

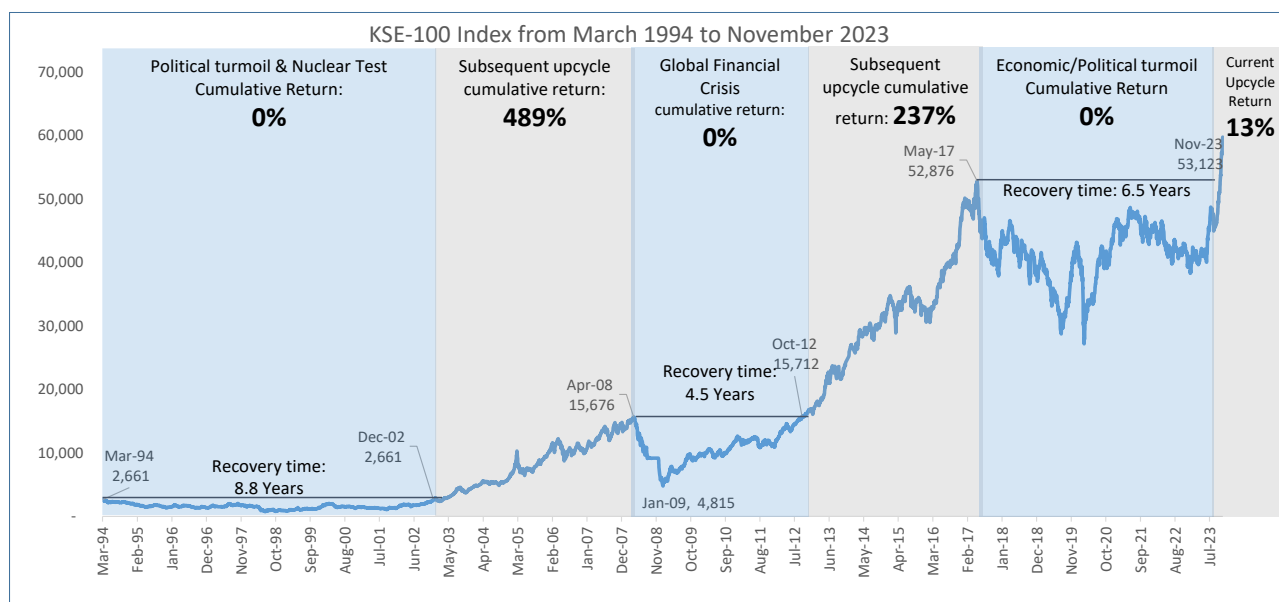
# 60,000 Breached! Valuations still compelling

November 28, 2023

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The KSE-100 Index has breached 60,000 points barrier today. While a correction post this dream run will only be normal, we believe that the market still has room to grow in medium to long term.

The recent IMF program has improved economic conditions, resulting in significant dollar inflows. Anticipated interest rate cuts (6%-7%) in CY24 are expected to drive liquidity towards the stock market. Despite a 20% growth in corporate profits in FY23, stock market capitalization remains less than one-third of the May 2017 peak in dollar terms, indicating room for expansion. Foreign investors are re-entering the market, and positive flows are observed. Corporate buybacks, along with increased participation from pension funds and life insurance companies, are contributing to investor confidence. For medium to long-term investors, we recommend considering NBP Stock Funds, known for their long-term stock market outperformance.



**Box:** PSX has seen three bear market cycles. The stock market returns post the first two bear markets were 489% and 237%. Post the recovery from the recent bear market, the returns till yesterday are only 13%!