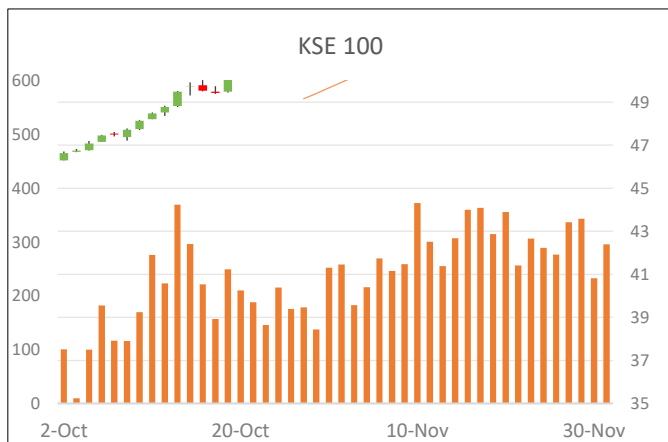


# MORNING GLANCE



61,691	▲ 1160	▲ 1.92%
296 mn	YTD 51.15%	1 Year 45.52%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	20,565.15	297.25	1.47% ▲
DSE 30	2,108.32	-	-
SHANGHAI	3,030.56	1.08	0.04% ▼
Hang Seng	16,833.23	13.77	0.08% ▼
Nikkei 225	33,180.00	251.51	0.75% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,529.35	75.60	1.01% ▲
DAX 30	16,397.52	182.09	1.12% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	36,245.50	294.61	0.82% ▲
S&P 500	4,594.63	26.83	0.59% ▲
NASDAQ	15,997.58	49.71	0.31% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,103.70	14.00	0.67% ▲
Oil-WTI (bbl)	73.62	0.45	0.61% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	284.97	0.2	0.07% ▼
EURO/PKR	310.50	1.87	0.60% ▼
GBP/PKR	360.05	2.13	0.59% ▼
AED/PKR	77.60	0.11	0.14% ▼

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

## Market Outlook

The stock market on Friday Surged over 1100 points and concluded the session in the green zone by making an all-time high amid improvement in the country's financial indicators as well as expected decline in the policy rate. The Benchmark KSE-100 index made an intra-day high and low at 61,779.72 (1248 points) and 60,576.41 (45 points) respectively while closed at 61,691.25 by gaining 1160 points. Trading volume increased to 296mn shares as compared to 233mn shares on the previous trading day. Going forward, we expect the market to remain volatile as the index reaches an all-time high in previous trading sessions. The support for the index resides at 60,700 Breaking this level would further drag the index towards 60,000. Contrarily, the market could also surge up to 62,500.

## Key News

### International

#### China has more space to cut reserve ratio instead of interest rates, says ex-official

China is likely to implement proactive fiscal policy next year as there is still a need for the world's second-biggest economy to realise stable growth, a former central banker was cited as saying in state-owned media on Sunday. The comment comes as the economy struggles for momentum after. [see more...](#)

#### Oil prices dip as OPEC+ disappointment offsets rate cheer, M.East risks

Oil prices fell in Asian trade on Monday as the prospect of less tight markets in 2024 largely offset positive signals from a less hawkish Federal Reserve and potential supply disruptions in the Middle East. Crude prices had tumbled back to sub-\$80 a barrel levels, falling for a sixth consecutive. [see more...](#)

### Politics

#### National Assembly seats reduced by six

Amidst accusations from some quarters of using a controversial exercise to redraw the voting map to favour Pakistan Muslim League-Nawaz (PML-N) in February 2024 elections, the Election Commission of Pakistan (ECP) on Sunday reduced six National Assembly seats, bringing the total number of seats to 336. [see more...](#)

### Economy

#### FY25 budget likely to be Rs16.50tr - Neutral

The tax collection target for the next fiscal is likely to be set at Rs11 trillion – almost 12% more than Rs9.4 trillion in 2023-24. The Federal Board of Revenue (FBR) has surpassed the revenue collection target for the fifth consecutive month in the ongoing fiscal year, amassing nearly Rs3.5 trillion, remaining on track to achieve. [see more...](#)

## MORNING GLANCE

### **Pakistan's forex reserves to be \$9bn by end of current fiscal: IMF - Neutral**

The International Monetary Fund (IMF) has estimated that Pakistan's foreign exchange reserves held by the State Bank of Pakistan (SBP) would be standing at \$9 billion by the end of the current fiscal year. Although the IMF did not forecast any gap on the external account front, a worrisome projection was made by the Fund that the remittances from abroad would. [see more...](#)

### **Expenditures; Higher mark-up payments may put big pressure: MoF - Negative**

The Finance Ministry has forewarned that higher mark-up payments may put significant pressure on the expenditure side despite better fiscal accounts during the first quarter of the current fiscal year. The Finance Ministry, on Saturday, in its "Monthly Economic Update and Outlook" for the month of November-2023 said, however, it is expected that [see more...](#)

### **No rate cut expected from SBP as inflation stays high: poll - Neutral**

The State Bank of Pakistan (SBP) is likely to keep its benchmark interest rate unchanged at 22 percent for a fourth straight meeting on December 12 as inflation remains elevated, a survey of analysts and market participants showed on Saturday. However, some market players are expecting a rate cut this month, as inflation is forecast to ease in the first quarter of 2024 due to a favorable base effect. They said the [see more...](#)

### **BIT template issue settled; Crucial FTA with GCC finalized - Positive**

A Pakistani delegation led by caretaker Minister for Commerce and Industries, Gohar Ijaz has finalised Free Trade Agreement (FTA) including the template of Bilateral Investment Treaty (BIT) with Gulf Cooperation Council (GCC) countries. Gohar Ejaz led an official delegation to Saudi Arabia comprising of [see more...](#)

### **Investment modalities; Consensus reached with KSA – Neutral**

Islamabad and Riyadh on Sunday reached consensus on investment modalities, paving the way for ratification of a free trade agreement with Gulf Cooperation Council (GCC). The caretaker information minister Murtaza Solangi who is in Saudi Arabia, in a message on X, said that the agreement with GCC, a regional, intergovernmental, political, and economic union comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia [see more...](#)

### **CASA-1000; WB rates progress as 'moderately satisfactory' - Neutral**

The World Bank has rated the overall implementation progress of the Pakistan Community Support Project (CASA-1000) as moderately satisfactory while progress towards achievement of the Project Development Objective (PDO) as satisfactory. The project was approved in 2020 with a cost of \$15 million, envisaging to improve [see more...](#)

### **Jul-Nov trade deficit shrinks 33.59pc to \$9.378bn YoY – Positive**

Pakistan's trade deficit contracted by 33.59 percent to \$9.378 billion during the first five months (July-November 2023) of the ongoing fiscal year from \$14.122 billion for the same period a year ago, according to the Pakistan Bureau of Statistics (PBS). The monthly trade data released by the PBS, on Friday, revealed that the country's exports. [see more...](#)

### **Nov CPI inflation rises to 29.2pc YoY – Negative**

Consumer Price Index (CPI) inflation increased to 29.2 percent on a year-on-year basis in November 2023 as compared to an increase of 26.8 percent in the previous month and 23.8 percent in November 2022. According to the Pakistan Bureau of Statistics (PBS) which released CPI data on Friday stated that on a month-on-month basis, CPI increased to 2.7 per cent in November 2023 as compared to an increase of 1.0 per cent in the previous month and an increase of 0.8 [see more...](#)

### **Rupee eyes gains on IMF loan, but downside risks linger - Neutral**

The rupee is expected to strengthen against the dollar in the coming week on hopes that the International Monetary Fund's board will approve the next tranche of \$700 million for Pakistan under its \$3 billion stand-by arrangement, analysts said. The rupee gained ground against the dollar [see more...](#)

### **PSO allowed Rs3.21 per litre exchange rate adjustment - Neutral**

As the maximum petroleum levy (PL) on petrol can not exceed Rs 60 per litre without parliamentary approval, the state-owned Pakistan State Oil (PSO) was allowed a downward rupee exchange rate adjustment of Rs 3.21 per litre with effect from December 1-15, 2023. The rupee was allowed to depreciate by Rs 10.96 per dollar for PSO [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