



65,951	▲ 625	▲ 0.96%
212 mn	YTD 1.99%	1 Year 59.17%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	22,371.25	34.35	0.15% ▼
DSE 30	2,108.32	18.48	0.87% ▼
SHANGHAI	3,047.20	7.89	0.26% ▲
Hang Seng	16,268.00	327.97	1.98% ▼
Nikkei 225	40,080.50	6.57	0.02% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,640.33	42.17	0.55% ▼
DAX 30	17,710.45	5.72	0.03% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	38,989.83	97.55	0.25% ▼
S&P 500	5,130.95	6.13	0.12% ▼
NASDAQ	18,226.48	76.43	0.42% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,121.50	4.8	0.23% ▼
Oil-WTI (bbl)	78.50	0.24	0.30% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	279.26	0.15	0.05% ▲
EURO/PKR	303.10	0.68	0.22% ▲
GBP/PKR	354.02	0.78	0.22% ▲
AED/PKR	76.03	0.04	0.05% ▲

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

Market Outlook

The stock market on Monday maintained its positive trajectory throughout the day and concluded the session in the green zone amid Shehbaz Sharif takes oath as 24th prime minister of Pakistan. The Benchmark KSE-100 index made an intra-day high and low at 66,007.43 (681.75 points) and 65,532.58 (206.90 points) respectively while closed at 65,951.72 by gaining 626.04 points.. Trading volume increased to 212mn shares as compared to 136mn shares on the previous trading day. Going forward, we anticipate market to continue its positive trajectory amid KIBOR falls 10 bps on lower inflation figures. Technically the market is currently on a crucial level of 66,000 where the 'Resistance/Supply zone' is residing, if the market is able to sustain this level then it could be anticipated to rally up to 67,000. Contrarily If the market breaks below 65,000, then it could fall to around 63,500.

Key News

International

Asia Stocks Face Pressure as China Congress Begins: Markets Wrap

Asian equities were broadly lower Tuesday with investors focused on China, where officials released an ambitious 5% growth target for the year alongside measures to boost confidence. Shares on the mainland traded slightly [see more...](#)

Oil Holds Decline as Macro Concerns Outweigh OPEC+ Supply Cuts

Oil held a decline as signs of macroeconomic weakness — especially in the biggest importer China — eclipsed OPEC+'s widely expected extension of output cuts. Global benchmark Brent was near \$83 a barrel after slipping 0.9% on [see more...](#)

Politics

ECP clears Zardari, Achakzai for presidential vote

The Election Commission of Pakistan (ECP) on Monday accepted the nomination papers of Asif Ali Zardari and Mahmood Khan Achakzai for the upcoming presidential elections. Asif Ali Zardari is the nominee of the PPP and PMLN while Mehmood Khan Achakzai is the candidate of [see more...](#)

Economy

IMF: PM asks his team to begin a course of action – Neutral

Prime Minister Shehbaz Sharif directed to immediately proceed with respect to talks with the International Monetary Fund (IMF) regarding the Extended Fund Facility (EFF). He directed this while presiding over his first meeting as prime minister on Monday regarding improvement in the economy. He was given a detailed briefing on the country's economic situation by the finance secretary. [see more...](#)

MORNING GLANCE

IMF estimates Pakistan's tax gap to be around Rs3tr – **Negative**

Contrary to the prevailing perception that a massive tax gap existed at federal levels, the International Monetary Fund (IMF) has estimated that the FBR's tax to-GDP gap stood at 2.9 percent, equivalent to Rs3000 billion, on an annual basis. "The tax capacity of Pakistan is estimated at 12.9 percent of GDP which is currently hovering around 10 percent. The tax gap is estimated [see more...](#)

ADB warns govt of loan suspension - **Negative**

The Asian Development Bank (ADB) has cautioned the government that if Audited Project Financial Statements (APFS) in default for one year from the due date, it may lead to suspension of the loan, well informed sources told Business Recorder. A Financial Management (FM) country consultation Mission from the Asian Development Bank (ADB) was held from 27th October to 8th November, 2023. The objectives of the [see more...](#)

Global bonds extend recent rally on PM's election - **Positive**

Pakistan's international bonds extended their recent rally on Monday after the country's newly formed parliament elected Shehbaz Sharif on Sunday as prime minister for a second time following weeks of uncertainty after a hung election. The 2031 bond chalked up the biggest gains, rising 1.5 cents at 72.86 cents - its strongest level since May 2022, Tradeweb data showed.— Reuters [see more...](#)

Economic policy over next several months crucial for Pakistan: US Ambassador - **Neutral**

US Ambassador to Pakistan Donald Blome has said economic policy developed over the next several months would be crucial, remarks that come as a new government prepares to take charge of affairs in Islamabad. "It will take a concerted effort to ensure it (the economy) moves in the right direction," Ambassador Blome told a select group of journalists at the US Consulate [see more...](#)

KIBOR falls 10 bps on lower inflation figures - **Positive**

The Karachi Interbank Offered Rate (KIBOR) on Monday fell 10 basis points (bps) on lower inflation figures. According to State Bank of Pakistan's (SBP) statistics six-month KIBOR fell by 10 bps on a day-to-day basis to set at 21.59 percent on Monday compared to 21.69 percent on Friday March 1, 2024. KIBOR is an equilibrium interest rate for a given. [see more...](#)

PSO to write letter to govt to help the entity avert default - **Negative**

Chairman Board of Management (BoM) of Pakistan State Oil (PSO), Asif Baig Mohamed will write a SOS (Save Our Ship) letter to the federal government for immediate payment of Rs 70 billion to the company to avert imminent default, well-informed sources told Business Recorder. [see more...](#)

Nepra proposes up to 42.89pc hike in annual fees for power sector cos - **Neutral**

National Electric Power Regulatory Authority (Nepra) has proposed a hike of up to 42.89 percent in the annual license registration/other fees for various services for generation companies, national/provincial grid, distribution and transmission services etc. In exercise of powers conferred under Section 47 of the Regulation [see more...](#)

Feb cement despatches fall 19.22pc to 3.26MT YoY – **Negative**

Sharing the monthly data with the media, the All Pakistan Cement Manufacturers Association (APCMA) here on Monday disclosed that the cement despatches declined by 19.22 percent in February 2024 as these remained around 3.259 million tons against 4.035 million tons despatched during the same month of last fiscal year. The [see more...](#)

Textile exports hit \$1.41 billion in February, up 20pc year-on-year - **Positive**

The textile exports rose by nearly a fifth in February from a year earlier, as improved gas supply and strong demand boosted production, industry data showed on Monday. Exports of textile products reached \$1.41 billion in February, up 19.7 percent from \$1.18 billion in the same month last year, according to the All Pakistan [see more...](#)

FBR issues Rs65bn refunds to exporters - **Positive**

The Federal Board of Revenue (FBR) has issued all outstanding refunds as on March 3, 2024 to exporters amounting to Rs65 billion. The break-up of refunds revealed that Rs60 billion refunds have been issued under the head of sales tax whereas Rs5 billion refunds have been released within the category of income tax. [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

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

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
BUY	Greater than 15%
HOLD	Between -5% to 15%
SELL	Less than and equal to -5%

Sector Rating	Sector Outlook
Overweight	Positive
Market Weight	Neutral
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