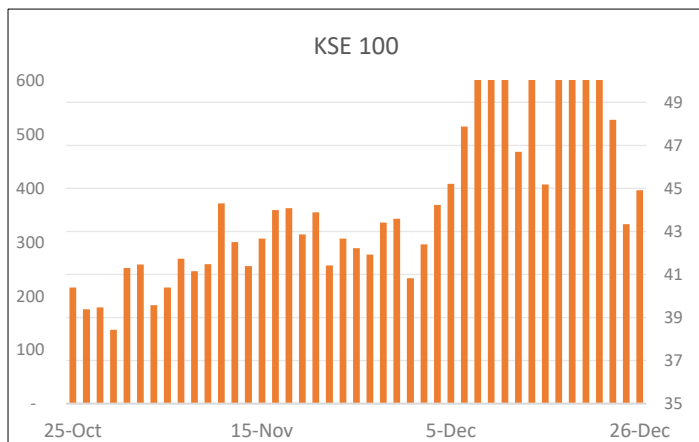


MORNING GLANCE



| | | |
|--------|------------|---------------|
| 59,170 | ▼ -2535 | ▼ -4.11% |
| 396 mn | YTD 44.97% | 1 Year 48.66% |

| ASIA | Value | Pts | Chg. (%) |
|------------|-----------|--------|----------|
| NIFTY 50 | 21,441.35 | 91.95 | 0.43% ▲ |
| DSE 30 | 2,087.64 | 6.94 | 0.33% ▼ |
| SHANGHAI | 2,901.29 | 2.41 | 0.08% ▲ |
| Hang Seng | 16,570.50 | 230.09 | 1.41% ▲ |
| Nikkei 225 | 33,620.50 | 314.65 | 0.94% ▲ |

| EUROPE | Value | Pts | Chg. (%) |
|----------|-----------|-------|----------|
| FTSE 100 | 7,697.51 | 2.78 | 0.04% ▲ |
| DAX 30 | 16,706.18 | 18.76 | 0.11% ▲ |

| USA | Value | Pts | Chg. (%) |
|-----------|-----------|--------|----------|
| DOW JONES | 37,545.33 | 159.36 | 0.43% ▲ |
| S&P 500 | 4,774.75 | 20.12 | 0.42% ▲ |
| NASDAQ | 16,878.46 | 101.06 | 0.60% ▲ |

| Commodities | Value | Chg. | Chg. (%) |
|---------------|----------|------|----------|
| Gold (t oz.) | 2,076.55 | 6.75 | 0.33% ▲ |
| Oil-WTI (bbl) | 75.34 | 0.23 | 0.30% ▼ |

| Currencies | Value | Chg. | Chg. (%) |
|------------|--------|------|----------|
| USD/PAKR | 282.37 | 0.16 | 0.06% ▼ |
| EURO/PAKR | 311.27 | 0.46 | 0.15% ▲ |
| GBP/PAKR | 358.48 | 0.18 | 0.05% ▼ |
| AED/PAKR | 76.89 | 0.04 | 0.05% ▼ |

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

Market Outlook

The stock market on Tuesday plunged over 2500 points and concluded the session in the red zone as this is the highest ever single-day decline amid rising volatility on the political front as well as the impact of squaring up leverage positions and mutual fund redemptions. The Benchmark KSE-100 index made an intra-day high and low at 61,634.55 (-70.54 points) and 59,026.81 (-2,678.28 points) respectively while closed at 59,170.97 by losing -2,534.12 points. Trading volume increased to 396mn shares as compared to 334mn shares on the previous trading day. Going forward, we anticipate continued profit-taking in the short term due to high leveraged positions and year-end affecting market trends. The index is anticipated to face upcoming support at 58,500 and 57,717(50DMA) while finding resistance at 60,000.

Key News

International

Asian stocks rise tracking Wall St rally; China losses persist

Most Asian stocks rose on Wednesday, tracking a rally on Wall Street as investors cheered the prospect of early interest rate cuts by the Federal Reserve, while Chinese shares lagged on a bleak economic outlook. A strong overnight finish on Wall Street- which put U.S. stock indexes within spitting distance of fresh record highs- showed that a post-Federal [see more...](#)

Oil prices dip after rallying on Red Sea woes, US SPR refill

Oil prices fell slightly on Wednesday, retreating from strong gains in the prior session as supply disruptions in the Red Sea and the prospect of early U.S. interest rate cuts in 2024 lent some support to crude. Prices were also encouraged by the U.S. government finalizing contracts to buy 3 million barrels of oil, aimed towards replenishing the Strategic [see more...](#)

Politics

Nomination papers of Nawaz, Bilawal accepted

The nomination papers of PML-N supremo Nawaz Sharif for NA-130 and PPP Chairman Bilawal Bhutto Zardari for NA-127 have been accepted for February 8 general elections. PML-N leader Bilal Yasin, who submitted the nomination papers for Nawaz Sharif, told media that the PML-N supremo's nomination [see more...](#)

Economy

PSX 'correction' continues as market sheds over 2,500 points - Negative

According to the PSX website, the KSE-100 index shed much of its records and dipped by 1356.16, sinking to 60,348.93 points at 10:54am. It eventually closed at 59,170.97 points, 2,534.12 points (4.11pc) less than the previous close of 61,705.09 points. Faran Rizvi, head of equity sales at JS Global, said, "Investor [see more...](#)

MORNING GLANCE

Govt borrowing jumps 200pc to Rs2.876trn YoY - **Negative**

The cumulative borrowing by the federal and provincial governments for budgetary support from the domestic banking system rose by 200 percent during this fiscal year (FY24) so far. The State Bank of Pakistan (SBP) on Tuesday reported that the federal and provincial governments cumulatively borrowed Rs 2.876 trillion during July 1, to Dec 16, 2023 from the domestic banking system against Rs 961 billion in the [see more...](#)

SECP set to leverage modern technology to facilitate investors - **Neutral**

In a bid to bolster investment in Pakistan and foster economic growth, the Securities and Exchange Commission of Pakistan (SECP) is set to leverage modern technology to disseminate information and provide incentives to investors. This was said by Nighat Awan, President of the Korangi Association of Trade and Industry (KATI), during a seminar [see more...](#)

UNDP sees debt management bigger challenge for new govt - **Neutral**

The new government in Pakistan must have a plan to tackle the debt challenge, with a reform agenda enhancing financial management, increasing revenue, enforcing fiscal discipline, diversifying funding sources and effectively managing debt, suggests the United Nations Development Programme (UNDP). The UN agency's latest publication — Development [see more...](#)

PKR continues to rise, adds 0.16 rupees against USD – **Positive**

The Pakistani rupee (PKR) appreciated by 15.82 paise against the US dollar in Tuesday's interbank session as the currency settled the trade at PKR 282.37 per USD, compared to the previous session's closing of PKR 282.53 per USD. The Currency saw an intraday high (bid) of 282.8 and a low (ask) of 282.4. In the open market, Exchange Companies quoted the dollar at 282 for buying and 284.8 for selling. [see more...](#)

Number of active taxpayers reaches 5.3m mark – **Neutral**

The number of active taxpayers (ATL) has reached 5.3 million as on December 26, 2023. It is learnt that the number of individual taxpayers has reached 3.69 million as per income tax updated ATL. The Federal Board of Revenue (FBR)'s data revealed that the number of corporate/ association of persons (AOPs) has reached 1.67 million under the ATL. A tax expert has raised questions that (i); how much tax paid by new filers [see more...](#)

Banking sector spread decreases by 9bps MoM in November - **Negative**

The banking sector spread for the month of November 2023 has decreased by 9 basis points (bps) MoM to 7.63% as compared to a spread of 7.72% in October 2023, the State Bank of Pakistan's monthly data released on weighted average lending & deposit rates showed. On a yearly basis, the banking sector spread has increased by 1.3% [see more...](#)

TPL REIT Fund I to be listed on PSX - **Neutral**

The Board of Directors (BoD) of TPL REIT Management Company Limited (TPL RMC) has accorded its approval for the listing of TPL REIT Fund I on the Pakistan Stock Exchange Limited (PSX), said a notice issued by the company today. The last reported Net Asset Value of the fund is Rs28.99 billion. TPL RMC is a wholly owned subsidiary of TPL Properties Limited (PSX: TPLP). [see more...](#)

High Court gives green light to AEL-SIL merger, share allocation – **Neutral**

The Lahore High Court has approved the scheme of restructuring/arrangement for the merger of AEL Textile Limited (PSX: AEL) with and into Stylers International Limited (SIL), the company's filing on PSX showed today. Upon the completion of merger/amalgamation through the intended Scheme, AEL will be dissolved without winding up, [see more...](#)

OGDCL inaugurates RO Plant at Gujjar Khan village – **Neutral**

The Oil and Gas Development Company Limited (OGDCL), Pakistan's premier Exploration and Production (E&P) company in the petroleum sector, inaugurated a Reverse Osmosis Plant in the village, Gorsian, of Tehsil Gujjar Khan, Rawalpindi district to ensure the provision of clean drinking water for the local community. As the major contributor to Corporate Social Responsibility (CSR) in [see more...](#)

Govt raises gas prices for fertiliser plants to unify rates - **Negative**

The government has increased the gas sale prices for three fertilizer plants that use gas from Mari Petroleum Company Limited (MPCL) as part of a plan to unify feed gas prices for the fertilizer industry with industrial rates. The Oil and Gas Regulatory Authority (OGRA) notified Engro Fertilizer Company Limited, Fauji Fertilizer Company [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 |

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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 |

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