

MORNING GLANCE



Market Outlook

The stock market on Friday opened on a positive note. However, later on, it lost the impetus and reversed almost all of its intra-day gains while concluding the session in the green zone amid profit-taking by the investors. The Benchmark KSE-100 index made an intra-day high and low at 63,911.85 (709.45 points) and 63,214.86 (12.46points) respectively while closed at 63,282.22 by gaining 79.82 points.. Trading volume decreased to 146mn shares as compared to 365mn shares on the previous trading day. Going forward, we expect the market to remain volatile amid political uncertainty prevails ahead of elections. 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 64,000.

Key News

International

Asian Stocks Rise After S&P 500 Climbs to Record: Markets Wrap

Asian stocks pared gains as concern over China’s faltering economy dragged down the nation’s equities. A gauge of regional shares more than halved its earlier advance as benchmarks in Hong Kong and China declined. China’s commercial lenders kept benchmark lending [see more...](#)

Oil extends losses as economic headwinds weigh on demand outlook

Oil prices fell for a second day on Monday as economic headwinds pressured the global oil demand outlook and outweighed geopolitical concerns in the Middle East and an attack on a Russian fuel export terminal over the weekend. Brent crude fell 41 cents, or 0.5%, to \$78.15 a. [see more...](#)

Politics

ECP starts process of issuing notices, fines against candidates

The Election Commission of Pakistan (ECP) has started the process of issuing notices and fines against candidates involved in the violation of code of conduct. In this regard, active monitoring teams of the Commission took action against the candidates in various districts of Khyber Pakhtunkhwa on the violation of the. [see more...](#)

Economy

Pakistan, Kuwait to set up \$1b fund - Positive

Sources told The Express Tribune that a state-owned company of Pakistan had been designated as lead entity for engaging in cooperation with Kuwait on the mining fund. The two sides have held initial deliberations in this regard. A Kuwaiti company has shown interest in the mining of metals and minerals used in renewable energy. According to. [see more...](#)

63,282	▲ 80	▲ 0.13%
146 mn	YTD -2.13%	1 Year 64.76%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	21,571.80	-	-
DSE 30	2,129.71	9.12	0.43% ▼
SHANGHAI	2,807.90	24.38	0.86% ▼
Hang Seng	14,991.50	317.19	2.07% ▼
Nikkei 225	36,425.00	461.73	1.28% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,461.93	2.84	0.04% ▲
DAX 30	16,555.13	12.22	0.07% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	37,863.80	395.19	1.05% ▲
S&P 500	4,839.81	58.87	1.23% ▲
NASDAQ	17,314.01	331.72	1.95% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,028.10	1.2	0.06% ▼
Oil-WTI (bbl)	73.30	0.05	0.07% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	279.90	0.08	0.03% ▼
EURO/PKR	304.47	0.2	0.07% ▼
GBP/PKR	354.94	0.3	0.08% ▼
AED/PKR	76.21	0.05	0.07% ▼

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

MORNING GLANCE

Pakistan secures \$56.9 million FDI from China in December – Positive

Pakistan secured USD 56.9 million in foreign direct investment (FDI) from China in December 2023, contributing to a cumulative Chinese investment of USD 292.8 million in the first six months of FY 2023-24. Gwadar Pro reported this on Thursday quoting the latest statistics from the State Bank of Pakistan. In the corresponding period of FY2022-23, Pakistan received [see more...](#)

KSA yet to respond to deferred oil payment request – Neutral

Saudi Arabia has reportedly not responded to Pakistan's request to extend purchase of oil on deferred payments facility, sources close to caretaker Minister for Power and Petroleum told Business Recorder. The caretaker Minister Muhammad Ali met with his Saudi counterpart during his visit to Saudi Arabia on 9-11 January. They discussed important bilateral matters including the Refinery Project, Reko Diq, ACWA's solar project, oil on [see more...](#)

Trade settlement in Chinese RMB soars 600pc - Neutral

Pakistan's trade settlement in Chinese RMB has increased by 600 percent, ie, from 2 percent in 2028 to over 14 percent in 2023, well-informed sources in the Commerce Ministry told Business Recorder. The State Bank of Pakistan (SBP) recently informed the Apex Committee of the Special Investment Facilitation Council (SIFC) that the necessary regulatory framework for settlement of trade in RMB is in place. The SBP has designated three. [see more...](#)

Country report: IMF expresses satisfaction over Pakistan's SBA performance - Positive

"Overall performance against end-September quantitative performance criteria (QPCs), Indicative Targets (ITs), and Structural Benchmarks (SBs) under the SBA was satisfactory," the Washington-based lender said in its detailed staff country report on Pakistan released on Friday. The IMF said that by the end-September 2023, the Pakistani authorities [see more...](#)

Second review; IMF urged to reschedule access date to Mar 15 in Lol – Neutral

The caretaker government has requested the International Monetary Fund (IMF) for rephrasing of the access date for the second review to March 15, 2024 in the letter of intent (LoI), instead of the original schedule of March 1, 2024 as per July 2023 documents titled, Pakistan request for a Stand By-Arrangement (SBA). The 15-day delay sought for rephrasing [see more...](#)

New structural benchmarks set by IMF - Neutral

The International Monetary Fund (IMF) has set two new structural benchmarks (SBs) for Stand-By Arrangement (SBA) including (i) notification of the December 2023 semi-annual gas tariff adjustment determination and (ii) develop a plan to strengthen internal control systems in lending operations. The Fund in its latest country report, "first review under the Stand-by Arrangement, requests for waivers [see more...](#)

IMF cuts Pakistan's FY24 growth forecast to 2pc - Neutral

The International Monetary Fund (IMF) has acknowledged that Pakistan's economic activity has stabilised and inflation has begun to gradually decline on the back of strong policy adjustment. In its country report on Pakistan, the international lender said that external pressures have eased somewhat since June last year and the State Bank of Pakistan has taken advantage of renewed inflows. [see more...](#)

More policy rate hike likely if price pressures reemerge, IMF told – Neutral

The government has informed the International Monetary Fund (IMF) that the policy rate was raised to 22 percent and it stands ready to respond resolutely if near-term price pressures reemerge, including due to stronger-than-expected second round effects on core inflation, or if pressures on the exchange rate reemerge amid [see more...](#)

Modest increase in FDI flows possible this year: UN - Positive

Published by the UN Conference on Trade and Development (UNCTAD), the monitor, however, says significant risks persist, including geopolitical risks, high debt levels accumulated in many countries, and concerns about further global economic fracturing. The report says FDI flows in 2023, at an estimated \$1.37 trillion, showed a marginal increase of three per cent over 2022, defying expectations as recession. [see more...](#)

Debt sustainability; Elevated gross financing needs constitute high risk: IMF – Neutral

The International Monetary Fund (IMF) has said that elevated gross financing needs continue to pose high risks to debt sustainability, particularly as fiscal and reserve buffers have been depleted. The staff commentary on debt sustainability assessment (DSA) in its report prepared for consideration of the IMF Executive Board following first review [see more...](#)

DISCLAIMER

This report has been prepared by Abbasi & Company (Private) Limited and is provided for information purposes only. Under no circumstances, this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Abbasi & Company (Private) Limited and or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Abbasi & Company (Private) Limited accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. In particular, the report takes no account of the investment objectives, financial situation and needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Abbasi & Company (Private) Limited Research Department and do not necessarily reflect those of the company or its directors. Abbasi & Company (Private) Limited as a firm may have business relationships, including investment-banking relationships, with the companies referred to in this report. Abbasi & Company (Private) Limited does not act as a market maker in the securities of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives do not have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company at the time of issuance of this report. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives are not currently serving or have served in the past three years as a director or officer of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives have not received compensation from the subject company in the previous 12 months. The subject company currently is not, or during the 12-month period preceding the date of publication or distribution of this report, was not, a client of Abbasi & Company (Private) Limited. We have not managed or co-managed a public offering or any take-over, buyback or delisting offer of securities for the subject company in the past 12 months and/or received compensation for corporate advisory services, brokerage services or underwriting services from the subject company in the past 12 months. Abbasi & Company (Private) Limited does not expect to receive or intend to seek compensation for corporate advisory services or underwriting services from the subject company in the next 3 months

All rights reserved by Abbasi & Company (Private) Limited. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Abbasi & Company (Private) Limited. Action could be taken for unauthorized reproduction, distribution or publication

VALIDITY OF THE PUBLICATION OR REPORT

The information in this publication or report is, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report. The information may be subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the company, jurisdiction or financial instruments referred to in this report. The valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report and were based upon several estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein is not to be relied upon as a representation and/or warranty by Abbasi & Company (Private) Limited and/or its other associated and affiliated companies, that:

- I. Such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- II. There is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein

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

RATINGS CRITERIA

Abbasi & Company (Private) Limited employs a three-tier ratings system to rate a stock and sector, as mentioned below, which is based upon the level of expected return for a specific stock and outlook of sector. The rating is based on the following with stated time horizon

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.

RESEARCH DISSEMINATION POLICY

Abbasi & Company (Private) Limited endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as email, fax mail etc. Nevertheless, all clients may not receive the material at the same time

OTHER DISCLOSURES

The research analyst is primarily involved in the preparation of this report, certifies that:

- I. The views expressed in this report accurately reflect his/her personal views about the subject company/stock /sector and economy
- II. No part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report

The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

PREPARED BY

Haroon Abdul Razzaq

Phone: (+92) 42 38302028

Ext: 116

Email: haroon@abbasiandcompany.com

RESEARCH DEPARTMENT

6 - Shadman, Lahore

Phone: (+92) 42 38302028; Ext: 116, 117

Email: research@abbasiandcompany.com

web: www.abbasiandcompany.com

HEAD OFFICE

6 - Shadman, Lahore

Phone: (+92) 42 38302028

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com