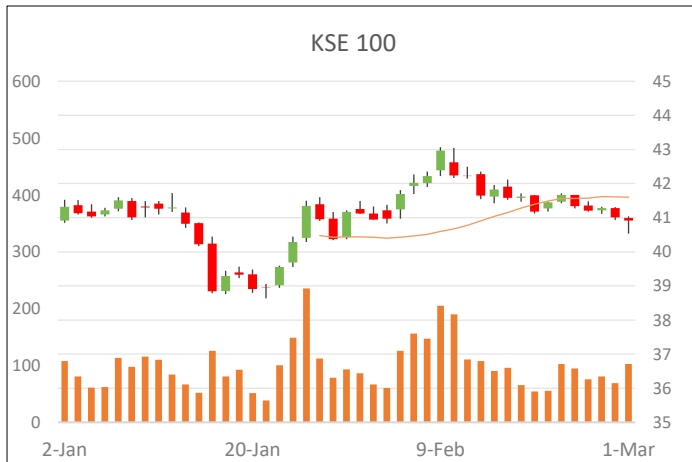


## MORNING GLANCE



40,413

▼ -98

▼ -0.24%

103 mn

YTD -0.99%

1 Year -9.8%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,450.90	88.75	0.51% ▼
DSE 30	2,218.35	0.38	0.02% ▼
SHANGHAI	3,317.12	18.24	0.56% ▲
Hang Seng	20,456.00	417.56	2.11% ▲
Nikkei 225	27,484.00	11.06	0.04% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,914.93	58.83	0.74% ▼
DAX 30	15,305.02	16.29	0.11% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	32,661.84	232.39	0.71% ▼
S&P 500	3,951.39	12.09	0.30% ▼
NASDAQ	11,938.57	15.67	0.13% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,841.00	1.55	0.08% ▼
Oil-WTI (bbl)	77.77	0.28	0.36% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	266.36	1.58	0.61% ▲
EURO/PKR	283.38	2.93	1.07% ▲
GBP/PKR	321.87	4.05	1.30% ▲
AED/PKR	72.60	0.44	0.62% ▲

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

### Market Outlook

KSE-100 on Wednesday opened on a negative note. However, later on, it recovered most of its intra-day losses and managed to close flat amid an ambiguous decision made by the Supreme Court regarding the general election of Punjab and KPK assemblies. The index made an intra-day high and low at 40,540 (30 points) and 40,030 (-481 points) respectively while closed at 40,413 by losing 98 points. Trading volume has increased to 103mn shares as compared to 69mn shares on the previous trading day. Going forward, we expect the market to remain volatile ahead of the MPC meeting today in which we expect the SBP to increase the interest rate by around 200 bps. The support of the index resides at 40,412 (50DMA). Breaking this level would further drag the index towards 39,800. Contrarily, the resistance of the index resides at 41,515 (200DMA).

### Key News

#### International

##### Asian stocks rally sputters as China pulls back, higher U.S. yields weigh

A rally in Asian shares sputtered on Thursday, pressured by a pullback in Chinese stocks and higher U.S. yields amid fears that global central banks would keep raising interest rates to combat sticky inflation. MSCI's broadest index of Asia- [see more...](#)

##### Oil prices muted as markets weigh China recovery, rate hike risks

Oil prices kept to a tight range on Thursday as traders weighed the prospect of a strong recovery in Chinese demand against the possibility that rising interest rates and elevated inflation will crimp economic activity this year. Crude markets were riding two straight sessions of strong gains, as [see more...](#)

#### Politics

##### ECP braces for election in two provinces

Accepting the Supreme Court's verdict, the Election Commission of Pakistan (ECP) on Wednesday started its preparations for holding polls in Punjab and Khyber-Pakhtunkhwa. During a huddle presided over by Chief Election Commissioner (CEC) Sikandar Sultan Raja, it was decided [see more...](#)

#### Economy

##### Sukuks, investments in INPCs: Govt decides to re-pledge approved assets - Neutral

The government has decided to re-pledge assets approved by Cabinet on June 21, 2022 for Sukuks and Investment in Islamic Naya Pakistan Certificates (INPCs) for other Islamic financing transactions of the government as and when needed, well informed sources told Business Recorder. Sharing [see more...](#)

## MORNING GLANCE

### Jul-Feb trade deficit narrows 33.18pc YoY - **Positive**

Pakistan's trade deficit narrowed by 33.18 percent to \$21.3 billion during the first eight months (July-February) of the current fiscal year 2022-23 as compared to \$31.879 billion during the same period of last year, the Pakistan Bureau of Statistics (PBS) said. The country's exports during July-February (2022-23) were recorded at \$18.793 billion against the exports of \$20.573 billion in July-February of 2021-22, showing a decline of 8.65 percent, [see more...](#)

### Feb CPI jumps 31.5pc, highest rate in nearly 50 years - **Positive**

The Consumer Price Index (CPI) based inflation increased to 31.5 percent on a year-on-year basis in February 2023 as compared to an increase of 27.6 percent in the previous month and 12.2 percent in February 2022, says the Pakistan Bureau of Statistics (PBS). The CPI in the first eight months (July-February) of the current fiscal year on average remained at 26.19 percent compared to 10.52 percent during the same period of the [see more...](#)

### THE RUPEE: PKR declines on rating downgrade - **Negative**

Marred by economic uncertainty after Moody's downgraded Pakistan in its latest ratings, the rupee plummeted against the US dollar after the currency registered a depreciation of 1.73% on Wednesday. As per the State Bank of Pakistan (SBP), the rupee settled at 266.11 against the greenback, a decline of Rs4.61 in the inter-bank market. A day earlier, the rupee had ended its four-session gaining spree against the US dollar on Tuesday, [see more...](#)

### PSO, Shell and Attock Suffer as Petroleum Sales in Pakistan Take a Massive Dip - **Negative**

Pakistan's petroleum sales witnessed a significant decline of 21 percent on a year-over-year (YoY) basis to stand at 1.22 million tons during February 2023 compared to 1.54 million tons during February 2022. The total sales volume in July-February 2022-23 (8MFY23) declined by 19 percent YoY to reach 11.69 million tons, according to data by Arif Habib Limited (AHL). Furnace Oil [see more...](#)

### Moody's downgrades Wapda rating - **Negative**

Moody's Investors Service (Moody's) has downgraded Pakistan Water and Power Development Authority (Wapda)'s corporate family rating (CFR) to Caa3 from Caa1 and Baseline Credit Assessment (BCA) to caa3 from caa1. At the same time, Moody's has changed the outlook to stable from negative. This rating action follows Moody's rating action on the government of Pakistan (Caa3 stable) on 28 February 2023. "The rating action on [see more...](#)

### Rs484bn KE investment plan draws criticism - **Neutral**

K-Electric's seven year (2024-2030) investment plan of Rs 484 billion for transmission and distribution segments drew heavy criticism at a public hearing in National Electric Power Regulatory Authority (Nepra) on Wednesday. Starting from Nepra Authority Chairman Tauseef H Farooqi, Member Sindh Rafique Ahmad Shaikh, Member KP Maqsood Anwar Khan and Member Balochistan Mathar Niaz Rana, Planning [see more...](#)

### Fertilizer offtake increases by 1.7% YoY in January - **Positive**

The country's overall nutrient offtake increased In January 2023 increased by 1.7% YoY compared to the same month last year, reaching 407 thousand tonnes, the latest monthly report of fertilizer offtake issued by the National Fertilizer Development Company (NDFC) showed. The offtake of nitrogen saw a rise of 3.7%, with 340 thousand tonnes, while the offtake of phosphate decreased by 8.3%, reaching [see more...](#)

### FCEPL plans dairy exports - **Positive**

Friesland Campina Engro Pakistan (FCEPL) and Engro Eximp FZE (EEF) signed a Franchise Agreement to enhance dairy exports from Pakistan. In line with Friesland Campina's global purpose of nourishing by nature, this partnership will enable FCEPL to expand its global footprint. Together, FCEPL and EEF will serve the Pakistani diaspora and markets which are milk-deficient, as well as uplift the dairy farmer community [see more...](#)

### Subsidy to agri, zero-rated sectors withdrawn - **Negative**

The government has withdrawn subsidy to agriculture and five zero-rated sectors from March 1, 2023 as pre-condition of International Monetary Fund (IMF) program, which will save Rs 65 billion. Of Rs 65 billion, Rs 53 billion subsidy will be withdrawn from five zero rated sectors whereas impact of agriculture sector is around Rs 12 billion from March to June 2023. The government was providing relief to the [see more...](#)

### Boycott of steel purchase yields positive result: ABAD - **Neutral**

Association of Builders and Developers of Pakistan's (ABAD's) boycott of steel purchase has brought positive result as steel manufacturers have brought down prices of steel to Rs271000 from Rs 345000 per ton. ABAD has also demanded of the government to abolish Regulatory Duty (RD) and Additional Regulatory Duty (ARD) to support construction [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

<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

## 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	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.

## 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

Muhammad Salman

Phone: (+92) 42 38302028

Ext: 116

Email: salman@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