

MORNING GLANCE



45,763	▼ -153	▼ -0.33%
131 mn	YTD 2.62%	1 Year -0.35%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,257.80	45.45	0.25% ▲
DSE 30	2,616.30	9.51	0.36% ▲
SHANGHAI	3,526.44	28.82	0.81% ▼
Hang Seng	24,228.00	201.77	0.83% ▼
Nikkei 225	27,997.50	491.63	1.73% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,563.85	12.13	0.16% ▲
DAX 30	16,031.59	21.27	0.13% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	36,113.62	176.7	0.49% ▼
S&P 500	4,659.02	67.33	1.42% ▼
NASDAQ	15,495.62	409.48	2.57% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,822.90	1.50	0.08% ▲
Oil-WTI (bbl)	81.72	0.4	0.49% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	176.60	0.10	0.06% ▲
EURO/PKR	202.03	1.36	0.68% ▲
GBP/PKR	242.12	1.50	0.62% ▲
AED/PKR	48.04	0.03	0.06% ▲

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

Market Outlook

KSE-100 on Thursday remained under selling pressure throughout the day and concluded the session in the red zone amid profit-taking by the investors. The index made an intra-day high and low at 46,002 (86 points) and 45,693 (-222 points) respectively while closed at 45,763 by losing 153 points. Trading volume has been increased to 130mn shares as compared to 125mn shares on the previous day. Going forward, we expect the market to show a positive momentum and cross its 200 DMA resistance of 46,000 amid approval of minibudget and SBP Bill. Crossing this level would further push the index towards 46,500. However, the support of the index resides at 44,876 (50 DMA).

Key News

International

Asia Stocks Decline as Fed Hawks Spur Tech Rout

Asian stocks declined Friday after a slew of Federal Reserve officials signaled, they will combat inflation aggressively and the Nasdaq 100 fell to its lowest level since October. Equities tumbled across the region, with indexes in Japan, and Korea down more than 1%. U.S futures were little changed after American stocks tumbled Thursday, led by technology companies, [see more...](#)

\$80 Oil Is Too Enticing For U.S. Drillers To Ignore

Despite multiple signals from the U.S. oil industry that it will continue treating the oil price recovery cautiously, signs are emerging that production growth is accelerating in some key locations, notably the Permian. Reuters reported this week, citing frac spread data from Tudor, Pickering, Holt and Co, that the rate of oil well completions in the Permian had risen by 5 percent in December. Frac spreads, or the pumping of water and chemicals into the wells to release the oil—the actual hydraulic fracturing—are one of the last stages in [see more...](#)

Politics

Maryam calls for 'any possible means' to oust Imran-led govt
Pakistan Muslim League-Nawaz (PML-N) Vice-President Maryam Nawaz has said that the Imran Khan-led government should be sent packing, irrespective of the means to be used for the purpose. She made the remarks during a visit to the PML-N member of Punjab Assembly Bilal Yaseen to inquire after his health, Express News reported. [see more...](#)

Economy

NA passes 'mini-budget', SBP bill amid awful din - Positive

In a bid to achieve Rs6.1 trillion tax target – as per the requirement of the International Monetary Fund (IMF) – the National Assembly, on Thursday, passed the Finance (Supplementary) Bill, 2021 and the State Bank of Pakistan (Amendment) Bill, 2021 amid strong protest by the opposition. The Finance (Supplementary) Bill, 2021 also known as 'mini-budget' was passed by the house with some amendments presented by the finance minister, himself, while all the amendments put forth by the opposition [see more...](#)

MORNING GLANCE

Red chillies, iodised salt, bread, infant milk - Neutral

The Federal Board of Revenue (FBR) has defined “digital means” in the Income Tax Ordinance, 2001 for the corporate sector for switching over to digital mode of payment and abolished 17 percent sales tax on import and supply of red chillies, iodised salt, breads, imported bicycles, and locally-manufactured preparations (milk/cereals) for infant (up to Rs500 per 200 grams). [see more...](#)

14 more bills passed - Neutral

Fourteen more bills were passed by National Assembly Thursday soon after the government had a sigh of relief after it passed the controversial mini-budget and State Bank of Pakistan (SBP) bills. The longest-ever session which started at 4:30pm and ended at 12am midnight amid strong protests and anti-government sloganeering by opposition parties, 14 government-sponsored bills also sailed through the lower house of parliament. [see more...](#)

Forex reserves decrease by \$88m – Negative

The total liquid foreign reserves held by the State Bank of Pakistan (SBP) decreased by \$88 million to \$17.597 billion during the week ended on January 07, 2022. The total liquid foreign reserves held by the country stood at \$23.901 billion on January 07, 2022. Net foreign reserves held by commercial banks stood at \$6.303 billion on the end of this week. [see more...](#)

Cnergyico to buy 57.37pc of Puma Energy Pakistan - Positive

Cnergyico Pk Limited is set to buy controlling stake in Puma Energy Pakistan Private Limited, which will double its retail business and make it the second-largest fuel retailer in the country. “Cnergyico Pk Limited’s board of directors have approved the acquisition of 57.37 percent shares of Puma Energy,” the company said in a statement on Thursday. [see more...](#)

POL products’ prices may soar further - Negative

The prices of petroleum products are likely to reach an all-time high of Rs150 per litre with effect from January 16, oil marketing companies hinted at this possibility on Thursday, amid a hike in the rates of crude oil in the international market. The government is expected to move up the price of petroleum products by Rs6 per litre or 3.4 percent. The rate of petrol is expected to rise by Rs5.25 per litre and high speed diesel (HSD) by Rs5.75 per litre. [see more...](#)

Monthly FCA; Discos’ tariff up Rs4.30 for Nov 2021 - Negative

National Electric Power Regulatory Authority (Nepra) has increased electricity tariff of power Distribution Companies (Discos) by Rs 4.30 per unit for November 2021 under monthly Fuel Component Adjustment (FCA). The increase shall be applicable to all the consumer categories except lifeline consumers. The consumers of KE will have to face the [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:

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- 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

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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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