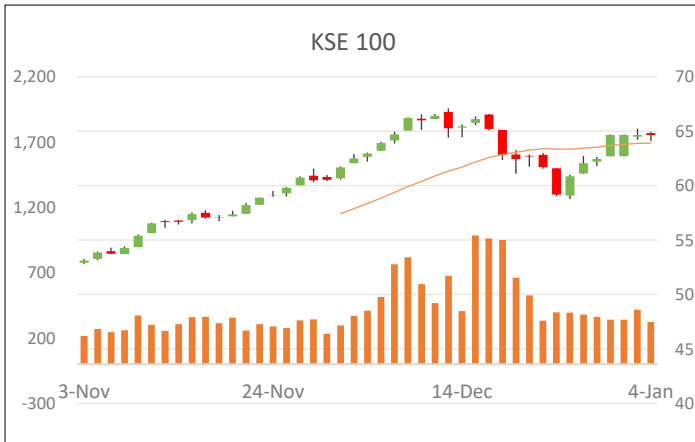


MORNING GLANCE



64,639	▼ -8	▼ -0.01%
323 mn	YTD -0.04%	1 Year 58.75%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	21,658.60	141.25	0.66% ▲
DSE 30	2,092.13	2.23	0.11% ▲
SHANGHAI	2,953.88	0.47	0.02% ▼
Hang Seng	16,619.00	5.00	0.03% ▲
Nikkei 225	33,502.50	214.21	0.64% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,723.07	40.74	0.53% ▲
DAX 30	16,617.29	78.90	0.48% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	37,440.34	10.15	0.03% ▲
S&P 500	4,688.68	16.13	0.34% ▼
NASDAQ	16,282.01	86.48	0.53% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,052.30	2.30	0.11% ▲
Oil-WTI (bbl)	72.75	0.56	0.78% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	281.67	0.05	0.02% ▼
EURO/PKR	308.07	0.56	0.18% ▼
GBP/PKR	357.49	1.25	0.35% ▲
AED/PKR	76.69	0.02	0.03% ▼

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

Market Outlook

The stock market on Thursday remained volatile throughout the day and concluded the session in the red zone amid ongoing political uncertainty in the country. The Benchmark KSE-100 index made an intra-day high and low at 64,936.75 (289.91 points) and 64,098.10 (-548.74 points) respectively while closed at 64,639.15 by losing 7.69 points. Trading volume decreased to 323mn shares as compared to 417mn shares on the previous trading day. Going forward, we expect the volatility to continue in the short term as the IMF executive board meeting is scheduled for next week, where the approval of the second tranche is anticipated. The resistance for the index resides at 65,000. Breaking this level would further push the index towards 65,500. Contrarily, the support for the index resides at 64,000.

Key News

International

Asian stocks muted as markets await US payrolls for more rate-cut cues

Most Asian stocks moved little on Friday as they steadied after a weak start to the new year, although anticipation of key U.S. payrolls data and persistent concerns over China kept investors on edge. Most regional markets were set to close lower for the week, after tracking losses in Wall Street over the first three trading days of 2024. The new [see more...](#)

Oil prices higher on Fed comments on inflation, Middle East tensions

Oil prices edged higher on Friday after minutes from a Federal Reserve meeting suggested inflation was under control and as U.S. Secretary of State Antony Blinken prepared to visit the Middle East to prevent escalation in the Israel-Gaza conflict. futures were up 37 cents, or 0.5%, to \$77.96 a barrel, while U.S. West Texas Intermediate crude futures [see more...](#)

Politics

Up to 300 units; PPP to provide free electricity, Bilawal

Chairman Pakistan Peoples Party (PPP) Bilawal Bhutto said on Thursday that the PPP would provide free of cost electricity to the deserving people up to 300 units. He was addressing workers convention in the vicinity of Riawind [see more...](#)

Economy

Forex reserves hit 23-week high – Positive

The State Bank of Pakistan (SBP) foreign exchange reserves recorded a notable increase of \$ 1.3 billion during the two-week period supported by the arrival of the government of Pakistan official inflows from international financial institutions. The SBP's foreign exchange reserves witnessed an upward momentum during the last two weeks of December. Inflows worth \$ 852 million [see more...](#)

MORNING GLANCE

WB, IDB, USAID to provide Pakistan over \$1b for 3 developmental projects – Positive

The World Bank, Islamic Development Bank (IDB) and USAID will provide Pakistan over \$1 billion for three developmental projects in education and physical planning & housing sectors. Three projects, funded by World Bank, Islamic Development Bank, and USAID, worth Rs358.810 billion was Thursday recommended by the Central Development Working Party [see more...](#)

PM brings role of SIFC under the Gulf focus – Neutral

Caretaker Prime Minister Anwaarul Haq Kakar has stated that the Special Investment Facilitation Council (SIFC) has been playing an active role to attract investors from the Gulf countries, including Qatar, to benefit from opportunities in key sectors of the economy. He stated this while talking to the Ambassador of Qatar, Ali Mubarak Ali Essa Al-Khater, who called on the caretaker prime minister on Thursday. [see more...](#)

Passengers coming from abroad; Govt decides to conduct Covid testing – Negative

Following the emergence of a new variant, JN-1, of Covid-19 globally, the government of Pakistan has decided to conduct Covid testing of passengers coming from abroad. According to the National Command and Operation Center (NCOC), the decision has been taken as a precautionary measure to save people from the possible outbreak of the new Covid variant. [see more...](#)

Gas shortages in Sindh becoming increasingly acute – Negative

The gas crisis continued to worsen as the Sui Southern Gas Company Limited (SSGC) was compelled to suspend gas supply to industries and Compressed Natural Gas (CNG) stations across Sindh. Sources said the gas shortage in the current winter reached 400 mmmcf, however, the closure of industry and CNG stations helped to reduce the gas shortage to 175 to 200 mmmcf. The gas company has also been facing 15 percent [see more...](#)

Nov FCA: Discos' tariff hiked by Rs4.13/unit – Negative

National Electric Power Regulatory Authority (Nepra) has raised Discos tariffs by Rs 4.13 per unit for November 2023 under monthly Fuel Charges Adjustment (FCA) mechanism, to be recovered in bills of January 2024. According to information provided by CPPA-G, the actual pool fuel cost for the month of November 2023, was Rs 9.4448/kWh, against the reference fuel cost component of Rs.4.7831/kWh as notified [see more...](#)

Hydropower, transmission; Major projects face rupee cover issue – Neutral

Major hydropower and transmission line projects are reportedly facing Rupee cover issues due to less allocation in the Public Sector Development Project (PSDP) 2023-24, well informed sources in Ministry of Water Resources told Business Recorder. During discussion on Dasu Hydropower Project (phase-1) at a recent meeting on World Bank [see more...](#)

Price of gas to Fatima, Agritech; Ministry seeks ECC's approval for upward revision – Negative

The Ministry of Energy has sought the approval of the Economic Coordination Committee (ECC) of the Cabinet to revise upward the price of indigenous gas supply to Fatima Fertilizer and Agritech to Rs1,238.68/MMBtu following the Determination of the Estimated Revenue Requirement (DERR) by the OGRA for the fiscal year 2023-24. [see more...](#)

Urea sales stagnant in 2023 amid low stocks and high prices – Negative

Urea fertiliser sales were flat in 2023 at 6.6 million tonnes, as low inventories and high prices dampened demand in the last quarter of the year, industry data showed on Thursday. The demand in 2022 plunged following deluged farmland as a result of catastrophic floods. Urea offtake in December fell 24 percent year-on-year to 630,000 tonnes. [see more...](#)

Bank lending to private sector turns positive for first time this fiscal year – Positive

The bank lending to the private sector turned positive for the first time during this fiscal year, reflecting improvement in the economic activities. The State Bank of Pakistan (SBP) on Thursday reported that the private sector borrowed Rs98.73 billion during the week ending Dec 22, 2023. This has pushed the total bank lending to the private sector [see more...](#)

Pakistan's copper export to China crosses \$1 billion mark in 2023 – Positive

Copper and articles thereof have seen an increase in export to China from Pakistan in recent years and in the first eleven months of 2023 increased by 9%, crossed one billion dollars mark, sources said. Ghulam Qadir, Commercial Counsellor at the Pakistan Embassy in Beijing, told China Economic Net (CEN) that the Pakistani government is keen [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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- 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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