

MORNING GLANCE



45,916	▲ 35	▲ 0.08%
125 mn	YTD 2.96%	1 Year 0.68%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,212.35	156.60	0.87% ▲
DSE 30	2,606.78	19.87	0.75% ▼
SHANGHAI	3,586.29	11.15	0.31% ▼
Hang Seng	24,402.37	0.20	-
Nikkei 225	28,498.50	267.16	0.93% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,551.72	60.35	0.81% ▲
DAX 30	16,010.32	68.51	0.43% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	36,290.32	38.30	0.11% ▲
S&P 500	4,726.35	13.28	0.28% ▲
NASDAQ	15,905.10	60.97	0.38% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,824.65	2.65	0.15% ▼
Oil-WTI (bbl)	82.52	0.12	0.15% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	176.50	0.5	0.28% ▼
EURO/PKR	200.67	0.07	0.03% ▲
GBP/PKR	240.62	0.20	0.08% ▲
AED/PKR	48.01	0.14	0.29% ▼

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

Market Outlook

KSE-100 on Wednesday opened on a bullish note. However, later on, it lost the impetus and reversed almost all of its intra-day gains while concluded the session in the green zone amid uncertainty regarding the approval of mini-budget. The index made an intra-day high and low at 46,220 (339 points) and 45,872 (-8 points) respectively while closed at 45,916 by gaining 35 points. Trading volume has been increased to 125mn shares as compared to 102mn shares on the previous day. Going forward, we expect the market to keep struggling with the 200 DMA resistance of 46,000. Closing above this level would further push the index towards 46,500. However, the support of the index resides at 44,928 (50 DMA).

Key News

International

Asian shares mixed as investors digest U.S. inflation surge

Asian shares were mixed on Thursday, while the dollar slipped as global investors assessed that strong U.S. inflation data was not worrying enough to change the Federal Reserve's already hawkish rates outlook. While the U.S. consumer price index rose 7% in the 12 months through December, the biggest annual increase in nearly 40 years, investors were reassured by the fact that the jump was not a surprise, [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

Oil struggles to hold gains amid mixed demand view

Oil prices slipped on Thursday, trimming big gains from the previous two sessions, amid uncertainty over near-term demand as cases of the highly contagious Omicron variant of the coronavirus surge around the globe. U.S. West Texas Intermediate (WTI) crude futures slipped 7 cents, or 0.1%, to \$82.57 a barrel at 0221 GMT, after climbing 1.7% in the previous session. [see more...](#)

Economy

Mini-budget, SBP bill; MNAs expected to cast their vote today - Neutral

National Assembly is expected to vote on the controversial State Bank of Pakistan (Amendment) Bill 2021 today (Thursday) while the government is likely to face stiff opposition in the Senate, where this bill is expected to be moved in the ongoing session, if passed by the NA. An official of Finance Ministry said that voting on both the proposed SBP (Amendment Bill) 2021 and Finance Supplementary Bill 2021 is likely on Thursday and then the SBP [see more...](#)

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Auction for T-bills; Rs662bn bids accepted against Rs650bn target - Neutral

The government has accepted bids of Rs 662 billion against the target of Rs 650 billion and maturity of Rs 682 billion in the T-bills auction on Wednesday. In the T-bills auction, the cut-off yields were down 2-14bps. Majority of bids were received in 3-month tenors with bids received worth Rs 1.1 trillion out of the total Rs 1.9 trillion bids. In the 3-month tenor, total participation stood at Rs 1,167 billion and the government raised Rs 535 billion against the target of Rs 250 billion. The cut-off yields stood at 10.45 percent, down 14bps from 10.59 percent on December 29 [see more...](#)

POL items' supply chain; PSO urges MoF, MoE to arrange Rs50bn before 31st - Neutral

Pakistan State Oil (PSO) has sent an SOS to Ministry of Energy and Ministry of Finance to arrange Rs 50 billion before January 31, 2022 to ensure uninterrupted supply chain of petroleum products. The letter written by Managing Director/ CEO PSO, Syed Muhammad Taha on January 11, 2022, states that the company's total receivables amount to Rs 426.7 billion as on January 10, 2022 which is almost the same level as on December 28, 2021. [see more...](#)

Govt to consider handing hydropower projects over to provinces - Neutral

The government is to consider handing over hydropower projects to respective provinces and fix their tariffs by considering them as IPPs; well-informed sources told Business Recorder. This proposal has been tailored by a technical committee constituted in the backdrop of dispute on Net Hydel Profit (NHP) calculations done by AGN Kazi Committee for calculation of Net Hydel Profit [see more...](#)

Govt plans additional urea supplies for Sindh, southern Punjab - Neutral

The government on Wednesday agreed to increase the quantity of fertilizer supplied in Sindh and southern Punjab regions and also beef up stocks of urea substitute up to 2,600 tons during the current Rabi season. "After extensive deliberations, it was decided to increase urea supplies to South Punjab and Sindh to meet the daily requirements according to agronomic practices," a statement, issued after fertilizer review committee [see more...](#)

Sazgar Engineering sells 579 units of three-wheeler in Dec - Negative

Sazgar Engineering Works Limited (SAZEW) sold 579 units of Auto Rickshaw during the month of December 2021, which was around 33% lower than the sales of 865 units made in the previous month. In an announcement regarding the sales and production data of three-wheelers for the month of Dec'21, the company informed that the production for the month totalled 1,498 units, i.e., almost 7% greater than the units produced during the previous month. In addition, the company sold 10 units of four wheelers-off road [see more...](#)

Toyota, Honda And Suzuki Auto Part Supplier Regal Automobile Industries Limited To List On Exchange For Making Electric Vehicles - Positive

Regal Automobile Industries Limited (the Company or the Issuer) has applied for listing on the Exchange. The Company shall be issuing 25,000,000 Ordinary Shares using the 100% Book Building Method at a Floor Price of PKR 32/- per share. In addition to this Issue of 25,000,000 Ordinary Shares, the Company will issue further 7,150,000 Shares [see more...](#)

Banks disburse Rs38bn loans among 12,000 applicants: NAPHDA - Positive

Commercial and micro finance banks disbursed Rs38 billion loans among 12,000 eligible applicants for construction of houses with mark up as low as two percent. Asim Shaukat Ali, spokesman Naya Pakistan Housing and Development Authority (NAPHDA) revealed this in a media talk held on Wednesday. He said total 70,000 applications came for verification process and eligible candidates were [see more...](#)

Azgard Nine Creditors Agreed At Bid Price PKR 1.4 Billion For Sale Of Its Muzaffargarh Unit As Part of Restructuring - Positive

In compliance of Hon'able Lahore High Court's order dated 31.07.2019 passed in CO No. 133794/2018 sanctioning Creditors' Scheme of Arrangement (Scheme) already submitted with the Pakistan Stock Exchange Limited and the Securities and Exchange Commission of Pakistan, it is required that the properties of the Company, [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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