

## MORNING GLANCE

### ASIA

	Value	Pts	Chg. (%)
KSE 100	45,887.63	541.98	1.20% ▲
NIFTY 50	18,003.30	190.60	1.07% ▲
DSE 30	2,606.54	27.42	1.06% ▲
SHANGHAI	3,589.63	3.88	0.11% ▼
Hang Seng	23,701.87	44.67	0.19% ▼
BIST 100	2,045.16	11.84	0.58% ▲
MOEX	3,738.68	33.36	0.88% ▼
CSE All-Share	13,117.07	163.87	1.23% ▼
Nikkei 225	28,216.50	262.06	0.92% ▼
KLCI	1,549.47	0.7	0.05% ▼

Source: Investing.com

### EUROPE

	Value	Value	Pts
FTSE 100	7,445.25	40.03	0.53% ▼
DAX 30	15,768.27	179.47	1.13% ▼
CAC 40	7,115.77	103.71	1.44% ▼
FTSE MIB	27,353.71	264.76	0.96% ▼
SMI 20	12,597.35	200.59	1.57% ▼

Source: Investing.com

### USA

	Value	Value	Pts
DOW JONES	36,068.87	162.79	0.45% ▼
S&P 500	4,670.29	6.74	0.14% ▼
NASDAQ 100	15,614.43	22.24	0.14% ▲
US Dollar Index	95.86	0.13	0.14% ▼

Source: Investing.com

### GULF

	Value	Value	Pts
ADX General	8,379.48	15.35	0.18% ▼
Tadawul All-Share	11,664.83	104.36	0.90% ▲
QE General	12,056.38	44.98	0.37% ▲
Premier Market	7,760.57	-	-

Source: Investing.com

### Commodity

	Value	Value	Chg.
Gold (t oz.)	1,805.45	6.65	0.37% ▲
Silver (t oz.)	22.58	0.12	0.52% ▲
Oil-WTI (bbl.)	78.69	0.46	0.59% ▲
Oil-Brent (bbl.)	81.26	0.24	0.30% ▲
Steel Scrap (tons)	467.50	-	-
Cotton (lb.)	115.40	0.07	0.06% ▲

Source: Investing.com

### Currency

	Value	Value	Chg.
USD/PKR	177.00	0.15	0.08% ▲
EURO/PKR	200.51	0.72	0.36% ▲
GBP/PKR	240.28	0.84	0.35% ▲
JPY/PKR	1.53	0.01	0.66% ▲
CNY/PKR	27.95	0.04	0.14% ▲
AED/PKR	48.15	0.04	0.08% ▲
SAR/PKR	47.11	0.04	0.08% ▲
CAD/PKR	139.84	0.79	0.57% ▲
AUD/PKR	126.69	0.11	0.09% ▲

Source: Forex.com.pk

### KSE 100



### Market Outlook

KSE-100 on Monday showed an upward momentum throughout the day and concluded the session high in the green zone amid optimism over mini-budget approval. The index made an intra-day high and low at 45,967 (621 points) and 45,206 (-139 points) respectively while closed at 45,887 by gaining 542 points. Trading volume has been increased to 127mn shares as compared to 84mn shares on the previous day. Going forward, we expect the market to continue its positive momentum. However, the strong resistance of 200 DMA resides at 46,000. Breaking this level would further push the index towards 46,500. Moreover, the support of the index resides at 44,952 (50 DMA).

### Key News

#### International

##### Asian Stocks Down as "Painful Re-pricing" Continues

Asia Pacific stocks were down on Tuesday morning, even as Australia released better-than-expected retail sales data. Japan's Nikkei 225 slid 1.28% by 9:02 PM ET (2:02 AM GMT), re-opening after a holiday. South Korea's KOSPI was down 0.44%. In Australia, the ASX 200 fell 0.85%, with retail sales growing 7.3% month-on-month in November. The trade balance was AUD9.423 billion. Hong Kong's Hang Seng [see more...](#)

##### Oil resumes climb on renewed risk appetite, tight OPEC supply

Oil prices rose on Tuesday after two days of losses, with some risk appetite returning as the market awaited clues from the U.S. Federal Reserve chairman on potential rate rises and as some oil producers continued to struggle to beef up output. [see more...](#)

#### Politics

##### Opposition in NA rejects Punjab govt body probing Murree tragedy

Holding the federal and Punjab governments directly responsible for the Murree tragedy, the opposition parties in the National Assembly on Monday rejected the inquiry committee formed by Chief Minister Usman Buzdar and called for constituting a judicial commission to fix responsibility, [see more...](#)

## MORNING GLANCE

### Economy

#### **SBP bill: Tarin, Baqir successfully persuade NA panel - Neutral**

The National Assembly Standing Committee on Finance on Monday approved the proposed State Bank of Pakistan (SBP) Amendment Bill, 2021, with some amendments. Through one of these amendments the SBP governor will be required to ensure that he/she would not be serving any international financial institution for a period of two years. [see more...](#)

#### **Senate body rejects key proposals of Finance Bill - Neutral**

The Senate Standing Committee on Finance has rejected some key provisions of the Finance Supplementary Bill, 2021 including provision of digital payment, disclosure of information of public office holders, increase withholding tax from 10 to 15 percent of cellular services, 17 percent sales tax on seeds, [see more...](#)

#### **There will be 'some' inflation: Tarin - Negative**

Finance Minister Shaukat Tarin did not rule out inflationary impact of the measures being taken under the proposed Finance Supplementary Bill, 2021, and stated that "we are doing this because the International Monetary Fund (IMF) requirement for sixth review was to remove distortion in the tax system." [see more...](#)

#### **Urea: a preventable crisis that is worsening – Negative**

As warned by all stakeholders, urea supply and prices seem to have spun out of everyone's control — impacting the Rabi crop cycle and threatening the coming Kharif. As per market watchers, a number of factors — additional demand, less production, five times higher world prices leading to smuggling, [see more...](#)

#### **Lucky Motor Corp to launch Peugeot 2008 this month - Positive**

Lucky Motor Corporation (LMC) is likely to introduce Peugeot 2008 later this month, officials familiar with the matter told Business Recorder on Monday. The development would make Lucky Motor the only company in Pakistan at the moment to have different brands associated with its name. [see more...](#)

#### **Import of vehicles, other items; Cabinet to approve duties' rationalization - Positive**

The Federal Cabinet which is scheduled to meet on Tuesday (today) with Prime Minister Imran Khan in the chair will approve rationalization of duties on import of vehicles and other items, recommended by the Economic Coordination Committee (ECC). [see more...](#)

#### **Rs100bn payment to IPPs okayed by ECC – Positive**

The Economic Coordination Committee (ECC) of the Cabinet has approved Rs 100 billion for payment to IPPs, especially CPEC projects, of which Rs 50 billion will be released against pending subsidy claims of previous fiscal years, and an equal [see more...](#)

#### **Govt's abrupt decision to set up new LNG terminal is an admission of glaring failure - Neutral**

THE ministry of energy's abrupt decision to set up before next winter a new LNG terminal — the third in the country — in the public sector is an admission of glaring failure by the PTI government to sway the two private investors to move forward with their terminal projects.

# DISCLAIMER

This report has been prepared by Abbasi & Company (Private) Limited and is provided for information purposes only. Under no circumstances, this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Abbasi & Company (Private) Limited and or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Abbasi & Company (Private) Limited accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. In particular, the report takes no account of the investment objectives, financial situation and needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Abbasi & Company (Private) Limited Research Department and do not necessarily reflect those of the company or its directors. Abbasi & Company (Private) Limited as a firm may have business relationships, including investment-banking relationships, with the companies referred to in this report. Abbasi & Company (Private) Limited does not act as a market maker in the securities of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives do not have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company at the time of issuance of this report. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives are not currently serving or have served in the past three years as a director or officer of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives have not received compensation from the subject company in the previous 12 months. The subject company currently is not, or during the 12-month period preceding the date of publication or distribution of this report, was not, a client of Abbasi & Company (Private) Limited. We have not managed or co-managed a public offering or any take-over, buyback or delisting offer of securities for the subject company in the past 12 months and/or received compensation for corporate advisory services, brokerage services or underwriting services from the subject company in the past 12 months. Abbasi & Company (Private) Limited does not expect to receive or intend to seek compensation for corporate advisory services or underwriting services from the subject company in the next 3 months

All rights reserved by Abbasi & Company (Private) Limited. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Abbasi & Company (Private) Limited. Action could be taken for unauthorized reproduction, distribution or publication

## VALIDITY OF THE PUBLICATION OR REPORT

The information in this publication or report is, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report. The information may be subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the company, jurisdiction or financial instruments referred to in this report. The valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report and were based upon several estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein is not to be relied upon as a representation and/or warranty by Abbasi & Company (Private) Limited and/or its other associated and affiliated companies, that:

- I. Such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- 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>CFE</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

## RATINGS CRITERIA

Abbasi & Company (Private) Limited employs a three-tier ratings system to rate a stock and sector, as mentioned below, which is based upon the level of expected return for a specific stock and outlook of sector. The rating is based on the following with stated time horizon

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.

## RESEARCH DISSEMINATION POLICY

Abbasi & Company (Private) Limited endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as email, fax mail etc. Nevertheless, all clients may not receive the material at the same time

## OTHER DISCLOSURES

The research analyst is primarily involved in the preparation of this report, certifies that:

- I. The views expressed in this report accurately reflect his/her personal views about the subject company/stock /sector and economy
- II. No part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report

The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

### PREPARED BY

Muhammad Ahmed

Phone: (+92) 42 38302028

Ext: 118

Email: mahmed@abbasiandcompany.com

### RESEARCH DEPARTMENT

6 - Shadman, Lahore

Phone: (+92) 42 38302028; Ext: 116, 117

Email: research@abbasiandcompany.com

web: www.abbasiandcompany.com

### HEAD OFFICE

6 - Shadman, Lahore

Phone: (+92) 42 38302028

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com

### BRANCH OFFICE

42 - Mail Road, Lahore

Phone: (+92) 42 38302028-37320707

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com