

MORNING GLANCE

ASIA

	Value	Pts	Chg. (%)
KSE 100	42,876.37	519.41	1.20% ▼
NIFTY 50	17,368.25	143.05	0.82% ▼
DSE 30	2,585.32	18.76	0.72% ▼
SHANGHAI	3,665.04	16.04	0.44% ▼
Hang Seng	23,769.87	184.71	0.77% ▼
BIST 100	2,101.51	66.04	3.24% ▲
MOEX	3,618.31	141.92	3.77% ▼
CSE All-Share	11,662.38	268.90	2.36% ▲
Nikkei 225	28,574.50	65.99	0.23% ▼
KLCI	1,489.66	5.2	0.35% ▼

Source: Investing.com

EUROPE

	Value	Value	Pts
FTSE 100	7,231.44	60.34	0.83% ▼
DAX 30	15,621.72	1.59	0.01% ▼
CAC 40	6,942.91	48.77	0.70% ▼
FTSE MIB	26,551.02	170.96	0.64% ▼
SMI 20	12,551.28	56.45	0.45% ▼

Source: Investing.com

USA

	Value	Value	Pts
DOW JONES	35,650.95	320.04	0.89% ▼
S&P 500	4,669.15	42.87	0.91% ▼
NASDAQ 100	16,082.55	249.43	1.53% ▼
US Dollar Index	96.41	0.09	0.09% ▲

Source: Investing.com

GULF

	Value	Value	Pts
ADX General	8,971.38	-	-
Tadawul All-Share	11,019.86	50.80	0.46% ▲
QE General	11,660.08	36.55	0.31% ▲
Premier Market	7,615.10	-	-

Source: Investing.com

Commodity

	Value	Value	Chg.
Gold (t oz.)	1,788.60	0.30	0.02% ▲
Silver (t oz.)	22.31	0.02	0.09% ▼
Oil-WTI (bbl.)	71.30	0.01	0.01% ▲
Oil-Brent (bbl.)	74.38	0.17	0.23% ▲
Steel Scrap (tons)	470.00	4.50	0.97% ▲
Cotton (lb.)	106.71	0.48	0.45% ▲

Source: Investing.com

Currency

	Value	Value	Chg.
USD/PKR	178.10	-	-
EURO/PKR	201.10	0.07	0.03% ▼
GBP/PKR	235.88	0.49	0.21% ▲
JPY/PKR	1.57	-	-
CNY/PKR	28.17	-	-
AED/PKR	48.45	0.02	0.04% ▼
SAR/PKR	47.44	0.04	0.08% ▼
CAD/PKR	139.94	0.16	0.11% ▼
AUD/PKR	127.62	0.39	0.31% ▲

Source: Forex.com.pk

KSE 100



Market Outlook

KSE-100 on Monday remained under immense selling pressure throughout the day and concluded the session deep into the losses amid uncertainty regarding the upcoming MPC meeting. The index made an intra-day high and low at 43,478 (82 points) and 42,806 (-589 points) respectively while closed at 42,876 by losing 519 points. Trading volume has been decreased to 71mn shares as compared to 82mn shares on the previous day. Going forward, the market is likely to remain volatile ahead of the MPC meeting today in which we expect the SBP to raise the interest rate by 100-125 bps. The support for the index resides at 42,800. Breaking this level could further drag the index towards 42,000. However, the resistance for the index resides at 43,800.

Key News

International

Asian Stocks Dip Amid Fed Policy, Omicron Risks: Markets Wrap

Most Asian stocks slipped Tuesday amid caution over economic risks from the omicron virus strain as well as central bank efforts to rein in elevated inflation. Treasuries and the dollar held gains. MSCI Inc.'s Asia-Pacific share index fell for a third session, with Chinese technology stocks struggling. [see more...](#)

Oil Dips After Swing on U.K. Omicron Death, Saudi Demand Reassurance

Crude prices fell as much as 1% on Monday after swinging on reports of U.K.'s first death from the Omicron variant of Covid and Saudi Energy Minister Abdulaziz bin Salman's bid to instill confidence in demand for oil. British Prime Minister Boris Johnson announced [see more...](#)

Politics

'Pakistan not in position to deprive itself of any forum': Bilawal on skipping US democracy summit

PPP Chairman Bilawal Bhutto-Zardari said on Monday that Pakistan should not have skipped the US-hosted virtual summit on democracy. [see more...](#)

MORNING GLANCE

Economy

Trade deficit — the worst is almost over - **Positive**

There's bad news. The trade deficit has gotten out of hand. But there's good news too. The deficit has peaked and it is expected to shrink in the second half of the fiscal year, between January and June 2022. The Pakistan Bureau of Statistics says imports in July-Nov 2021 surged 69 per cent year-on-year to \$32.934 billion. [see more...](#)

Petrol, diesel output can be raised by 50-60pc, say experts - **Positive**

The domestic production of high-speed diesel (HSD) and petrol could potentially go up by 60 per cent and 48pc, respectively, leading to a significant foreign exchange saving provided the local refineries operated at optimum capacity. The oil import bill, particularly of refined petroleum products, has been the largest chunk of about 83pc increase in imports in the first five [see more...](#)

SOEs: PC sets sell-off target - **Neutral**

The Privatization Commission has set a target to complete the privatisation of one dozen state-owned entities (SOEs) including the Pakistan Steel Mills (PSM) in the next couple of years. The government had projected to generate Rs252 billion from the privatisation proceeds in the current fiscal year. [see more...](#)

Jul-Nov remittances post 10pc growth YoY - **Positive**

Inflows of home remittances posted a 10 percent growth during the first five months of this fiscal year, supported by the government's proactive policy measures. The State Bank of Pakistan (SBP) Monday reported that the workers' remittances continued their strong growth during this fiscal year and rose by some 9.7 percent or \$ 1.14 billion during Jul-Nov [see more...](#)

IT, GST, FED cases: FBR finalising names of third-party auditors for TY19 - **Neutral**

The Federal Board of Revenue (FBR) is in the process of finalising third-party auditors for audit of income tax, sales tax, and federal excise duty cases of companies, Association of Persons (AoPs), and individuals for the Tax Year 2019. [see more...](#)

Against USD: Pakistan's rupee hits new low, nears 178 - **Negative**

Pakistan's rupee weakened further against the US dollar, depreciating 0.10% in the inter-bank market on Monday. As per the State Bank of Pakistan (SBP), the PKR closed at 177.89 against the USD after a day-on-day depreciation of 18 paise or 0.10%. On Friday, PKR closed at the then-record [see more...](#)

ADB approves \$200mn loan for Punjab's irrigation system development - **Positive**

The Asian Development Bank (ADB) approved on Monday a \$200 million loan for the development of an irrigation system in Pakistan's Punjab province. The project loan, which is denominated in Japanese yen, will finance the construction of the second branch or Choubara system of the Greater Thal Canal irrigation scheme, [see more...](#)

PPL to set up lead, zinc processing plant in Balochistan - **Positive**

Pakistan Petroleum Limited (PPL) on Monday announced that the Balochistan government has granted the company a large-scale mining lease for lead and zinc in the Khuzdar district. The Pakistani state-owned petroleum company [see more...](#)

Japan announces \$4.35m grant to support Pakistan's polio programme - **Positive**

The government of Japan on Monday announced a \$4.35 million grant as part of its continued support to Pakistan for its polio eradication efforts. The grant will be utilised for the procurement of 24 million oral doses of vaccines. [see more...](#)

Car sales decline 12% MoM in November - **Negative**

The sale of passenger cars witnessed a 12% MoM decline during the month of November 2021, clocking in at 15,351 units as opposed to 17,413 units sold in October 2021 and 29% YoY higher as compared to November 2020, data from Pakistan Automotive Manufacturers Association (PAMA) showed Monday. [see more...](#)

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

TP	Target Price	DDM	Dividend Discount Model	FCF	Free Cash Flows
CFE	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

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