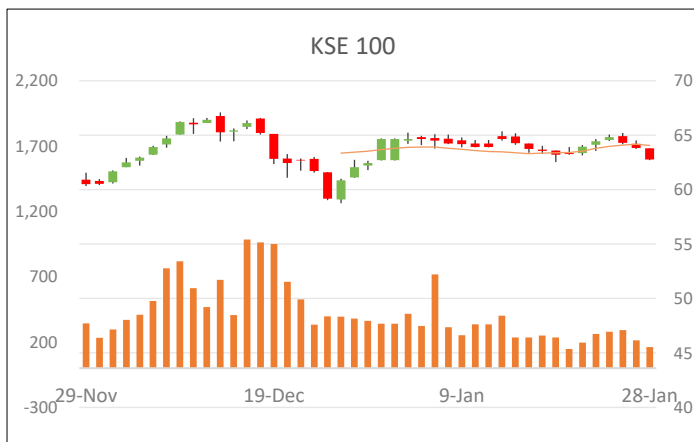


MORNING GLANCE



62,773	▼ -1040	▼ -1.63%
162 mn	YTD -2.92%	1 Year 57.44%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	21,737.60	385.00	1.80% ▲
DSE 30	2,103.36	11.25	0.53% ▼
SHANGHAI	2,873.07	10.29	0.36% ▼
Hang Seng	15,787.50	289.74	1.80% ▼
Nikkei 225	36,141.50	114.56	0.32% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,632.74	2.35	0.03% ▼
DAX 30	16,941.71	19.68	0.12% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	38,333.45	224.02	0.59% ▲
S&P 500	4,927.93	36.96	0.76% ▲
NASDAQ	17,596.27	175.26	1.01% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,050.05	5.45	0.27% ▲
Oil-WTI (bbl)	76.99	0.21	0.27% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PAKR	279.64	0.05	0.02% ▲
EURO/PAKR	302.98	0.52	0.17% ▲
GBP/PAKR	355.40	0.78	0.22% ▲
AED/PAKR	76.14	-	-

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

Market Outlook

The stock market on Monday remained under immense selling pressure throughout the day and concluded the session deep into the losses amid continued foreign selling ahead of general elections. The Benchmark KSE-100 index made an intra-day high and low at 63,792.84 (20.22 points) and 62,717.71 (1,095.35points) respectively while closed at 62,773.72 by losing 1,039.34 points. Trading volume decreased to 162mn shares as compared to 212mn shares on the previous trading day. Going forward, we expect the market to remain volatile as SBP has decided to keep the policy rate unchanged at 22% & foreign selling. The support for the index resides at 62,500. Breaking this level would further drag the index towards 62,000. Contrarily, the resistance for the index resides at 63,103(50-DMA).

Key News

International

Asian Stocks Mixed, Evergrande Tumbles on Liquidation Order

Asian stock markets headed in different directions on Monday with the Hong Kong market gaining while mainland Chinese markets fell. Chinese property developer China Evergrande Group dived as it faces a court-ordered liquidation. China's CSI 300 index, which tracks the largest 300 companies traded in Shanghai and Shenzhen, fell 0.9%. Communication [see more...](#)

Oil edges up as geopolitical concerns support prices

Oil prices rose in early trade on Tuesday as escalating geopolitical tensions in the Middle East continued to fuel supply concerns. Brent crude futures rose 25 cents, or 0.3%, to \$82.65 a barrel by 0105 GMT. U.S. West Texas Intermediate crude was up 31 cents, or 0.4%, at \$77.09 a barrel. Both the contracts fell over \$1 on Monday as a deepening [see more...](#)

Politics

Larger bench to hear appeals on military trials

Senior puisine judge of the Supreme Court Justice Sardar Tariq Masood on Monday referred a set of intra-court appeals (ICA) in the military court case back to the three-judge committee for the reconstitution of a larger bench after one of the petitioners argued that the present bench was not constituted by a three-judge [see more...](#)

Economy

Policy rate kept unchanged at 22pc on inflation – Neutral

The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) has decided to maintain the policy rate at 22 percent as adjustments in energy prices have slowed down the pace of decline in inflation. It emphasized on reforms to address underlying structural issues, especially those in the energy [see more...](#)

MORNING GLANCE

Post-flood resilience; EU fulfils pledge of euro 100m additional grant – **Positive**

The European Union fulfilled the pledge of an additional euro 100 million grant to enhance post-flood resilience in Pakistan. The EU Ambassador to Pakistan, Riina Kionka and Dr Kazim Niaz, Secretary of the Ministry of Economic Affairs, signed five new EU grant agreements. These agreements, under Team Europe's response to the 2022 post-flood Resilient [see more...](#)

Six-month budget deficit soars to 2.3pc of GDP - **Negative**

The budget deficit during the first six months of the ongoing fiscal year increased to 2.3 percent of the GDP or Rs 2,407.768 billion despite provincial surplus of over Rs 289 billion. The Finance Division has uploaded the consolidated fiscal operation of July-December 2023-24 on its website on Monday. The data of the summary showed that the total expenditure was Rs 9,261.764 billion during the first six months against [see more...](#)

SBP to issue new notes - **Neutral**

Governor State Bank of Pakistan (SBP) Jameel Ahmed revealed on Monday that SBP has decided to issue new currency notes with new design and enhanced security features. On the sideline of the Monetary Policy briefing at SBP head office, Governor SBP talking to journalists said that SBP is in process of issuing the currency notes of all denominations. SBP has in principle decided to launch currency notes in line with global trends", he said [see more...](#)

Petrol price likely to increase from Feb 1 - **Neutral**

The interim government may raise the petrol price by Rs 8 to Rs 11 per litre with effect from February 1, 2024, depending on the exchange rate adjustments. The price of high-speed diesel (HSD) is also likely to go up by Rs 2 to Rs 7 per litre again based on exchange rate adjustment for next fortnightly starting from January 1. If the calculation will be based at expected exchange adjustment [see more...](#)

CCoE set to approve revised 'Brownfield Refinery Policy' - **Positive**

The Cabinet Committee on Energy (CCoE) is all set to approve the long-debated revised policy (Brownfield Refinery Policy) to upgrade local refineries to boost refining capacity, on February 1, 2024 as four contentious issues have been sorted out mutually, well-informed sources in Petroleum [see more...](#)

Third parties on commercial basis; CCI approves 25pc hike in sale price of gas - **Negative**

A meeting of the Council of Common Interests (CCI) has approved increase in sale price of natural gas to third parties on commercial basis, ie, from 10 percent to 35 percent as well as necessary amendments to the Petroleum Policy 2012 and draft Tight Gas Exploration and Production Policy 2024. The 51st meeting of the CCI held under [see more...](#)

Resurrecting dead IP gas pipeline project - **Neutral**

Iranian Foreign Minister Hossein Amir Abdollahian on Monday presented a workable solution with regard to the completion of the Iran-Pakistan gas pipeline project with a proposal that the project can be financed by China and Russia if Islamabad is facing resistance because of the US sanctions on Tehran. The proposal was presented by the visiting Iranian foreign minister during delegation-level talks [see more...](#)

SBP penalizes 10 banks for Rs465.08m over regulatory breaches - **Negative**

The State Bank of Pakistan (SBP) has imposed hefty fines on ten banks for violating its rules and regulations, with the total amount of penalties worth Rs465.081 million, according to a document released by SBP's Banking Supervision Department. The banks were found guilty of breaching the standards of Know Your Customer (KYC), Anti-Money [see more...](#)

PTCL launches first neutral internet exchange powered by DE-CIX - **Positive**

The Pakistan Telecommunication Company Limited (PTCL) launched the first neutral internet exchange in Pakistan powered by DE-CIX. Addressing on this occasion, caretaker Federal Minister for IT and Telecommunication Dr Umar Saif said that four important milestones have been achieved in collaboration with PTCL, SCO, PTA, De [see more...](#)

International Steels approves Rs1 bn solar power project - **Positive**

International Steels Limited's board of directors approved undertaking a 6.4 MW solar power project at its Karachi factory which is expected to be completed in Q1 FY25. The company said, in a notice to the Pakistan Stock Exchange (PSX), that the solar energy initiative, costing [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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- 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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