

MORNING GLANCE

| ASIA | Value | Pts | Chg. (%) |
|---------------|-----------|--------|----------|
| KSE 100 | 45,345.65 | 263.35 | 0.58% ▲ |
| NIFTY 50 | 17,812.70 | 66.80 | 0.38% ▲ |
| DSE 30 | 2,603.08 | 27.20 | 1.05% ▲ |
| SHANGHAI | 3,561.23 | 18.31 | 0.51% ▼ |
| Hang Seng | 23,466.00 | 27.38 | 0.12% ▼ |
| BIST 100 | 2,033.32 | 25.78 | 1.28% ▲ |
| MOEX | 3,772.04 | 18.75 | 0.50% ▲ |
| CSE All-Share | 13,280.94 | 111.54 | 0.85% ▲ |
| Nikkei 225 | 28,478.56 | 9.31 | 0.03% ▼ |
| KLCI | 1,541.36 | 1.75 | 0.11% ▼ |

Source: Investing.com

| EUROPE | Value | Value | Pts |
|----------|-----------|--------|---------|
| FTSE 100 | 7,485.28 | 34.91 | 0.47% ▲ |
| DAX 30 | 15,947.74 | 104.29 | 0.65% ▼ |
| CAC 40 | 7,219.48 | 30.18 | 0.42% ▼ |
| FTSE MIB | 27,618.47 | 37.22 | 0.13% ▼ |
| SMI 20 | 12,797.94 | 5.66 | 0.04% ▲ |

Source: Investing.com

| USA | Value | Value | Pts |
|-----------------|-----------|--------|---------|
| DOW JONES | 36,231.66 | 4.81 | 0.01% ▼ |
| S&P 500 | 4,677.02 | 19.03 | 0.41% ▼ |
| NASDAQ 100 | 15,592.19 | 173.17 | 1.10% ▼ |
| US Dollar Index | 95.78 | 0.06 | 0.06% ▲ |

Source: Investing.com

| GULF | Value | Value | Pts |
|-------------------|-----------|--------|---------|
| ADX General | 8,379.48 | 15.35 | 0.18% ▼ |
| Tadawul All-Share | 11,560.47 | 129.96 | 1.14% ▲ |
| QE General | 12,011.40 | 52.27 | 0.44% ▲ |
| Premier Market | 7,760.57 | 56.90 | 0.74% ▲ |

Source: Investing.com

| Commodity | Value | Value | Chg. |
|--------------------|----------|-------|---------|
| Gold (t oz.) | 1,794.80 | 2.6 | 0.14% ▼ |
| Silver (t oz.) | 22.33 | 0.077 | 0.34% ▼ |
| Oil-WTI (bbl.) | 78.69 | 0.21 | 0.27% ▼ |
| Oil-Brent (bbl.) | 81.59 | 0.19 | 0.23% ▼ |
| Steel Scrap (tons) | 467.50 | - | - |
| Cotton (lb.) | 115.22 | 0.50 | 0.44% ▲ |

Source: Investing.com

| Currency | Value | Value | Chg. |
|----------|--------|-------|---------|
| USD/PKR | 176.85 | 0.25 | 0.14% ▼ |
| EURO/PKR | 199.79 | 0.41 | 0.20% ▼ |
| GBP/PKR | 239.44 | 0.09 | 0.04% ▼ |
| JPY/PKR | 1.52 | 0.01 | 0.65% ▼ |
| CNY/PKR | 27.91 | 0.04 | 0.14% ▼ |
| AED/PKR | 48.11 | 0.07 | 0.15% ▼ |
| SAR/PKR | 47.07 | 0.05 | 0.11% ▼ |
| CAD/PKR | 139.05 | 0.73 | 0.53% ▲ |
| AUD/PKR | 126.58 | 0.39 | 0.31% ▼ |

Source: Forex.com.pk



Market Outlook

KSE-100 on Friday remained volatile throughout the day and concluded the session in the green zone amid optimism over mini-budget approval on the 12th of January. The index made an intra-day high and low at 45,364 (282 points) and 44,969 (-113 points) respectively while closed at 45,345 by gaining 263 points. Trading volume has been decreased to 84mn shares as compared to 133mn shares on the previous day. Going forward, we can expect the market to remain volatile as the resumption of IMF program has been delayed till the end of this month. However, index's second resistance is at 46,000 (200 DMA). Breaking this level would further push the index towards 46,350. However, the support of the index resides at 44,974 (50 DMA).

Key News

International

Asia shares subdued before U.S. inflation test

Asian share markets were muted on Monday as investors count down to another U.S. inflation reading that could well set the seal on an early rate hike from the Federal Reserve, lifting bond yields and punishing tech stocks. The explosion in coronavirus cases globally also threatens to crimp consumer spending and growth just as the Fed is considering turning off the liquidity spigots, tough timing for markets addicted [see more...](#)

Oil drops for 2nd session on concerns over rising COVID-19

Oil lost more ground on Monday as rapidly climbing cases of the Omicron COVID-19 variant hit economic activity, although losses were curbed by supply disruptions in Kazakhstan and Libya. Brent crude slid 38 cents, or 0.46%, to \$81.37 a barrel, while U.S. West Texas Intermediate (WTI) crude was [see more...](#)

Politics

Opposition seeks judicial probe into govt 'failure'

Holding the Pakistan Tehreek-i-Insaf's (PTI) government responsible for the deaths of tourists in Murree, the opposition on Saturday accused Prime Minister Imran Khan and his aides of victim blaming and demanded a judicial inquiry into the incident. Among those demanding a judicial probe was one of the main allies of the government both in [see more...](#)

MORNING GLANCE

Economy

IMF accepts request to postpone review of loan plan - Neutral

The International Monetary Fund (IMF) has accepted Pakistan's request to postpone the review of its \$6 billion loan programme scheduled for Jan 12, sources told Dawn on Saturday. The review is now expected to take place either on Jan 28 or 31, they said. The government on Jan 4 laid the controversial Finance (Supplementary) Bill 2021, [see more...](#)

Foreign inflows surge in stock market - Positive

A foreign company has begun investing the planned \$120 million into its local subsidiary by acquiring its shares from the Pakistan Stock Exchange (PSX), helping the bourse to attract notable foreign investment in the first week of 2022. [see more...](#)

SSGC reports 40 mmcf drop in gas supply - Negative

The Sui Southern Gas Company (SSGC) has reported a further drop of 40 million cubic feet per day (mmcf) of gas in its system from two production fields, widening the gap between the demand and supply of the fuel in the current winter season to over 300mmcf on Saturday. [see more...](#)

Hub Power Thar Based Coal Power Plant Achieves Back Energization – Positive

Thar Energy Limited successfully achieves Back Energization of its 330 MW plant at Thar. "As we enter in to the last mile works on the 330 MW lignite power plant, "Back Energization" was one of the fundamental milestones to ensure on time achievement of commercial operations." Says Hub Power Chairman Habibullah Khan [see more...](#)

NPL receives first installment of PKR 5,701 million - Positive

As per the PSX notice, Nishat Power Limited (NPL) has received PKR 5,701 million from the power purchaser in the form of one-third each: cash, Government Ijara Sukuk, and Pakistan Investment Bonds – as first installment out of the two tranches agreed under the Circular Debt resolution plan. [see more...](#)

New terms with IPPs to help govt save Rs120 billion every year - Positive

On payment of the first tranche of outstanding undisputed payables to IPPs in line with the revised contracts, revised terms have become effective, which will result in saving of at least Rs120 billion a year. These major revised terms include rupee based return instead of USD based maximum 17pc per annum in PKR fixed at Rs. 148 USD without any future USD linkage, [see more...](#)

'New' Honda City Beats Civic to Post Highest-Ever Sales in December - Positive

Honda Atlas Cars Limited (HACL) recorded its highest sales of the Honda City in December 2021, having sold 3,102 units as per a recent update from Hanif Memon of Automark Magazine. The sales of the 6th generation Honda City are impressive as it is a new car in the Pakistani market. [see more...](#)

Power Cement To Get 7MW Electricity on 40 Percent Lower Rates Without Capex: PSX - Positive

In order to curtail the impact of swelling electricity expense, which is a material component of cement manufacturing cost, the Power Cement decided to explore environment friendly renewable energy solutions without incurring any [see more...](#)

No stress on prices of urea - Positive

Federal Minister for Industries and Production Khushro Bakhtyar Friday said the government had provided Rs 400 billion subsidy for the development of agriculture sector and ensured uninterrupted gas supply to the fertilizer ind [see more...](#)

Govt announces to increase urea production - Positive

Federal Minister for Industries and Production Makhdoom Khushro Bakhtyar has ruled out the urea shortage in the country. The government would enhance the daily urea production to 440,000 bags from existing 350,000 bags from Monday, said Federal Minister for Industries and Production at a press conference along with Federal Minister for Energy Hammad Azhar and owners of fertilizer industries. [see more...](#)

Private sector borrowing sees fivefold rise in 1HFY22 - Positive

The private sector's credit off-take witnessed a record increase of over five times in the first half of the current fiscal year compared to the same period of the last year, suggesting the country may achieve the 5 per cent GDP growth target on the back of higher economic activities. [see more...](#)

Gas suspension: Pakistan loses textile exports worth \$250m - Negative

Pakistan has lost textile exports of \$250 million in December, 2021 in the wake of gas supply closure to the sector in Punjab for 15 days. According to the working done by the All Pakistan Textile Mills Association (APTMA), the Punjab textile sector has sustained losses of \$250 million in exports because of suspension of gas supply in December 2021. [see more...](#)

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DEFINITION OF TERMS

| | | | | | |
|-------------|---------------------------|-------------|-------------------------|-------------|-------------------------|
| TP | Target Price | DDM | Dividend Discount Model | FCF | Free Cash Flows |
| FCFE | Free Cash Flows to Equity | FCFF | Free Cash Flows to Firm | DCF | Discounted Cash Flows |
| PE | Price to Earnings Ratio | PB | Price to Book Ratio | BVPS | Book Value Per Share |
| EPS | Earnings Per Share | DPS | Dividend Per Share | ROE | Return of Equity |
| ROA | Return on Assets | SOTP | Sum of the Parts | JPB | Justified Price to Book |

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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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