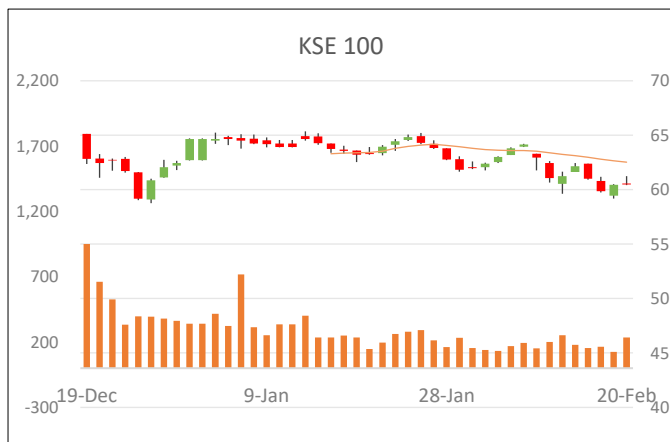


# MORNING GLANCE



60,464	▲ 4	▲ 0.01%
235 mn	YTD -6.49%	1 Year 47.65%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	22,248.85	51.90	0.23% ▲
DSE 30	2,131.28	25.78	1.20% ▼
SHANGHAI	2,972.87	50.14	1.72% ▲
Hang Seng	16,694.00	446.49	2.75% ▲
Nikkei 225	38,169.50	194.11	0.51% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,719.21	9.29	0.12% ▼
DAX 30	17,068.43	23.83	0.14% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	38,563.80	64.19	0.17% ▼
S&P 500	4,975.51	30.06	0.60% ▼
NASDAQ	17,546.10	139.88	0.79% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,040.95	1.15	0.06% ▲
Oil-WTI (bbl)	77.31	0.27	0.35% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	279.57	0.21	0.08% ▲
EURO/PKR	301.25	0.02	0.01% ▼
GBP/PKR	351.94	0.76	0.22% ▼
AED/PKR	76.12	0.06	0.08% ▲

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

## Market Outlook

The stock market on Tuesday remained positive in first half of the day. However, it experienced a decline in the second half and concluded the session in the green zone amid political uncertainty creating an atmosphere of ambiguity and unpredictability. The Benchmark KSE-100 index made an intra-day high and low at 61,237.51 (777.77 points) and 60,420.83 (-38.91 points) respectively while closed at 60,464.24 by gaining 4.50 points. Trading volume increased to 235mn shares as compared to 126mn shares on the previous trading day. Going forward, we expect the market to be positive as the uncertainty regarding formation of new government starts to deminish. The resistance for the index resides at 61,700. Breaking this level would further push the index towards 62,700. Contrarily, the support for the index resides at 59,000.

## Key News

### International

#### Asia Stocks Drop With Focus on Nvidia, China Moves: Markets Wrap

Chinese shares rose after policymakers took more steps to revive investor confidence, defying broader weakness in Asia following a tech-led retreat on Wall Street. A gauge of Hong Kong-listed Chinese firms jumped as much as 3.2%, while the CSI 300 Index of mainland shares reversed early losses. [see more...](#)

#### Oil rises; markets weigh Red Sea attacks, US rate cuts

Oil prices regained some ground in early Asian trade on Wednesday, as investors weighed concerns over output cuts by key producers and attacks on shipping in the Red Sea against dimmed expectations of U.S. rate cuts. Brent crude futures rose 12 cents, or 0.15%, to \$82.46 a barrel by 0100 GMT, while U.S. West Texas Intermediate. [see more...](#)

### Politics

#### PML-N, PPP say Shehbaz to be PM, Zardari president

Following several rounds of consultations, the major political parties — Pakistan Muslim League-Nawaz (PML-N) and Pakistan Peoples Party (PPP) — Tuesday, reached an agreement to form a coalition government in the Centre. The understanding was reached in a meeting of the senior leadership of the two parties, [see more...](#)

### Economy

#### July-January FY24; Trade deficit shrinks 32.7pc to \$13.16bn YoY – Neutral

Pakistan's trade deficit narrowed down by 32.70 per cent in the first seven months (July-January) of the current fiscal year 2023-24 as it stood at \$13.160 billion compared to \$19.553 billion during the same period of last fiscal year, shows the revised merchandise trade [see more...](#)

## MORNING GLANCE

### **RDA scheme attracts \$7.3bn in 40 months, eases forex pressure – Neutral**

Foreign currency inflows through Roshan Digital Account (RDA) reached \$7.337 billion by the end of January 2024, data from the State Bank of Pakistan showed on Tuesday. RDA inflows were \$142 million in January, which was a decline from the month before when it performed better. These inflows [see more...](#)

### **FBR collects Rs5.15trn from July to mid-Feb: MoF – Positive**

The major contributors to income tax collection during July-January (2023-24) were banks, petroleum products, textile sector, power sector and food and services sectors, whereas, sales tax top revenue spinners remained POL, power, food, auto sector, iron and steel, and chemicals during this period. According to the data issued by the Ministry of Finance on Tuesday, the Federal Board of Revenue (FBR) collected revenue of Rs5,150 billion from July 2023 to mid of February [see more...](#)

### **PKR declines – Negative**

The Pakistani rupee slipped lower against the US dollar, depreciating 0.08% in the inter-bank market on Tuesday. At close, the local unit settled at 279.57, a loss of Re0.21 against the greenback, as per the State Bank of Pakistan (SBP). On Monday, the rupee remained unchanged to settle at 279.36 against the US dollar, according to the SBP. In a key development, Fitch Ratings, a global rating agency, on Monday. [see more...](#)

### **OGDCL agrees to pay Rs12.6bn royalty to Balochistan – Neutral**

The Oil and Gas Development Company Limited (OGDCL) has agreed to pay Rs 12.6 billion to Balochistan government as royalty of Uch gas field. The OGDCL and Balochistan government have agreed on a formula for payment of royalty from August 2024 to January 2024 on monthly tranche basis, the officials of CM secretariat said. The Balochistan government was taken measures to receive billions of rupees from. [see more...](#)

### **Discos' Jan tariffs; CPPA-G seeks Rs7.13 per unit positive adjustment – Positive**

The Central Power Purchasing Agency-Guaranteed (CPPA-G) has sought positive adjustment of Rs 7.13 per unit in Discos' tariffs for January 2024, 105 percent higher than estimates as FCA cost increased to Rs 13.7885 per unit reference cost Rs 7.1308 per unit, mainly due to massive increase in insurance cover [see more...](#)

### **Govt hints at cutting tariff for solar net metering – Neutral**

This was the crux of a meeting of the Senate Standing Committee on Power, which also decided to wind up investigations into alleged malpractices in the award of four contracts for a foreign-funded 765-kilovolt transmission line from Dasu Hydropower Project to Islamabad based on an inquiry of the power division [see more...](#)

### **Power generation cost jumps 23pc in January on pricey fuels – Negative**

Electricity generation cost surged 23 percent in January from a year earlier, as the country relied more on expensive fuel oil and gas and less on cheap hydropower, data from a brokerage house showed on Tuesday. The average cost of power generation rose to Rs13.8 per kilowatt hour (kWh) in January, compared with Rs11.2 a year ago, according to brokerage Arif Habib Limited, which compiled the industry [see more...](#)

### **Cabinet approves handing over Discos to private sector – Neutral**

The federal cabinet of the caretaker government has accorded approval to withdraw the decision of handing over electricity distribution companies to the provinces. Instead, the source said that the federal cabinet decided to hand over electricity distribution companies to the private sector on a long-term concession basis. To start with Hyderabad [see more...](#)

### **Fertiliser firms face uneven playing field after gas tariff revision – Negative**

A major increase in the feedstock gas tariff for fertiliser manufacturers has triggered a heated debate among the industry players, who have different views on the impact of the policy change on their businesses. The government last week approved an increase in gas price for fertilizer producers who get their supply from the [see more...](#)

### **CCP clears 'Fauji Cereals Business' acquisition by Fauji Foods – Positive**

The Competition Commission of Pakistan (CCP) has approved the acquisition of M/s Fauji Foundation's Fauji Cereals Business by M/s Fauji Foods Limited. The Fauji Foundation, established as a charitable trust for the welfare of ex-servicemen and their families, [see more...](#)

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## DEFINITION OF TERMS

<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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