YoY) basis in January 2024 as compared to an increase of 29.7 percent in the previous month and 27.6 percent in January 2023. On average CPI remained at 28.73 per cent during July-January of 2023-24 compared to 25.40 per cent during the same period of last fiscal year. According to Pakistan Bureau of Statistics (PBS) on month-on-month [see more...](#)

### Forex reserves decline \$79m – Negative

The country's total liquid foreign reserves fell by \$79 million during the last week. According to State Bank of Pakistan (SBP) total liquid foreign reserves held by the country stood at \$13.262 billion as of Jan 26, 2024 compared to \$13.341 billion as on Jan 19, 2024. During the week under review, SBP's reserves decreased by \$54 million to \$8.217 billion due to debt repayments. [see more...](#)

### 'MPCL successfully drills well in Mari Deep Goru-B formation - Positive

Mari Petroleum Company Limited (MPCL) has successfully drilled another development well in Mari Deep Goru-B formation in the Mari Development and Production Lease (D&PL), Sindh. As part of the field development activities in the Mari D&PL area, MPCL has successfully drilled and tested Mari Deep-20 well in the Goru-B formation" [see more...](#)

### Kohat Cement successfully concludes BMR for 6,700 TPD production line – Positive

The management of Kohat Cement Company Limited (PSX: KOHC) has announced the successful completion of the BMR (pyro process optimization) for the existing 6,700 TPD grey cement production line located in Kohat, KPK. This information was disseminated by the company through a notice issued to the PSX today. [see more...](#)

### Hike in 146 drug prices allowed – Negative

The caretaker federal cabinet has allowed an increase in the prices of 146 lifesaving medicines besides approving to sign a memorandum of understanding (MoU) between the Competition Commission of Pakistan (CCP) and the State Administration of Market Regulation (SAMR) China. The meeting of the federal cabinet presided over by the caretaker Prime Minister Anwaar-ul-Haq Kakar on [see more...](#)

### Industrial tariff revision; Parleys with IMF in a day or two – Neutral

The government team is all set to hold a session with International Monetary Fund (IMF) in a day or two on tariff rationalization meant to reduce tariff for industry up to cents 11.75 per unit from cents 14 per unit through subsidy neutral proposal, well-informed sources told Business Recorder. The plan, however [see more...](#)

### Senate panel approves ban on export of minerals – Neutral

The Senate Standing Committee on Commerce on Thursday approved ban on export of both metallic and non-metallic minerals including pink salt in raw form, sans those minerals which will be mined and exported under G2G pacts being facilitated under the SIFC (Special Investment Facilitation Council) framework. [see more...](#)

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<b>TP</b>	Target Price	<b>DDM</b>	Dividend Discount Model	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>JPB</b>	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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