

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...](#)

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
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

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 - Mall Road, Lahore

Phone: (+92) 42 38302028-37320707

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com