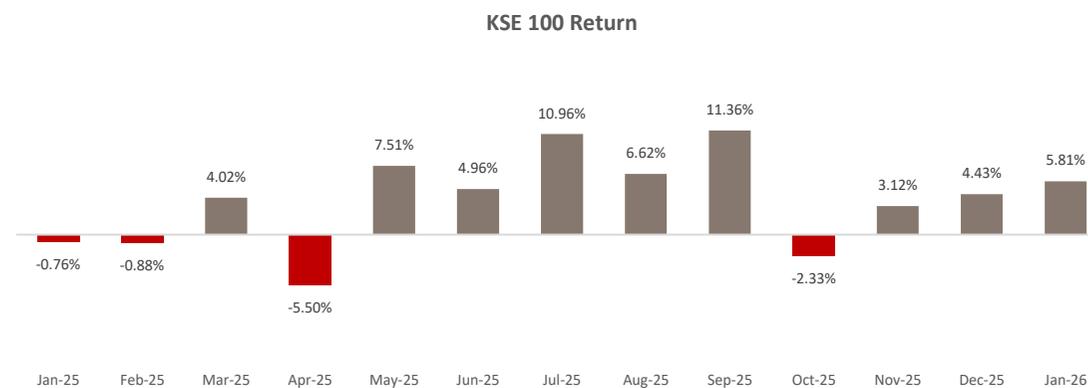


# ACPL DIGEST (Jan-26)

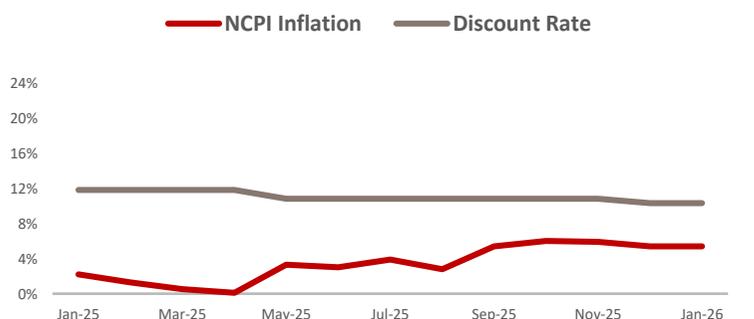


Remittances			Exports			Imports			Current Account	
6MFY26	6MFY25	Change	6MFY26	6MFY25	Change	6MFY26	6MFY25	Change	6MFY26	6MFY25
\$19.73 bn	\$17.85 bn	▲ 10.53%	\$15.18 bn	\$16.63 bn	▼ -8.7%	\$34.39 bn	\$30.90 bn	▲ 11.3%	-\$1.170 bn	\$0.957 bn

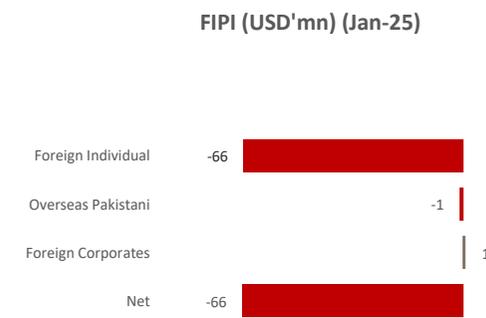
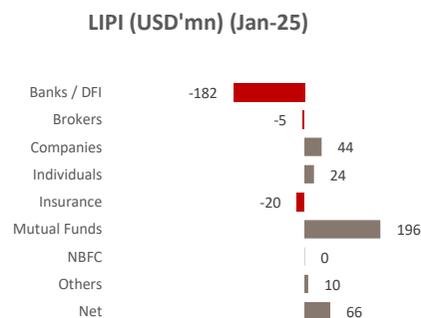
The KSE-100 Index delivered a strong and resilient performance during January 2026, extending its broader upward trajectory and closing the month with a solid 5.8% gain on a month-on-month basis. The rally was largely driven by fresh equity allocations typically seen at the start of the calendar year, as improving macroeconomic visibility, easing inflation expectations, and supportive liquidity conditions encouraged risk taking. Sentiment softened toward the end of the month after the central bank maintained the policy rate at 10.5%, contrary to market expectations of a 50–75bps cut, prompting measured profit-taking at elevated index levels. Macroeconomic indicators pointed to a mixed but stabilizing environment, with easing inflation and strong remittance inflows supporting liquidity and.



Source: PSX



Source: PBS, SBP



Source: MCCPL

consumption, while real sector activity showed continued resilience. On the policy front, authorities provided targeted support through a 300bps reduction in the Export Refinance Scheme rate to 4.5%, aimed at bolstering export competitiveness. Market participation strengthened materially, with average daily traded volumes rising 25% month-on-month to 1.08bn shares, while average daily traded value surged 45% to Rs108bn. Overall, January's performance reaffirmed a constructive outlook for equities, supported by improving fundamentals, strong liquidity, and selective buying, despite residual risks.

With the market at all-time highs, near-term performance will hinge on the upcoming result season, with earnings outcomes driving stock and sector-level differentiation. Meanwhile, the IMF team's scheduled visit later in the month may add volatility as investors weigh policy signals and macroeconomic developments.

**Recommended stocks: MEBL, UBL, EFERT, PPL, PSO, OGDC, FCCL, MLCF, FFL.**

		(USD' mn) (Jan-26)										
		Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross
LIPI Portfolio	Banks / DFI	-4.77	-12.26	-14.37	12.13	-37.17	-2.69	-8.29	1.62	-4.51	-112.18	-182.49
	Broker Proprietary Trading	-0.01	-3.06	-6.02	1.29	1.70	1.54	1.42	-1.67	-0.35	0.43	-4.74
	Companies	4.07	5.42	3.22	9.62	9.73	6.70	8.30	5.31	0.61	-9.01	43.96
	Individuals	11.23	13.34	-1.03	-0.89	1.29	-3.54	9.83	-4.73	0.61	-1.96	24.14
	Insurance Companies	3.21	-6.40	2.37	0.24	-4.28	-2.48	-5.36	-0.13	-0.91	-6.30	-20.05
	Mutual Funds	-8.43	21.35	15.07	0.29	27.05	1.19	-3.27	4.76	4.54	133.17	195.72
	NBFC	0.03	-0.02	0.03	-0.00	-0.05	-0.01	-0.00	-0.01	-0.01	0.14	0.10
	Other Organization	0.70	9.32	2.82	0.86	-3.20	-1.54	-0.73	0.46	0.11	0.79	9.59
	<b>LIPI Total</b>	<b>6.02</b>	<b>27.68</b>	<b>2.08</b>	<b>23.55</b>	<b>-4.94</b>	<b>-0.83</b>	<b>1.89</b>	<b>5.61</b>	<b>0.09</b>	<b>5.09</b>	<b>66.23</b>

		Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross
FIPI Portfolio	Foreign Corporates	-0.30	-0.60	-0.04	0.00	0.00	0.00	-0.08	0.01	0.00	-1.42	-2.42
	Foreign Individual	-1.07	-1.77	3.90	0.46	4.99	1.21	-1.49	-1.85	-0.09	-0.03	4.25
	Overseas Pakistani	-4.65	-25.31	-5.93	-24.01	-0.05	-0.39	-0.32	-3.77	0.00	-3.86	-68.28
	<b>Total</b>	<b>-6.02</b>	<b>-27.68</b>	<b>-2.08</b>	<b>-23.55</b>	<b>4.94</b>	<b>0.83</b>	<b>0.76</b>	<b>-5.61</b>	<b>-0.09</b>	<b>-5.31</b>	<b>-66.46</b>

Source: NCCPL

# COMMODITIES OVERVIEW

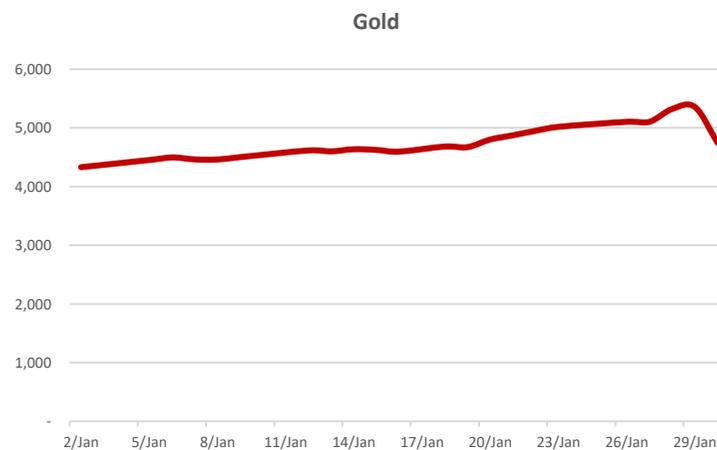
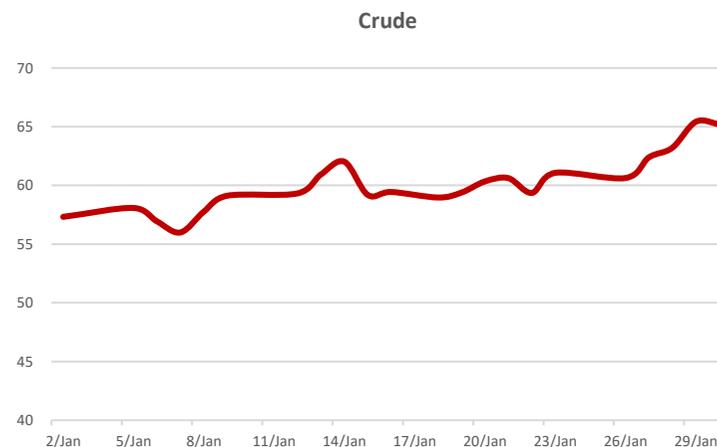
## Crude Oil

Crude oil rebounded sharply in the January month, with futures surging from around \$57.30 to a high near \$66.50 before settling at a strong monthly close of roughly \$65.50. The rally reflected a shift in market sentiment as expectations of tighter supply began to outweigh earlier oversupply fears. Improved demand signals, supported by firmer U.S. fuel consumption, steady refinery runs, and cautious optimism around global economic growth, helped underpin prices. On the supply side, OPEC+ maintained a disciplined stance, reinforcing confidence that producers were willing to defend price stability, while inventory builds showed signs of slowing. Geopolitical risks and positioning by traders further amplified the upside momentum. By month-end, crude's strong close highlighted a market regaining bullish traction, with prices increasingly sensitive to any signs of demand resilience or supply disruptions.

Looking ahead, crude oil is likely to trade in a tight \$56–\$66 range, with investors watching February's key U.S. crude oil inventory releases on Feb 4, 11, 18, and 25, which may determine whether prices break the range or stay locked in sideways movement.

## Gold

Gold carried its momentum into the January month with heightened volatility, as futures surged from around 4,350 to a peak near 5,626 before aggressive profit-taking trimmed gains toward the close. The initial rally was fueled by sustained expectations of imminent U.S. rate cuts, further declines in real yields, and continued softness in the U.S. dollar, all of which reinforced gold's role as a preferred macro hedge. Safe-haven demand also remained firm amid ongoing geopolitical and economic uncertainties, while central bank buying continued to provide a strong underlying bid. However, as prices pushed to fresh highs, aggressive profit-taking emerged, particularly from short-term traders and funds locking in substantial gains after the sharp run-up. This selling pressure pulled gold back from its peak, resulting in a monthly close near 4,744. Despite the late-month retracement, gold's ability to hold well above its opening levels signaled underlying strength, with the broader trend still supported by accommodative policy expectations and resilient long-term demand. Looking ahead, gold futures are expected to extend their daily bullish momentum, with prices likely to trade in range of \$4,341-\$5412 by the end of February. Key economic-calendar events, including U.S. Non-Farm Payrolls, Initial Jobless Claims, CPI and PPI inflation prints, will be crucial in shaping market sentiment.



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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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