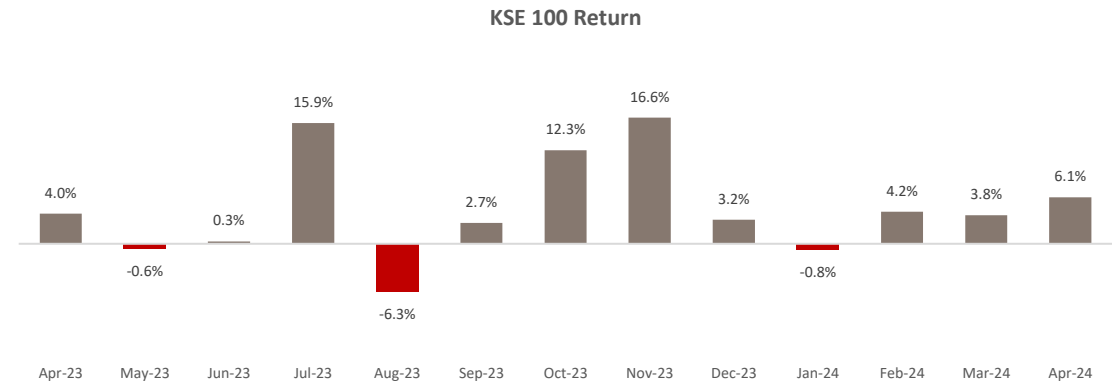


# ACPL DIGEST (Mar-24)

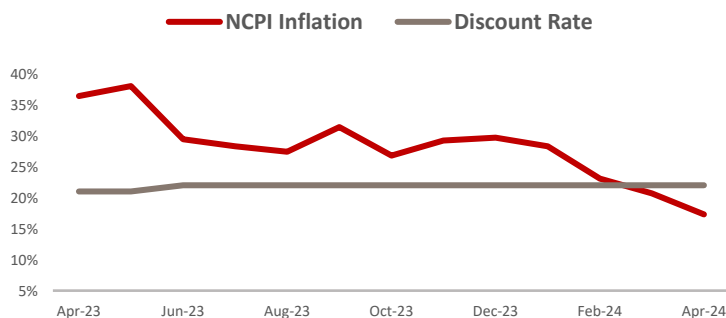


Remittances			Exports			Imports			Current Account	
9MFY24	9MFY23	Change	9MFY24	9MFY23	Change	9MFY24	9MFY23	Change	9MFY24	9MFY23
\$21 bn	\$20.8 bn	▲ 0.96%	\$22.91 bn	\$21.08 bn	▲ 8.7%	\$39.94 bn	\$43.39 bn	▼ -8.0%	-\$17.4 bn	-\$21.5 bn

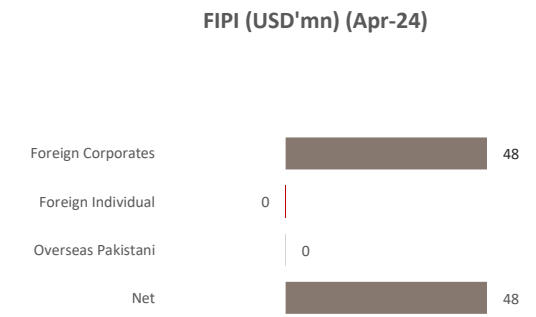
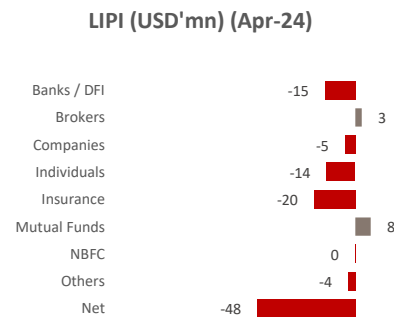
In April, the KSE-100 index closed on a positive note, reaching its all-time high with a 6.1% gain. The main focus for investors during this month was the Monetary Policy Committee (MPC) decision on the policy rate at the month-end and positive developments from the IMF as well as declining inflation expectations. The fertilizer sector emerged as one of the best-performing sectors during this period. Additionally, the market reacted positively to the visit of the Saudi delegation (including the Saudi Foreign Minister) and the finalization of the US\$3.0bn IMF Stand-by Arrangement. These events, coupled with further assurances of macro-stability under the anticipated larger Extended Fund Facility (EFF), contributed to the overall upward trajectory of the index. Finally, the country recorded its largest current account surplus in nine years, totaling US\$619mn for Mar'24, bringing the nine-month deficit down to US\$508mn (down 88%YoY).



Source: PSX



Source: PBS, SBP



Source: NCCPL

## ACPL DIGEST (Mar-24)

Overall, the index's highs and lows stayed between 72,743 and 66,796 points, with the average traded volume for the bourse during the month standing at 244mn shares, marking an increase of 49%MoM compared to ADTV of 164mn shares during Mar'24. Going forward, we expect positive development in the macroeconomic scenario as SBP appears to be adopting a more balanced approach, keeping real rates as high as 5% as of April'24, to drive down and anchor inflation expectations to historical averages. In the upcoming month of June, the government is set to present the budget, which includes increased taxation on the real estate sector and solar panels. Meanwhile, the government is working on structural reforms as part of a new bailout package with the IMF, aimed at bringing stability to the macroeconomic environment. We expect a decrease in inflation in the coming months, potentially leading to a reduction of 100-200 basis points in interest rates at year-end. In the short term, there may be fluctuations and market volatility, but in the long run, the market is expected to follow a positive momentum.

**Our recommended stocks include DGKC, NCL, PTC, SAZEW, ISL, MUGHAL and BERG**

		(USD' mn) (Apr-24)										
		Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross
LIPI Portfolio	Banks / DFI	-1.48	-1.74	-4.57	-0.04	-1.42	1.53	-2.17	0.14	-0.43	-4.92	-15.09
	Broker Proprietary Trading	-0.08	3.26	0.60	1.36	1.24	0.80	-0.89	-1.09	-0.02	-2.07	3.11
	Companies	0.39	-1.68	-0.02	-0.87	0.80	0.29	0.72	-0.02	-0.23	-4.43	-5.06
	Individuals	0.58	3.40	2.73	-0.04	-1.29	-3.19	2.19	-0.04	0.34	-18.91	-14.23
	Insurance Companies	-2.55	-12.63	-0.64	0.16	-2.25	0.40	-0.40	0.44	0.79	-3.19	-19.86
	Mutual Funds	3.04	1.09	0.36	0.03	0.61	1.28	1.22	0.80	-0.15	-0.91	7.39
	NBFC	-0.12	-0.03	0.01	-0.01	-0.09	0.00	-0.05	0.00	-0.01	-0.06	-0.35
	Other Organization	-0.15	0.10	-2.08	-0.01	-0.52	-0.13	-0.25	-0.21	0.01	-0.92	-4.16
<b>LIPI Total</b>		<b>-0.38</b>	<b>-8.22</b>	<b>-3.61</b>	<b>0.59</b>	<b>-2.90</b>	<b>0.98</b>	<b>0.38</b>	<b>0.03</b>	<b>0.29</b>	<b>-35.42</b>	<b>-48.26</b>
FIPI Portfolio	Foreign Corporates	0.96	6.52	2.77	-0.09	3.56	-0.27	-1.14	0.22	-0.14	35.86	48.26
	Foreign Individual	0.00	-0.03	-0.01	0.02	0.00	0.00	0.00	-0.03	0.00	-0.02	-0.07
	Overseas Pakistani	-0.58	1.72	0.85	-0.52	-0.65	-0.71	0.76	-0.22	-0.16	-0.42	0.06
	<b>Total</b>	<b>0.38</b>	<b>8.22</b>	<b>3.61</b>	<b>-0.59</b>	<b>2.90</b>	<b>-0.98</b>	<b>0.96</b>	<b>-0.03</b>	<b>-0.29</b>	<b>35.42</b>	<b>48.26</b>

Source: NCCPL

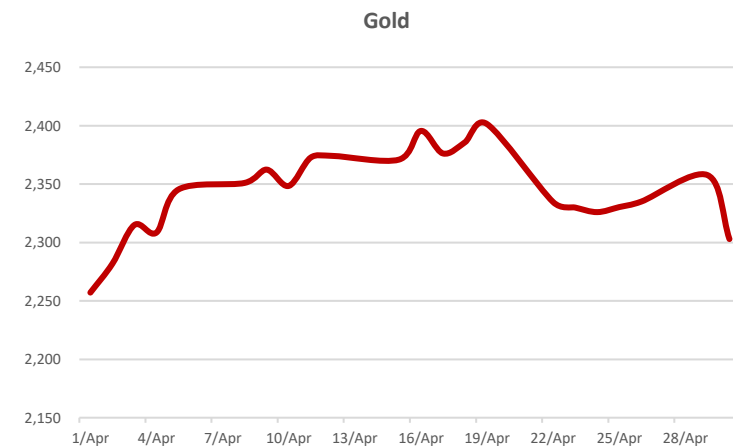
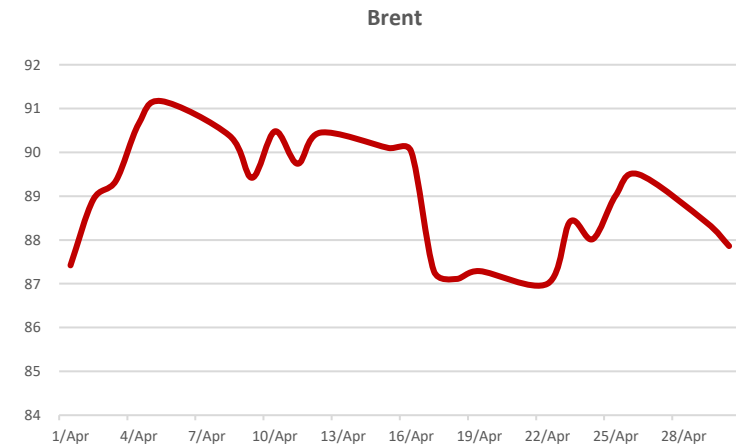
## COMMODITIES OVERVIEW

### Crude Oil

April 2024 saw Brent crude oil prices trade in a relatively narrow band, contrasting sharply with the explosive rise of gold. While definitive data is limited, estimates suggest a slight decline of around 0.55% compared to March. This muted performance could be attributed to a confluence of factors. Easing tensions in the Middle East, a potential source of supply disruptions earlier in the year, might have contributed to a sense of stability in the market. The influence of OPEC+ production cuts also warrants consideration, but their exact impact on April's pricing remains unclear. Despite the lack of significant price swings, some analysts suggest this period of relative stability could be a precursor to future volatility. The ever-evolving geopolitical landscape and ever-shifting supply-demand dynamics within the oil industry continue to be major uncertainties that could influence Brent crude oil prices in the coming months.

### Gold

In April 2024, gold prices surged initially, but later consolidated after reaching a peak above \$2,240. Despite this, technical indicators remained positive, suggesting further upward potential with targets around \$2,500. The rise was fueled by global economic uncertainties, strategic investor behavior, and potential interest rate cuts by the Federal Reserve. Favorable conditions for precious metals, geopolitical tensions, and demand for safe-haven assets also contributed. April's strong performance emphasized gold's importance in investment portfolios. Analysts are cautiously optimistic about continued growth.



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- 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

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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