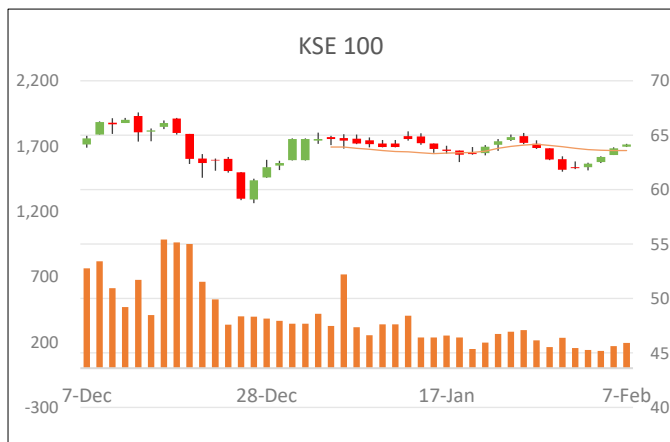


# MORNING GLANCE



64,143	▲ 344	▲ 0.54%
195 mn	YTD -0.8%	1 Year 53.74%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	21,727.00	9.05	0.04% ▲
DSE 30	2,135.28	8.43	0.39% ▼
SHANGHAI	2,865.90	36.21	1.28% ▲
Hang Seng	15,715.00	163.07	1.03% ▼
Nikkei 225	37,089.00	225.72	0.61% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,595.48	33.27	0.44% ▼
DAX 30	16,963.83	41.87	0.25% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	38,726.33	48.97	0.13% ▲
S&P 500	4,997.91	2.85	0.06% ▲
NASDAQ	17,783.17	28.09	0.16% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,049.35	1.45	0.07% ▲
Oil-WTI (bbl)	76.27	0.05	0.07% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	279.34	0.08	0.03% ▼
EURO/PKR	300.60	0.11	0.04% ▲
GBP/PKR	352.53	1.63	0.46% ▲
AED/PKR	76.05	0.03	0.04% ▼

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

## Market Outlook

The stock market on Wednesday remained positive throughout the day and concluded the session in the green zone amid Pakistan readies for a landmark election on February 8th, 2024. The Benchmark KSE-100 index made an intra-day high and low at 64,196.61 (397.60 points) and 63,927.28 (128.27 points) respectively while closed at 64,143.87 by gaining 344.86 points. Trading volume increased to 195mn shares as compared to 168mn shares on the previous trading day. Going forward, we expect the market to remain volatile due to the election results being announced. The resistance for the index resides at 65,000. Breaking this level would further push the index towards 66,400. Contrarily, the support for the index resides at 62,500.

## Key News

### International

#### Asia Equities Mixed as US Shares Climb, Bonds Fall: Markets Wrap

Chinese equities in Hong Kong slumped for a third straight day amid public holidays in many markets in the region, including the mainland, after US shares inched to a record. The Hang Seng China Enterprises Index fell as much as 2.5%, while the Hang Seng Index dropped as much as 2.2%. [see more...](#)

#### Oil prices headed for weekly gains as Israel rejects ceasefire offer

Oil prices rose in early trade on Friday, on track for weekly gains, with tensions persisting in the Middle East after Israel rejected a ceasefire offer from Hamas. Brent futures climbed 8 cents, or 0.1%, to \$81.71 a barrel by 0119 GMT, while U.S. West Texas Intermediate crude futures rose 17 cents, [see more...](#)

### Politics

#### 'Independent' candidates steal the election show?

The air of uncertainty surrounding the fate of general polls finally cleared on Thursday with the conduct of the elections that remained generally peaceful but questions over the credibility of this electoral exercise continued to persist in the absence of a mainstream political force, Pakistan Tehreek-e-Insaf (PTI), and mysterious. [see more...](#)

### Economy

#### Germany provides €45m – Positive

The agreements on technical development cooperation emerged as the result of a long-standing and trustful partnership between the two countries, the Economic Affairs Division said in a press release on Wednesday. The newly commissioned projects align with the German development cooperation thematic areas of climate and energy, just transition; sustainable economic. [see more...](#)

## MORNING GLANCE

### Govt raises 7.5 times lower financing at T-bills auction – Neutral

Commercial banks demanded a significantly higher rate of return (interest rate) to lend money to the cash-strapped government. This was prompted by concerns that the central bank might raise the policy rate to a new record high level following recommendations from the International Monetary Fund (IMF) to maintain a tight monetary policy to tackle future challenges. However, the government only managed. [see more...](#)

### Govt borrows over Rs4 trillion from banks in seven months - Negative

The government borrowing from banks more than doubled in the first seven months of the 2023/24 fiscal year, as it struggled to finance a widening budget deficit and rising debt servicing costs amid high inflation and interest rates. The State Bank of Pakistan latest data showed that the caretaker government borrowed Rs4.133 trillion from banks between July 1, 2023, and [see more...](#)

### MoF issues FY25 budget call circular – Neutral

The Finance Ministry has issued the Budget Call Circular (BCC) for fiscal year 2024-25 with a timeline for the presentation of the budget to the cabinet and the parliament in the first week of June 2024. According to the circular issued by the Finance Division, all principal accounting officers (PAOs) have been requested to submit the performance-based budgeting forms, revised and budget estimates of receipts,. [see more...](#)

### Future stability of rupee, bonds linked to peaceful elections, IMF review: experts – Neutral

The stability of Pakistan's currency and international bonds is linked with a successful second review of the country's ongoing International Monetary Fund (IMF) program and a peaceful transition of government after this week's national elections, Arab News reported. Pakistan's rupee has regained its value by 9 percent to 279.34 against the US dollar on Wednesday [see more...](#)

### MPCL acquires stakes in Zarghun South, Nareli blocks from SEPL – Positive

Mari Petroleum Company Limited (PSX: MPCL) and Spud Energy Pty Limited (SEPL) have signed agreements today for the acquisition of 40% working interest in Zarghun South D&PL and 27.55% working interest in Nareli Block by MPCL from SEPL. This information was disseminated by the company through a. [see more...](#)

### SNGPL and SSGCL; Ogra makes determinations regarding 'RERR' – Neutral

The Oil and Gas Regulatory Authority (OGRA) has made significant determinations regarding the Review of Estimated Revenue Requirement (RERR) for Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Company Limited (SSGCL) for the fiscal year 2023-24. This decision, made under Section 8(2) of the OGRA Ordinance,. [see more...](#)

### International oil suppliers; New procedure for import of crude oil, other POL products – Neutral

The Federal Board of Revenue (FBR) Wednesday issued a new procedure for the international oil suppliers for the import of crude oil and other petroleum products on foreign supplier's accounts through customs bonded storage facilities. The FBR has issued Import, Domestic Sale and Re-export of Petroleum Products on Foreign Supplier's Account.. [see more...](#)

### Saudi firm keen to invest in renewable energy sector – Positive

Saudi company ACWA Power is reportedly ready to offer low tariff for solar project of 600 MWp subject to minimum project risk in Pakistan as it has installed solar projects at Cents 2 per unit in UAE and Oman, well informed sources told Business Recorder. The ACWA Power has been interested to invest in the renewable energy sector [see more...](#)

### Discos' management; CCoP defers approval to PD proposal – Negative

The Cabinet Committee on Privatisation (CCoP) has deferred approval of the Power Division's proposal to give Discos management to private sector on long-term concession agreement basis, seeking more information and comprehensive replies to questions raised by other ministries, well-informed sources told Business Recorder.. [see more...](#)

### Baggasse-fired IPPs; Nepra allows fuel cost component – Neutral

The National Electric Power Regulatory Authority (NEPRA) has allowed fuel cost component (FCC) to baggasse-fired Independent Power Producers (IPPs) from October 2018 till September 2022. This was approved in pursuant to the FCC adjustment mechanism as provided in [see more...](#)

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## 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

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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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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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