

## MORNING GLANCE

| ASIA          | Value     | Pts    | Chg. (%) |
|---------------|-----------|--------|----------|
| KSE 100       | 43,518.84 | 328.03 | 0.75% ▼  |
| NIFTY 50      | 17,516.85 | 47.10  | 0.27% ▲  |
| DSE 30        | 2,632.19  | 11.14  | 0.42% ▲  |
| SHANGHAI      | 3,660.40  | 12.64  | 0.34% ▼  |
| Hang Seng     | 24,179.00 | 75.86  | 0.31% ▼  |
| BIST 100      | 2,031.44  | 26.90  | 1.34% ▲  |
| MOEX          | 3,813.29  | 39.68  | 1.05% ▲  |
| CSE All-Share | 11,178.43 | 157.36 | 1.43% ▲  |
| Nikkei 225    | 28,569.00 | 156.47 | 0.54% ▼  |
| KLCI          | 1,502.55  | 0.76   | 0.05% ▲  |

Source: Investing.com

| EUROPE   | Value     | Value | Pts     |
|----------|-----------|-------|---------|
| FTSE 100 | 7,321.26  | 15.79 | 0.22% ▼ |
| DAX 30   | 15,639.26 | 47.83 | 0.30% ▼ |
| CAC 40   | 7,008.23  | 6.34  | 0.09% ▼ |
| FTSE MIB | 26,817.38 | 65.45 | 0.24% ▲ |
| SMI 20   | 12,607.63 | 10.20 | 0.08% ▲ |

Source: Investing.com

| USA             | Value     | Value  | Pts     |
|-----------------|-----------|--------|---------|
| DOW JONES       | 35,754.69 | 0.06   | -       |
| S&P 500         | 4,667.45  | 33.76  | 0.72% ▼ |
| NASDAQ 100      | 16,149.57 | 244.76 | 1.49% ▼ |
| US Dollar Index | 96.18     | 0.09   | 0.09% ▼ |

Source: Investing.com

| GULF              | Value     | Value | Pts     |
|-------------------|-----------|-------|---------|
| ADX General       | 8,953.96  | -     | -       |
| Tadawul All-Share | 10,938.88 | 52.92 | 0.48% ▼ |
| QE General        | 11,619.41 | 9.28  | 0.08% ▲ |
| Premier Market    | 7,634.11  | -     | -       |

Source: Investing.com

| Commodity          | Value    | Value | Chg.    |
|--------------------|----------|-------|---------|
| Gold (t oz.)       | 1,778.95 | 2.25  | 0.13% ▲ |
| Silver (t oz.)     | 21.98    | 0.03  | 0.14% ▼ |
| Oil-WTI (bbl.)     | 70.88    | 0.06  | 0.08% ▼ |
| Oil-Brent (bbl.)   | 74.37    | 0.38  | 0.51% ▲ |
| Steel Scrap (tons) | 466.00   | 4     | 0.85% ▼ |
| Cotton (lb.)       | 106.65   | 0.07  | 0.07% ▼ |

Source: Investing.com

| Currency | Value  | Value | Chg.    |
|----------|--------|-------|---------|
| USD/PKR  | 178.00 | 0.85  | 0.48% ▲ |
| EURO/PKR | 201.63 | 1.73  | 0.87% ▲ |
| GBP/PKR  | 235.00 | 0.34  | 0.14% ▲ |
| JPY/PKR  | 1.57   | 0.01  | 0.64% ▲ |
| CNY/PKR  | 28.06  | -     | -       |
| AED/PKR  | 48.42  | 0.23  | 0.48% ▲ |
| SAR/PKR  | 47.41  | 0.22  | 0.47% ▲ |
| CAD/PKR  | 140.42 | 0.38  | 0.27% ▲ |
| AUD/PKR  | 127.60 | 1.33  | 1.05% ▲ |

Source: Forex.com.pk



### Market Outlook

KSE-100 on Thursday remained under immense selling pressure in majority part of the day and concluded the session deep into the losses. The index made an intra-day high and low at 43,997 (150 points) and 43,273 (-573 points) respectively while closed at 43,518 by losing 328 points. Trading volume has been increased to 93mn shares as compared to 73mn shares on the previous day. Going forward, we expect the market to remain volatile amid uncertainty regarding macroeconomic conditions. The resistance for the index resides at 44,200. Breaking this level could further push the index towards 45,280. However, the support for the index resides at 42,800.

### Key News

#### International

##### Asian stocks fall as traders return to cautious outlook

Asia Pacific stocks fell on Friday morning with dips in Australia, Japan and South Korea, while futures in Hong Kong pointed downwards. The drops come as traders return to a more cautious outlook after a global rally boosted by hopes that the Omicron variant of the coronavirus [see more...](#)

##### Oil's Red-Hot Rally Fizzles With Traders Reassessing Omicron Hit

Oil fell for a second day as a red-hot start to the week fizzled, with the market reassessing the potential demand hit from omicron. Futures in New York dropped toward \$70 a barrel after sliding 2% on Thursday with other financial assets. Oil demand has so far escaped a major hit from the new strain of the virus, although [see more...](#)

#### Politics

##### PML-N condemns 'torture' of party workers at symbolic inauguration of Karachi's Green Line project

PML-N Secretary General Ahsan Iqbal said on Thursday that his party's workers had been "tortured" by security personnel and subjected to "state-sponsored violence" in Karachi's Nazimabad No 7 — where he had arrived to perform a symbolic inauguration. [see more...](#)

## MORNING GLANCE

### Economy

#### SBP forex reserves rise by \$2.65bn - Positive

Foreign exchange reserves held by the State Bank of Pakistan (SBP) jumped by \$2.65 billion during the week ended on December 3, 2021, a press release issued by the central bank showed on Thursday. "During the week ended December 3, 2021, the SBP received a deposit of \$3bn from Saudi Fund for Development. After accounting for external debt and other official payments, SBP reserves increased by \$2.648bn to \$18.58bn," the press release said. [see more...](#)

#### RDA inflows surge \$239m in November to \$2.916bn: SBP - Negative

The Roshan Digital Account's (RDA) inflows stand at \$2.916 billion as of November 2021. In this regard, the State Bank of Pakistan (SBP) on Thursday shared that an inflow to the tune of \$239 million was recorded in November as compared to the inflow of \$266m recorded in October, showing a month-on-month (MoM) decline of over 10.15 per cent. The data shows that out of the overall \$2.916 billion deposited in RDAs, \$1.991bn (68.3 per cent) have been invested in Naya Pakistan Certificates (NPCs), [see more...](#)

#### Furnace oil: refineries make formal request to petroleum division - Neutral

Local refineries reminded the Petroleum Division Thursday that they are supplying over 11 million MT per annum of various petroleum products but due to non-availability of furnace oil, owing to limited storages, the refineries are forced to reduce throughput/close the crude processing, which will affect the availability of all the other petroleum products eventually disturbing the already fragile supply chain. In a letter to the Petroleum Division, the Oil Companies Advisory Council (OCAC) [see more...](#)

#### NEPRA notifies Rs4.75 hike in power tariff - Negative

The National Electric Power Regulatory Authority (NEPRA) has notified a Rs4.75 per unit hike in the power price on account of fuel charges adjustment (FCA) for the month of October. In this regard, NEPRA on Thursday issued a notification informing of the hike for all ex-WAPDA Distribution Companies (XWDISCOs) except K-Electric, adding that the raise will be charged from consumers in the billing month of December. The hike of Rs4.7446 per unit will be applicable to all the consumer categories except life line consumers of all DISCOs. [see more...](#)

#### National grid: Govt to increase KE quota - Neutral

Power Division said Thursday the Federal Government will sign three agreements with Karachi Electric (KE) and increase power quota to 2250 MW from national grid in one-year from existing over 1150 MW. This was stated by senior officials of Power Division at a poorly attended meeting of Senate Standing Committee on Power, headed by Senator Saifullah Abro. Abro showed annoyance at the officials of Power Division for not giving respect to the recommendations and decisions of the Committee. [see more...](#)

#### Guddu power plant damage: Power Div wants 'independent' probe - Neutral

Power Division has sought permission of Cabinet Committee on Energy (CCoE) to constitute an independent inquiry committee to probe reasons for the damage to Guddu 747MW Combined Cycle Power Plant (CCPP) on the directions of Senate Standing Committee on Power. This was disclosed by Additional Secretary-1 (Power Division), Musaddiq Ahmed Khan at a meeting of Senate panel here on Thursday. [see more...](#)

#### Govt to Retain Sales Tax Exemption on Electric Vehicle Imports - Neutral

The government has decided to retain sales tax exemption on electric vehicles and kits imported by local manufacturers of such vehicles under the Tax Laws (Fourth) Amendment Bill, 2021 to be tabled before the National Assembly. Highly-placed officials told ProPakistani that the Tax Laws (Fourth) Amendment Bill, 2021 will withdraw sales tax exemptions of Rs. 350 billion in the coming days. Highly-placed officials told ProPakistani that the Tax Laws (Fourth) Amendment [see more...](#)

#### ECC set to consider policies for auto industry, SMEs - Neutral

The Economic Coordination Committee (ECC) of the Cabinet, which is scheduled to meet on Friday (today) will consider Auto Industry Development and Export Policy (AIDEP) 2021-26 and Small and Medium Enterprises Policy (SMEs) 2021-25, official sources told Business Recorder. The meeting of the ECC was to be held on December 8, 2021, which has been rescheduled for Friday (today) to be presided over by Minister for Economic Affairs, Omar Ayub Khan. Automotive Development Policy (ADP) 2016-21 expired on 30th June 2021. [see more...](#)

#### Fertilizers: Punjab CS orders sale of confiscated stocks at fixed rates - Neutral

LAHORE: Chief Secretary Punjab Kamran Ali Afzal has directed all the deputy commissioners to take action against the hoarders of fertilizers under the Anti-Hoarding Act. He gave this directive while presiding over a meeting to review the prices and availability of fertilizers in the province at the Civil Secretariat. The administrative secretaries of departments of food and agriculture and officers concerned attended the meeting while all the divisional [see more...](#)

#### Profit rates on NSS raise by up to 2.4% - Positive

Following the hike in the policy rate, the government on Thursday, increased profits rates on all national savings schemes by up to 2.4%, which would be effective from December 12, 2021. As per the details, the profit rate on pension and behood accounts has been increased by 1.92% to 12.96%. Similarly, the deposit rate on savings accounts has been raised by 1.75% to 7.25%. The return on regular income certificates has also been increased by 2.04% to 10.8%, while [see more...](#)

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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 |

## 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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| 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.

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