

MORNING GLANCE



45,881	▼ -7	▼ -0.01%
102 mn	YTD 2.88%	1 Year 0.6%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,055.75	52.45	0.29% ▲
DSE 30	2,626.66	20.11	0.77% ▲
SHANGHAI	3,582.19	14.75	0.41% ▲
Hang Seng	24,142.12	403.06	1.70% ▲
Nikkei 225	28,651.00	428.52	1.52% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,491.37	46.12	0.62% ▲
DAX 30	15,941.81	173.54	1.10% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	36,252.02	183.15	0.51% ▲
S&P 500	4,713.07	42.78	0.92% ▲
NASDAQ	15,844.12	229.70	1.47% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,819.80	1.30	0.07% ▲
Oil-WTI (bbl)	81.49	0.27	0.33% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	177.00	0.15	0.08% ▲
EURO/PKR	200.60	0.81	0.41% ▲
GBP/PKR	240.42	0.98	0.41% ▲
AED/PKR	48.15	0.04	0.08% ▲

Source: dps.psx.com.pk, investing.com, forex.com

Market Outlook

KSE-100 on Tuesday showed a volatile trend throughout the day and concluded the session almost at its previous close amid profit-taking by the investors. The index made an intra-day high and low at 46,057 (169 points) and 45,524 (-363 points) respectively while closed at 45,881 by losing 6 points. Trading volume has been decreased to 102mn shares as compared to 127mn shares on the previous day. Going forward, we expect the market to break its resistance of 46,007 (200 MDA) as the index had shown a good recovery yesterday. Breaking this level will push the index towards 46,500. However, the support of the index resides at 44,928 (50 DMA).

Key News

International

Asia Stocks Rise After Powell Inflation Comments: Markets Wrap

Asian stocks followed a rebound in the U.S. after Federal Reserve Chair Jerome Powell reassured investors the central bank will tackle inflation to extend the economic expansion. Shares in Japan, Australia and South Korea advanced. U.S. futures fluctuated after the S&P 500 halted a five-day slide and the Nasdaq 100 outperformed. [see more...](#)

Oil jumps nearly 4% as Omicron impact seen as short-lived

Oil soared nearly 4% on Tuesday, supported by tight supply and expectations that rising coronavirus cases and the spread of the Omicron variant will not derail a global demand recovery. Brent crude gained \$2.85, or 3.5%, to \$83.72 a barrel, its highest settlement since early November. The global benchmark dropped 1% on Monday. [see more...](#)

Politics

Shehbaz assails govt's economic performance in NA, says country being pawned away for mere \$1bn

Leader of the Opposition in the National Assembly (NA) Shehbaz Sharif and Planning and Development Minister Asad Umar traded barbs on Tuesday, with the former claiming that the country's economy was being pawned away for \$1 billion and the latter slamming the PML-N for leaving the economy in dire straits. [see more...](#)

Economy

WB projects 4pc GDP growth rate - Neutral

The World Bank has projected Pakistan's GDP growth rate at 4 percent for 2022-23, benefiting from structural reforms enhancing export competitiveness and improving the financial viability of the power sector. The World Bank in its latest report "Global Economic Prospects report," stated that high inflation in Pakistan led to the removal of monetary accommodation. Monetary policy is expected to tighten but continue to be moderately accommodative in 2022 (except Pakistan), to support [see more...](#)

MORNING GLANCE

Govt will urge IMF to be flexible: Tarin - Neutral

Finance Minister Shaukat Tarin said Tuesday that the government would try to exclude infant milk and bread sold in bakeries from the purview of the 17 percent sales tax under the Finance Supplementary Bill, 2021; and 100 percent subsidy would be given on solar panels and laptops. [see more...](#)

Sale of Liquefied Natural Gas; Bill on weighted average cost on the cards - Neutral

Energy Minister Hammad Azhar said the government would introduce a bill in the parliament within 8-10 days for weighted average cost of gas (WACOG) for the sale of local and imported liquefied natural gas. He was responding to questions during the background briefing on the finance supplementary bill, economic indicators and the State Bank's initiatives, [see more...](#)

Power base tariff; Power Div proposes further hike – Negative

The Power Division is said to have proposed further increase in electricity base tariff by over Rs 2 per unit to raise it to Rs 18.37 per unit by 2023 from existing base rate of Rs 16.44 per unit in accordance with understanding with the IMF, well informed sources told Business Recorder. [see more...](#)

Circular debt touches Rs2.41trn mark - Negative

The country's circular debt has reached Rs 2.410 trillion mark during the first five months (July-November) of 2021-22 as compared to Rs 2.306 trillion in the same period 2020-21, with average growth of Rs 26 billion per month, totalling to Rs 130 billion, official sources told Business Recorder. [see more...](#)

Car sales jump by 59% MoM in December - Positive

The sale of passenger cars witnessed an upsurge of 59.4% MoM during the month of December 2021, clocking in at 24,462 units as opposed to 15,351 units sold in November 2021 on the back of improvement in the supply chain, data from Pakistan Automotive Manufacturers Association (PAMA) showed Tuesday. Meanwhile, on yearly basis, car sales saw a more than two-fold increase when compared to 11,247 [see more...](#)

Govt to Launch a \$2 Billion Housing Project for Overseas Pakistanis in Islamabad - Positive

The federal cabinet has approved a residential project worth \$2 billion for the overseas Pakistanis to invest in real estate by making remittances through their Roshan Digital Accounts. The project will be executed at Park Road, Zone-4 of the federal capital, and will cover 6,000 housing units. [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

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

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