

MORNING GLANCE



39,056	▲ 612	▲ 1.59%
100 mn	YTD -4.31%	1 Year -13.06%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,118.30	0.25	0.01% ▼
DSE 30	2,211.72	3.11	0.14% ▲
SHANGHAI	3,264.81	24.53	0.76% ▲
Hang Seng	22,044.65	393.67	1.82% ▲
Nikkei 225	27,340.00	40.81	0.15% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,757.36	27.31	0.35% ▼
DAX 30	15,093.11	9.84	0.07% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	33,733.96	104.40	0.31% ▲
S&P 500	4,016.95	2.86	0.07% ▼
NASDAQ	11,846.64	25.9	0.22% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,939.75	4.35	0.22% ▲
Oil-WTI (bbl)	80.48	0.35	0.44% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	230.75	0.65	0.28% ▲
EURO/PKR	250.94	0.23	0.09% ▼
GBP/PKR	285.77	1.18	0.41% ▲
AED/PKR	62.78	0.20	0.32% ▲

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

Market Outlook

KSE-100 on Tuesday surged by over 600 points and concluded the session in the green zone amid the lower-than-expected hike in the policy rate. The index made an intra-day high and low at 39,092 (648 points) and 38,444 (0 points) respectively while closed at 39,056 by gaining 612 points. Trading volume has increased to 100mn shares as compared to 38mn shares on the previous trading day. Going forward, we expect the index to test its resistance at 39,300. Breaking this level would further push the index towards 39,800. Contrarily, the support for the index resides at 38,800.

Key News

International

Asian stocks rise to 7-month highs, hot inflation boosts Australian dollar

Asian equities extended their winning run to scale their highest levels in seven months on Wednesday, with South Korean stocks leading the way, and the Australian dollar hit multi-month highs as surging inflation made higher interest rates more likely. MSCI's broadest index of Asia-Pacific shares outside Japan advanced 0.4% to a seven-month high, [see more...](#)

Oil slumps 2% on weak U.S. manufacturing, new crude build forecast

Oil's two-week rally paused meaningfully for the first time on Tuesday as crude prices fell as much as 2% from a contraction in U.S. manufacturing that reinforced fears of a recession in an economy still suffering relatively high inflation versus growth. Expectations of a fifth straight weekly build in U.S. crude stockpiles also weighed on sentiment in a market [see more...](#)

Politics

NA speaker accepts resignations of 43 more PTI lawmakers: sources

In a major development in country's political setup, the resignations of 43 MNAs of Pakistan Tehreek-e-Insaf (PTI) have been accepted, sources said Tuesday, a day after the party announced the decision to withdraw the resignations. Officials of the speaker's office, who spoke on the condition of anonymity, said that NA Speaker Raja Pervaiz Ashraf [see more...](#)

Economy

PM acquiesces to IMF demands to unlock loan? - Neutral

Prime Minister Shehbaz Sharif Tuesday said the International Monetary Fund (IMF) has been given a clear message today that the government is ready to sit and negotiate with the Fund on its conditionalities to conclude the ninth review. Speaking at the ceremony after inaugurating the business and agricultural loan programme for youth, the premier said the government has given a clear message to the Fund that [see more...](#)

MORNING GLANCE

Currency dealers remove cap on dollar-rupee exchange rate - **Negative**

The currency dealers have unanimously decided to stop artificially keeping rupee overvalued against US dollar in open market and let the rupee-dollar exchange rate depreciate to its actual value. Speculations suggest rupee could gradually devalue to the level of black currency market in a couple of days. The domestic currency was available at Rs250-260 per US dollar in black market [see more...](#)

Profit repatriation falls 75.6pc in 1H FY2023 - **Neutral**

Outflow of profits and dividends on foreign investments dropped 75.6 percent to \$217.3 million in first half of the current fiscal, central bank data showed on Tuesday, as government limited dollar repatriations amid dwindling reserves. Foreign reserves have been depleting rapidly as there is a chronic lack of dollars in the country. The central bank's foreign exchange reserves stand at \$4.6 billion as of January 13, and Pakistan, which is in the [see more...](#)

SBP notifies increased rates of return on NPC - **Neutral**

Following the directives of the federal government, the State Bank of Pakistan (SBP) has notified increase in the profit for Conventional Naya Pakistan Certificates (Certificates) with effect from Jan 23, 2023. The SBP has informed all agent banks that the government of Pakistan – the Finance Division (External Finance Wing), vide Gazette notifications No. S.R.O. 44(I)/2023 dated January 20, 2023, has notified the revision in rate of return [see more...](#)

THE RUPEE: PKR maintains downward trend - **Negative**

Pakistani rupee maintained its downward trend against the US dollar for the 25th consecutive session, as it depreciated 0.11% in the inter-bank market on Tuesday. As per the State Bank of Pakistan (SBP), the rupee declined by Re0.25 to close at 230.40. During the ongoing fiscal year, the rupee has depreciated 11.23% against the greenback. On Monday, the rupee had registered a loss for the 24th successive session against the US dollar to [see more...](#)

POL products: additional Rs76bn revenue can be generated thru PL maximization to Rs50 per litre - **Neutral**

The government has projected to collect Rs 76 billion additional revenue if it maximizes the petroleum levy to Rs 50 per litre on all petroleum products in the remaining five months (February-June) based on current fuel consumption and international oil prices. This was revealed to Business Recorder by well-placed sources in the Petroleum Division. Petroleum levy on petrol is already [see more...](#)

Gas recovery in Guddu: Govt likely to allow OGDCL extension - **Neutral**

The government is likely to allow one-year extension to Oil and Gas Development Company Limited (OGDCL) in Extended Well Testing (EWT) over Umair SE-1 discovery Guddu, official sources told Business Recorder. Sharing the details, an exploration licence was granted for Guddu Block on May 31, 1999 in accordance with Petroleum Exploration & [see more...](#)

Suzuki raises prices by up to Rs355,000 - **Negative**

Pak Suzuki Motor Company Ltd (PSMCL) on Tuesday raised the prices of various models by Rs115,000-Rs355,000. Earlier, Honda Atlas Cars Ltd (HACL) and Indus Motor Company (IMC) have raised the prices by Rs300,000-Rs550,000 and Rs280,000 to Rs1.2m, respectively. The new price of Alto VX, VXR, VXR AGS and AGS has been enhanced to Rs1.859 million, Rs2.156m, Rs2.310m and Rs2.423m as compared to [see more...](#)

Downturn in exports of non-textile goods - **Negative**

Amid a global economic slowdown, Pakistan's exports of non-textile products decreased 0.65 per cent year-on-year to \$5.54 billion in the first half of FY23. The stagnation in export proceeds of the non-textile sector was noted since the start of the current fiscal year as demand slowed down in the buyers' market. No growth was recorded in exports since September 2022 on a year-on-year basis, according to data [see more...](#)

Kohat Cement Hit Upper Limit on Announcement of Buyback - **Neutral**

The Board of Directors of Kohat Cement Company Limited in its meeting held today, has approved and recommended to the members of the Company for the purchase/buy-back of upto 5,000,000 (Five Million) of its own issued ordinary shares, having face value of Rs. 10 each, out of the distributable profits/reserves of the Company. [see more...](#)

Unity Foods Subsidiary Completes 100% Acquisition of Uni-Foods to Target Export Market - **Neutral**

Unity Foods Limited announce that the transaction of acquisition of 100% shares of Uni-Food Industries Limited by Sunridge Foods (Pvt.) Limited, the wholly owned subsidiary of Unity Foods, has been completed. Sunridge is expected to benefit from this acquisition by entering the "value added" space and will also be eyeing export of products [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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