

## MORNING GLANCE

ASIA	Value	Pts	Chg. (%)
KSE 100	43,731.20	635.66	1.43% ▼
NIFTY 50	17,248.40	27.00	0.16% ▲
DSE 30	2,586.46	18.04	0.70% ▲
SHANGHAI	3,675.02	-	-
Hang Seng	23,475.50	54.74	0.23% ▲
BIST 100	2,278.55	116.29	5.38% ▲
MOEX	3,750.36	128.54	3.55% ▲
CSE All-Share	11,678.65	75.81	0.64% ▼
Nikkei 225	28,850.00	216.32	0.74% ▼
KLCI	1,483.63	1.01	0.07% ▼

Source: Investing.com

EUROPE	Value	Value	Pts
FTSE 100	7,260.61	89.86	1.25% ▲
DAX 30	15,636.40	160.05	1.03% ▲
CAC 40	7,005.07	77.44	1.12% ▲
FTSE MIB	26,782.44	116.36	0.44% ▲
SMI 20	12,790.89	259.94	2.07% ▲

Source: Investing.com

USA	Value	Value	Pts
DOW JONES	35,897.64	29.79	0.08% ▼
S&P 500	4,668.67	41.18	0.87% ▼
NASDAQ 100	15,863.94	425.66	2.61% ▼
US Dollar Index	96.02	0.02	0.02% ▼

Source: Investing.com

GULF	Value	Value	Pts
ADX General	8,856.10	36.98	0.42% ▲
Tadawul All-Share	11,311.89	168.51	1.51% ▲
QE General	11,687.41	45.34	0.39% ▲
Premier Market	7,548.90	19.31	0.26% ▼

Source: Investing.com

Commodity	Value	Value	Chg.
Gold (t oz.)	1,799.90	1.70	0.09% ▲
Silver (t oz.)	22.47	0.017	0.08% ▼
Oil-WTI (bbl.)	72.14	0.24	0.33% ▼
Oil-Brent (bbl.)	74.82	0.20	0.27% ▲
Steel Scrap (tons)	465.00	-	-
Cotton (lb.)	109.71	3.92	3.71% ▲

Source: Investing.com

Currency	Value	Value	Chg.
USD/PKR	178.25	0.10	0.06% ▲
EURO/PKR	201.09	0.52	0.26% ▲
GBP/PKR	236.03	0.31	0.13% ▲
JPY/PKR	1.56	0.01	0.64% ▼
CNY/PKR	28.17	-	-
AED/PKR	48.49	0.03	0.06% ▲
SAR/PKR	47.48	0.03	0.06% ▲
CAD/PKR	138.63	0.10	0.07% ▲
AUD/PKR	127.48	0.82	0.65% ▲

Source: Forex.com.pk



### Market Outlook

KSE-100 on Thursday remained under immense selling pressure throughout the day and concluded the session deep into the losses amid the uncertainty of the upcoming mini-budget. The index made an intra-day high and low at 44,392 (25 points) and 43,608 (-759 points) respectively while closed at 43,731 by losing 636 points. Trading volume has been decreased to 124mn shares as compared to 178mn shares on the previous day. Going forward, we expect the market to remain volatile. 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 45,113 (50 DMA).

### Key News

#### International

##### Asian Stocks Mixed After Tech-Led Retreat in U.S.

Asian stocks were mixed Friday following a decline in U.S. shares led by the technology sector as tightening monetary policy to fight inflation buffets investor sentiment. Japanese and South Korean equities slipped, while those in Australia rose. U.S. equity futures wavered after the tech-heavy Nasdaq 100 sank [see more...](#)

##### Oil demand back to pre-COVID-19 levels outside aviation

GlobalData's analysis of oil product flows suggests that when kerosene is excluded, oil product demand in Q3 2021 had fully recovered — compared to the same period in 2019. Demand for kerosene, which is mostly used for jet fuel, has [see more...](#)

#### Politics

##### Gwadar protesters end sit-in after govt 'accepts all demands'

After more than a month of staging protests for their basic rights, the residents of Gwadar on Thursday called off their sit-in after successful negotiations with the government. Earlier today, Planning and Development Minister Asad Umar had paid a visit to Gwadar on the directions of Prime Minister Imran Khan alongside Minister for Defence [see more...](#)

## MORNING GLANCE

### Economy

#### Jul-Oct LSMI output up 3.56pc YoY - Neutral

The growth in Large Scale Manufacturing Industries moderated to 3.56 percent in the first four months of current fiscal year, as the industries were poised to face the impact of high input prices and shortage of gas in the winter. The overall output of the LSMI increased by 3.56 percent for July-October 2021-22 compared to July-October 2020-21, says the Pakistan Bureau of Statistics (PBS) data released on Thursday. [see more...](#)

#### Forex reserves decline by \$12.3mn in a week - Negative

The foreign exchange reserves held by the country dipped by \$12.3 million to stand at \$25.02 billion during the week ended on December 10, 2021, weekly data released by the State Bank of Pakistan (SBP) showed on Thursday. [see more...](#)

#### OGDCL injects additional 69,770 bbl oil - Positive

The Oil and Gas Development Company Limited (OGDCL) has injected four operated wells, producing 69,770 barrels (BBL) crude oil and 184 million cubic feet (MMCF) gas, in its production gathering system during the first quarter of the current fiscal year, as reported by APP. [see more...](#)

#### CNG sector to remain shut till Feb 15 - Negative

The Cabinet Committee on Energy (CCoE) has approved gas load management plan (2021-22), under which the CNG sector will remain closed with effect from December 1, 2021 to February 15, 2022. [see more...](#)

#### Govt all set to increase power base tariff - Negative

The Federal Government is all set to increase electricity base tariff by up to Paisa 95 per unit under the garb of second phase of subsidy reforms agreed with International Monetary Fund (IMF) and World Bank (WB), which according to Chairman Nepra will further erode the quality of life of the public. [see more...](#)

#### Textile, auto policies approved by ECC - Neutral

A meeting of the Economic Coordination Committee (ECC) of the Cabinet has approved Textile and Apparel Policy, 2020-25 as well as Auto Industry Development and Export Policy (AIDEP), 2021-26. The meeting, presided over by Minister for Economic Affairs Division, Omar Ayub Khan Thursday, on a summary moved by the Ministry of Commerce approved [see more...](#)

#### New single GST portal - Positive

The telecommunication companies, courier companies and other service providers would be the major beneficiary of the new single sales tax portal for filing of single sales tax returns by all federal and provincial sales taxpayers. [see more...](#)

#### Tax Laws (Fourth) Amendment Bill, 2021 - Neutral

The Federal Board of Revenue (FBR), Thursday, informed Finance Adviser Shaukat Tarin that the Tax Laws (Fourth) Amendment Bill, 2021 will impose sales tax of nearly Rs350 billion and remove distortions in the sales tax regime such as special tax treatments, lower rates, and zero-ratings. [see more...](#)

#### Japanese IT companies to get the services of Pakistani Technology sector - Positive

Ambassador of Japan to Pakistan Mitsuhiro WADA called on Federal Minister for IT and Telecommunication Syed Amin Ul Haque here on Thursday. During the meeting, the two sides agreed to enhance cooperation in [see more...](#)

#### ECC Approved Auto Industry Development Policy 2021-26 to bring FDI - Neutral

After detailed discussion, ECC also approved the summary tabled by Ministry of Industry & Production on Auto Industry Development and Export Policy (AIDEP) 2021-26, [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

<b>TP</b>	Target Price	<b>DDM</b>	Dividend Discount Model	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>JPB</b>	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