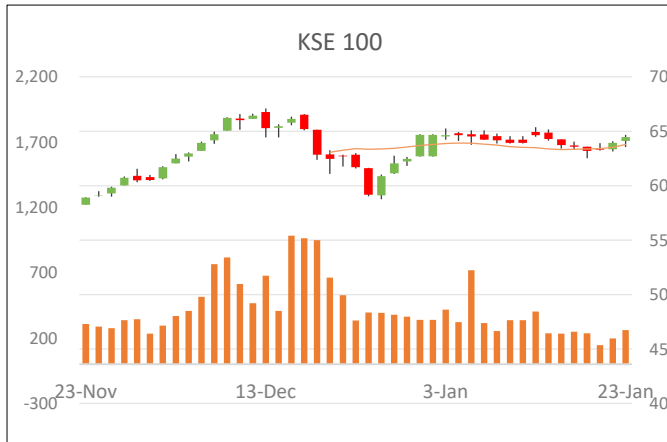


# MORNING GLANCE



64,454	▲ 515	▲ 0.80%
261 mn	YTD -0.32%	1 Year 65.03%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	21,185.25	53.55	0.25% ▼
DSE 30	2,147.65	17.94	0.84% ▲
SHANGHAI	2,766.79	4.19	0.15% ▼
Hang Seng	15,482.00	128.02	0.83% ▲
Nikkei 225	36,173.50	344.07	0.94% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,485.73	1.98	0.03% ▼
DAX 30	16,627.09	56.27	0.34% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	37,905.45	96.36	0.25% ▼
S&P 500	4,864.60	14.17	0.29% ▲
NASDAQ	17,404.21	73.83	0.43% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,025.60	0.2	0.01% ▼
Oil-WTI (bbl)	74.38	0.01	0.01% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	280.00	0.1	0.04% ▼
EURO/PKR	304.47	-	-
GBP/PKR	354.94	-	-
AED/PKR	76.21	-	-

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

## Market Outlook

The stock market on Tuesday remained positive throughout the day and concluded the session in the green zone amid the commencement of corporate results season. The Benchmark KSE-100 index made an intra-day high and low at 64,658.17 (718.76 points) and 63,549.60 (389.81points) respectively while closed at 64,454.22 by gaining 514.81 points. Trading volume increased to 261mn shares as compared to 197mn shares on the previous trading day. Going forward, we expect the market to remain mixed amid anticipation of unchanged policy rate in the upcoming MPC meeting. The resistance for the index resides at 65,000, if it breaks above this level then it will be targeting 65,000. Meanwhile the support for the index resides at 66,300.

## Key News

### International

#### Japan Stocks Fall on Hawkish BOJ; Eyes on China: Markets Wrap

Japanese government bonds tumbled and stocks fell on the central bank governor's hawkish tone. Equities across the rest of Asia were mixed, with Hong Kong extending gains. Japan's 10-year sovereign yield climbed by the most since December as Governor Kazuo Ueda said Tuesday [see more...](#)

#### Oil prices settle down slightly on more supply in US and abroad

Oil prices settled lower on Tuesday as traders focused on rebounding crude output in parts of the U.S., along with rising supply in Libya and Norway, rather than risks to supply posed by conflict in Europe and the Middle East. Brent crude settled at \$79.55 a barrel, losing 51 cents, or 0.6%. U.S. West Texas Intermediate crude settled at \$74.37 a barrel. [see more...](#)

### Politics

#### Govt approves army deployment for 'peaceful conduct' of Feb 8 polls

With less than three weeks remaining for the upcoming polls, Pakistan has recently seen an uptick in terrorism. Earlier this month, an independent candidate was killed in a gun attack in Khyber Pakhtunkhwa's North Waziristan. According to a statement from the Prime Minister's Office, interim Prime Minister Anwaarul Haq Kakar [see more...](#)

### Economy

#### MPC meeting on 29th – Neutral

The meeting of the Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) will be held on Monday to decide about the policy rate. The SBP on Tuesday has issued a calendar of monetary policy committee meetings for the first half of this year. Overall, four MPC meetings will be held during Jan-June to review the monetary policy stance.. [see more...](#)

## MORNING GLANCE

### **SBP likely to hold key rate steady as IMF warns of inflationary risks – Neutral**

The State Bank of Pakistan (SBP) is expected to leave its benchmark interest rate unchanged at 22 percent on January 29, given the possibility of continued high inflation brought on by rising energy prices. Most analysts The News spoke to said that the SBP would wait to see how the elections, which are set for February 8, play out as well. [see more...](#)

### **PM welcomes investment of international companies – Positive**

Caretaker Prime Minister Anwaarul Haq Kakar has welcomed the investment of international companies like EnerTech in Pakistan. Chief Executive Officer (CEO) Abdullah Al-Mutairi of EnerTech, a Kuwaiti company met with the caretaker prime minister on Tuesday. In the meeting, the caretaker premier welcomed the investment of international companies like Energetic in The caretaker prime minister said that. [see more...](#)

### **SBP to launch platform for FX interbank market - Neutral**

The State Bank of Pakistan (SBP) had decided to revamp the foreign exchange trading system and announced to introduce a Centralized Foreign Exchange (FX) Trading Platform called "FX Matching" for the interbank FX market to bring more transparency to the interbank market. Effective January 29, 2024, it will be mandatory for ADs to use 'FX Matching' or FXT dealing for executing outright interbank FX transactions. [see more...](#)

### **Kibor starts inching up as hopes for rate cut fade - Negative**

Kibor is a market-determined average interest rate at which banks lend to one another in the interbank market. It has stayed higher during the current fiscal year as its 6-month tenor reached as high as 25pc in September 2023, much higher than the SBP's policy rate of 22pc. However, after the central bank's firm view that inflation would start easing in the second half of 2023-24, the Kibor started declining. However, the annual Consumer Price [see more...](#)

### **OGDCL announces oil discovery at Sono-9 well in Hyderabad – Positive**

Oil & Gas Development Company Limited (OGDCL) has announced that the development well Sono-9 in Sono Development & Production Lease (D&P.L) has been successfully tested, completed, and brought into the production stream using OGDCL's in-house expertise. The well was drilled to a depth of 2350 meters, targeting the hydrocarbon potential. [see more...](#)

### **POL import bill declines by 13.78pc - Positive**

The imports of the overall petroleum group contracted by 13.78 per cent during the first six months of the current fiscal year (2023-24) compared to the corresponding period of the last year, the Pakistan Bureau of Statistics (PBS) reported. The total imports of the petroleum group during July-December (2023-24) stood at \$ 8,005.784 million against the imports of \$9,285.522 million during [see more...](#)

### **KE, Hubco ink MoU to explore off-take of electricity - Positive**

CEO K-Electric (KE) Moonis Abdullah Alvi and CEO The Hub Power Company Limited (Hubco) Kamran Kamal signed a memorandum of understanding (MoU) to explore the opportunity for off-take of electricity following the conversion of Hubco's Hub Plant to local Thar coal. This is in line with KE's long-term strategy to induct power generation from indigenous sources into its energy mix. [see more...](#)

### **Govt may take rice exports to \$5bn by 2028: Shahzad Malik – Neutral**

"Rice's export was hovering around US \$462 million in year 2022 touched the figure of US \$2.5 billion in the year 2023 and hopefully will exceed US \$3 billion during the current calendar year." However, to achieve these figures, Pakistan should exploit India's ban on rice export to our advantage. In the past as well, India has banned export of rice [see more...](#)

### **Pakistan, Qatar sign agreements to boost employment opportunities for Pakistanis - Positive**

In a landmark move to bolster job opportunities for Pakistanis, the Special Assistant to the Prime Minister on Overseas Pakistanis and Human Resource Development (SAPM OP&HRD), Jawad Sohrab Malik, led a successful official visit to Qatar, culminating in the signing of several Agreements & Letter's of Intent (LOIs) with top. [see more...](#)

### **'High costs hinder SME growth' – Neutral**

More than 5 million SMEs are operating in Pakistan's manufacturing, trade, and services sectors, but the sector has not reached its optimum potential due to many challenges, according to research from the Association of Chartered Certified Accountants. The study, titled "SMEs: Business Challenges and Strategic Innovation Opportunities," found that more than 58 percent of SMEs cited [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

<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

## 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