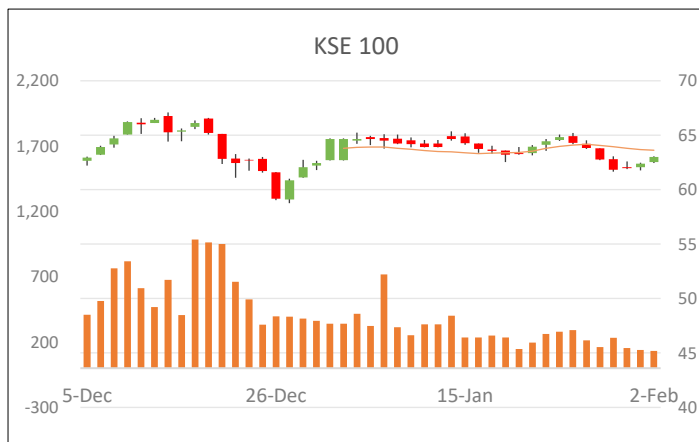


MORNING GLANCE



63,002	▲ 608	▲ 0.97%
133 mn	YTD -2.57%	1 Year 55.67%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	21,697.45	28.25	0.13% ▼
DSE 30	2,103.93	7.16	0.34% ▼
SHANGHAI	2,770.74	17.81	0.64% ▼
Hang Seng	15,566.21	81.14	0.52% ▲
Nikkei 225	36,011.46	326.21	0.90% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,622.16	8.41	0.11% ▼
DAX 30	16,859.04	44.72	0.26% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	38,411.48	261.18	0.68% ▲
S&P 500	4,890.42	41.55	0.86% ▲
NASDAQ	17,302.86	165.62	0.97% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,073.45	6.05	0.29% ▲
Oil-WTI (bbl)	73.92	1.93	2.54% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	279.41	0.07	0.03% ▼
EURO/PKR	304.10	2.71	0.90% ▲
GBP/PKR	356.46	2.94	0.83% ▲
AED/PKR	76.07	0.04	0.05% ▼

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

Market Outlook

The stock market on Friday remained positive throughout the day and concluded the session in the green zone amid improved economic indicators and strong corporate results further fueling market optimism. The Benchmark KSE-100 index made an intra-day high and low at 63,075.30 (681.57 points) and 62,448.72 (54.99points) respectively while closed at 63,002.91 by gaining 609.18 points. Trading volume decreased to 133mn shares as compared to 139mn shares on the previous trading day. Going forward, we expect the market to remain positive amid strong corporate results. The resistance for the index resides at 63,421(50-DMA). Breaking this level would further push the index towards 63,800. Contrarily, the support for the index resides at 62,500.

Key News

International

Asian markets slide following Wall Street's dip

Sensex, Nifty, Share Prices LIVE: Asian stocks faced a downturn as they opened lower on Tuesday, echoing Wall Street's decline. Japan's Nikkei 225 lost 0.59%, and the broader Topix index slipped 0.65%. South Korea's KOSPI and Australia's S&P/ASX 200 also experienced drops of 0.85% and 0.72%, respectively. The negative sentiment followed Wall Street's Monday [see more...](#)

Oil prices steady as focus remains on Russia, Middle East disruptions

Oil prices moved little in Asian trade on Tuesday as a rebound rally ran out of steam, with markets awaiting more cues on supply amid worsening geopolitical conditions in Russia and the Middle East. Strength in the dollar also kept prices largely subdued, as traders began steadily pricing out any chances of early [see more...](#)

Politics

Arrangements for polls finalised: minister

The Federal Minister of Information, Broadcasting, and Parliamentary Affairs, Murtaza Solangi, said on Saturday that all arrangements had been finalized for conducting peaceful, fair, free, and transparent elections in Pakistan on February 8. Briefing foreign observers and media persons in Pakistan to monitor and cover the February 8 [see more...](#)

Economy

ADB pledges \$100m for multipurpose dam in Balochistan – Positive

The Asian Development Bank will provide assistance worth \$100 million to Pakistan to build a climate-resilient multipurpose dam in Balochistan to boost agricultural production and ensure rural flood protection in the province. According to an ADB document, preparation [see more...](#)

MORNING GLANCE

Jul-Jan trade deficit narrows 32.66pc YoY - **Positive**

Pakistan's trade deficit narrowed down by 32.66 per cent in the first seven months (July-January) of the current fiscal year 2023-24 as it stood at \$13.167 billion compared to \$19.553 billion during the same period of last fiscal year, says the Pakistan Bureau of Statistics (PBS). The monthly data released by the bureau noted that the country's exports increased by 7.89 per cent (\$1.301 billion) to \$17.782 billion [see more...](#)

Industrial subsidies burden may be cut by 91% - **Neutral**

The International Monetary Fund has agreed to review a proposal backed by the Special-Investment Facilitation Council aimed at reducing the subsidy burden of the industrial sector by 91%. This initiative aims to make Pakistani exporters more regionally competitive by potentially lowering their monthly bills by up to 29%. Pakistani and IMF authorities are scheduled to hold virtual discussions early next week. The IMF's endorsement [see more...](#)

T-bills attract \$19m investment in January – **Neutral**

After a long gap, the treasury bills and domestic bonds attracted a \$19.4 million investment in January. The government securities have lost attraction to foreign investors after the pandemic hit the country in March 2020. Earlier, the T-bills and Pakistan Investment Bonds (PIBs) received huge inflows of \$4.5 billion. However, most of the investment flew back within a few months during the Covid-19 times. [see more...](#)

Centre, provinces agree to deliver Rs600bn surplus – **Neutral**

As part of efforts to regain some of the fiscal space lost under the 7th National Finance Commission to provinces almost 15 years ago, the federal government has signed agreements with the four provinces to deliver a cumulative fiscal surplus of at least Rs600 billion and refrain from creating further debt in operations of key commodities like fertiliser, wheat and other eatables until the close of this fiscal year in June. [see more...](#)

SIFC pushes for IMF nod on Rs1.27t energy debt – **Positive**

The Special Investment Facilitation Council (SIFC) on Friday directed the authorities concerned to urgently secure the International Monetary Fund's (IMF) approval for the clearance of Rs1.27 trillion energy sector unpaid debt aimed at avoiding any further increase in electricity and gas tariffs to retire the debt. If the cost of circular debt is passed on to the [see more...](#)

PDL revenue on track to beat target despite lower fuel sales – **Positive**

The fuel tax revenue is expected to exceed its annual target for the fiscal year 2023-24, despite a 13 percent drop in sales of petroleum products in the first seven months, thanks to a hike in the tax rate by the government, data showed on Saturday. The Petroleum Development Levy (PDL), which was raised by Rs5 per liter to Rs60 in September, brought [see more...](#)

Jan POL products' sales down 4.9pc to 1.38 MTs YoY - **Negative**

The sales of petroleum products in the country declined by 4.0 percent on year-on-year basis to 1.38 million tons in January 2024. The reduction in sales comes on the back of higher petroleum products prices, and slowdown in economy, experts said. The sales of MS dropped by 5.0 percent in January 2024, clocking in at 0.61 million tons. [see more...](#)

Refineries policy; CCoE to approve amendments today – **Neutral**

The Cabinet Committee on Energy (CCoE) which is scheduled to meet on Tuesday (Feb 6) will approve amendments to Refineries Policy 2023 to resolve implementation issues of existing Brownfield Refineries, well-informed sources told Business Recorder. Sharing the details, sources said, the CCoE will consider a summary of Petroleum [see more...](#)

Govt asks refineries to maintain fuel supply to cash-strapped PSO - **Neutral**

The government has asked local refineries to keep supplying fuel to the state-owned Pakistan State Oil (PSO), which is facing a cash crunch due to mounting circular debt in the energy sector, a letter from the petroleum ministry showed on Friday. The letter was sent after some refineries reduced their supplies to PSO due to non-payment of [see more...](#)

Jan cement despatches decline 14.79pc to 3.414 MTs YoY – **Negative**

Cement despatches declined by 14.79% in January 2024 as the sector registered despatches of 3.414 million tons against 4.006 million tons during the same month of last fiscal year. Data released by the All Pakistan Cement Manufacturers Association on Friday revealed that local [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

VALUATION METHODOLOGY

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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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The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

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