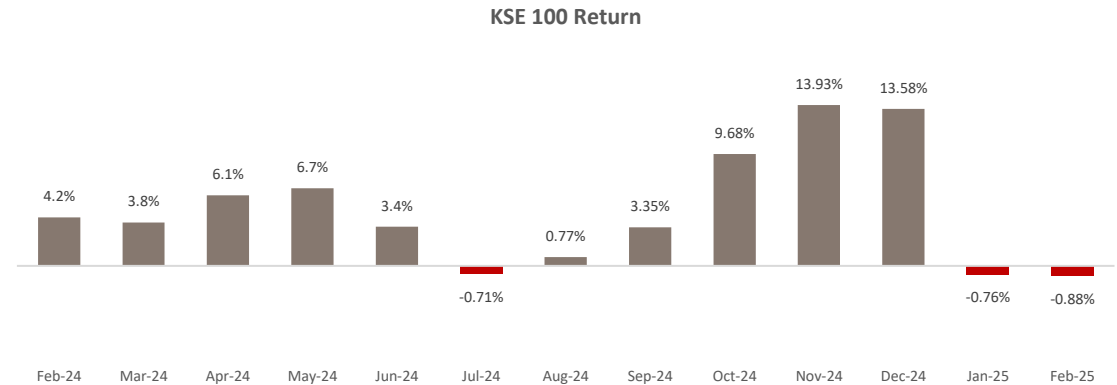


# ACPL DIGEST (Feb-25)

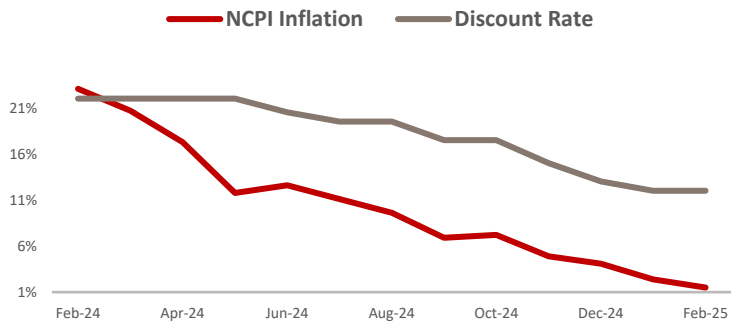
Remittances			Exports			Imports			Current Account	
7MFY25	7MFY24	Change	7MFY25	7MFY24	Change	7MFY25	7MFY24	Change	7MFY25	7MFY24
\$20.80 bn	\$15.80 bn	▲ 31.65%	\$19.55 bn	\$17.78 bn	▲ 10.0%	\$33.04 bn	\$30.89 bn	▲ 6.9%	\$0.682 bn	-\$1.801 bn

The KSE-100 Index declined by 0.88% MoM in February 2025, with the market largely moving sideways due to the absence of major events. Investor participation remained low as they awaited key economic developments. Inflation for February 2025 eased to X% compared to 2.4% in January 2025, while remittances stood at \$3.0 billion, up 25% YoY but down 2% MoM. Pakistan's car sales surged to 17,010 units, reflecting a 61% YoY and 73% MoM increase, supported by improved supply conditions. However, the current account posted a deficit of \$420 million, reversing a \$474 million surplus in December 2024, raising concerns over external account sustainability.

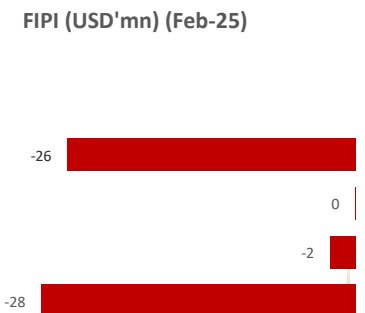
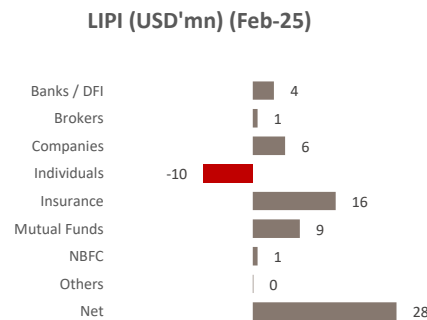
Meanwhile, FDI reached \$194 million, up 14% MoM, indicating selective foreign investor interest. The IMF technical mission team visited Pakistan to discuss \$1 billion in additional climate resilience financing, keeping investor sentiment cautious.



Source: PSX



Source: PBS, SBP



Source: NCCPL

Looking ahead, the IMF's March review will be critical, particularly in assessing Pakistan's tax collection performance and pending structural reforms like PIA privatization. As far as the SBP is concerned, we expect it to reduce the policy rate by 50bps in the upcoming MPC meeting on March 10, 2025. However, the possibility of keeping the policy rate unchanged cannot be ruled out. With onset of Ramzan and IMF negotiations still uncertain, the market is expected to remain in a consolidation phase in the near term.

The KSE-100 Index is in an upward trend, with a valid Higher Low (HL) at 109,585. If this level is breached, the index could decline toward 106,000. On the upside, the key resistance stands at 113,523. RSI is currently at 45, indicating neutral momentum.

**Our recommended stocks include CHCC, PAEL, SAZEW, GHNI and BFBIO**

		(USD' mn) (Feb-25)										
		Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross
LIPI Portfolio	Banks / DFI	-11.35	-0.86	-0.51	0.04	-3.19	1.84	0.28	-0.84	-2.47	21.20	4.15
	Broker Proprietary Trading	-0.24	2.20	-2.04	-0.27	3.18	-1.16	0.97	-0.51	-0.02	-1.19	0.93
	Companies	4.55	4.47	-6.06	2.18	-0.37	0.93	-2.52	-0.06	2.54	0.69	6.33
	Individuals	3.57	0.01	0.27	-0.44	1.39	2.59	-4.25	0.55	-1.65	-11.76	-9.72
	Insurance Companies	-0.54	-6.25	6.93	0.03	0.83	1.08	2.36	-0.23	0.64	11.34	16.20
	Mutual Funds	14.97	8.36	1.68	0.04	-0.96	-6.11	2.68	1.64	1.32	-14.40	9.22
	NBFC	-0.06	0.10	0.44	-0.00	0.34	-0.01	0.01	0.00	-0.01	0.12	0.93
	Other Organization	-1.11	0.71	-0.20	0.11	0.16	-0.65	0.66	-0.02	0.07	0.37	0.09
	<b>LIPI Total</b>	<b>9.79</b>	<b>8.74</b>	<b>0.51</b>	<b>1.69</b>	<b>1.39</b>	<b>-1.49</b>	<b>0.19</b>	<b>0.53</b>	<b>0.40</b>	<b>6.37</b>	<b>28.13</b>
FIPI Portfolio	Foreign Corporates	-5.02	-8.12	-0.27	-1.96	-2.57	1.14	-0.54	-1.22	-0.13	-7.10	-25.80
	Foreign Individual	0.00	-0.07	0.00	-0.09	0.00	0.00	-0.03	0.03	0.00	0.12	-0.05
	Overseas Pakistani	-4.77	-0.55	-0.24	0.37	1.18	0.35	0.38	0.65	-0.27	0.61	-2.29
	<b>Total</b>	<b>-9.79</b>	<b>-8.74</b>	<b>-0.51</b>	<b>-1.69</b>	<b>-1.39</b>	<b>1.49</b>	<b>0.46</b>	<b>-0.53</b>	<b>-0.40</b>	<b>-6.37</b>	<b>-28.13</b>

Source: NCCPL

# COMMODITIES OVERVIEW

## Crude

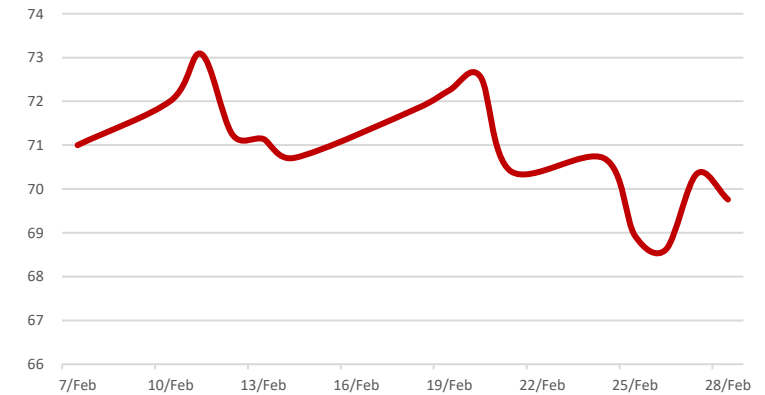
In February 2025, crude oil prices dropped by 3.8%, pressured by weak global demand, rising U.S. shale production, and trade tensions. U.S. President Donald Trump’s new tariffs on China, Mexico, and Canada fueled economic uncertainty, raising fears of slower industrial activity and lower energy consumption. China’s retaliatory measures further dampened sentiment in oil markets. Despite OPEC+ maintaining production cuts, U.S. crude output continued to rise, limiting price recovery. Geopolitical risks, including the Russia-Ukraine conflict and tensions in the Middle East, provided temporary support, but overall, oil struggled to break past resistance at \$70–75 per barrel, facing headwinds from economic and policy uncertainties. Going forward, crude oil prices are expected to remain volatile, influenced by global economic conditions, geopolitical tensions, and supply-demand dynamics. If U.S. President Donald Trump’s trade tariffs continue to pressure industrial activity, demand for crude may weaken further.

## Gold

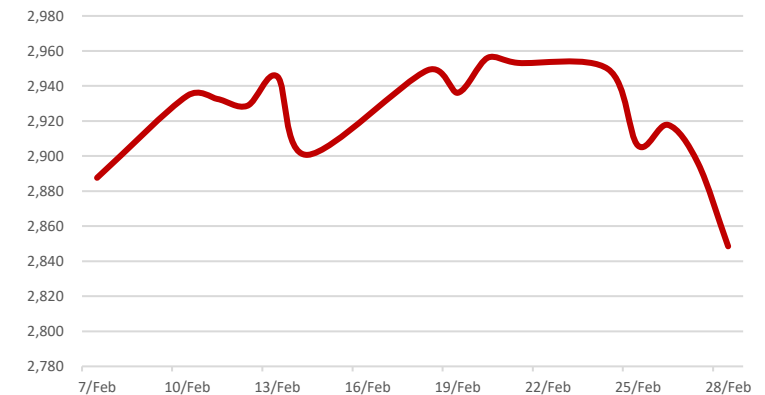
In February 2025, gold prices declined by 1.9% despite reaching an all-time high, as heightened global economic uncertainty and safe-haven demand initially drove prices upward. The rally was fueled by persistent inflation concerns and expectations of a slower U.S. Federal Reserve rate cut cycle. Additionally, escalating trade tensions due to U.S. President Donald Trump’s new tariffs on China, Mexico, and Canada increased market volatility, prompting investors to seek refuge in gold. Central banks, particularly in China and India, continued to boost their gold reserves, supporting demand. However, a stronger U.S. dollar and rising Treasury yields weighed on prices.

Going forward, if a ceasefire is reached between Israel and Hamas and the U.S. plays a role in striking a peace deal between Ukraine and Russia, some stability could return to the global front, which may keep gold prices in check.

Brent



Gold



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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

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

## 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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