

MORNING GLANCE



45,763	▼ -0	▼ -0.00%
90 mn	YTD 2.62%	1 Year -0.71%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,255.75	2.05	0.01% ▼
DSE 30	2,598.34	17.95	0.68% ▼
SHANGHAI	3,524.25	2.99	0.09% ▲
Hang Seng	24,338.00	45.32	0.19% ▼
Nikkei 225	28,390.50	266.22	0.95% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,542.95	20.9	0.28% ▼
DAX 30	15,883.24	148.35	0.93% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	35,911.81	201.81	0.56% ▼
S&P 500	4,662.85	3.82	0.08% ▲
NASDAQ	15,611.59	115.98	0.75% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,812.95	3.55	0.20% ▼
Oil-WTI (bbl)	83.89	0.59	0.71% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	176.35	0.25	0.14% ▼
EURO/PKR	202.28	0.25	0.12% ▲
GBP/PKR	241.97	0.15	0.06% ▼
AED/PKR	48.04	-	-

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

Market Outlook

KSE-100 on Friday remained volatile throughout the day and concluded the session without any change with respect to last day's close. The index made an intra-day high and low at 45,988 (224 points) and 45,734 (-29 points) respectively while closed at 45,763 by losing 0 points. Trading volume has been decreased to 90mn shares as compared to 130mn shares on the previous day. Going forward, we expect the market to show positive momentum and cross its 200 DMA resistance of 46,015 amid approval of the minibudget and SBP Bill. Crossing this level would further push the index towards 46,500. However, the support of the index resides at 44,846 (50 DMA).

Key News

International

Asian Stocks Down, Investors Digest Chinese Trade Data

Asia Pacific stocks were mostly down on Friday morning, with a slew of U.S. Federal Reserve officials indicating faster-than-expected interest rate hikes and the Nasdaq 100 tumbling to its lowest level since October 2021. China's Shanghai Composite was down 0.42% by 9:53 PM ET (2:53 AM GMT), while the Shenzhen Component was up 0.21%. Data released earlier in the day showed [see more...](#)

Oil extends rally on supply tightness, Brent at more than 3-year high

Oil prices rose on Monday, with Brent crude futures at their highest in more than three years, as investors bet supply will remain tight amid restrained output by major producers with global demand unperturbed by the Omicron coronavirus variant. Brent crude futures gained 42 cents, or 0.5%, to \$86.48 a barrel by 0022 GMT. The contract touched its highest since Oct. 3, 2018 – \$86.71 – earlier in the session. [see more...](#)

Politics

No-trust move only after consensus, says Shehbaz

Opposition Leader in the National Assembly Shehbaz Sharif on Saturday declared that a decision to bring a no-confidence motion against the Imran Khan government will be taken after creating a "consensus" among the opposition parties. "No-confidence motion against the government will only be brought with a consensus [among the opposition] [see more...](#)

Economy

Nine listings on PSX generate Rs31bn in 2021 - Positive

As many as nine listings on the Pakistan Stock Exchange (PSX) generated a total of Rs30.92 billion in 2021, data obtained from the Securities and Exchange Commission of Pakistan showed. Eight companies raised equity amounting to Rs19.9bn while Bank Alfalah Ltd listed its Rs11bn debt instrument on the PSX in the last calendar year. Two of the nine listings were on the PSX's newly established Growth Enterprise Market (GEM) counter, [see more...](#)

MORNING GLANCE

Half-year remittances rise to \$15.8b - **Positive**

Remittances sent home by overseas Pakistanis grew 11.3% to \$15.8 billion during the first half (July-December) of fiscal year 2021-22 owing to the measures taken by the government and State Bank to encourage the use of formal channels for money transfer. According to the State Bank of Pakistan (SBP), the country received \$14.2 billion in remittances in the same period of previous year. [see more...](#)

President approves 'mini-budget' - **Neutral**

Dr Arif Alvi on Saturday approved the Finance (Supplementary) Bill, 2021, or 'mini-budget', which was passed by the National Assembly on January 13. The Finance (Supplementary) Bill is necessary to revive the \$6 billion Extended Fund Facility (EFF) of the International Monetary Fund (IMF). The bill was sent to the presidency for approval after it was passed by National Assembly on Thursday last. [see more...](#)

Rupee strengthens against dollar – **Positive**

The rupee strengthened against the US dollar at Rs176.07 in the inter-bank market on Friday compared with Thursday's close of Rs176.38, according to the State Bank of Pakistan (SBP). On December 29, 2021 the rupee hit an all-time low value of Rs178.24 against the greenback as demand for the dollar was higher compared to its supply in the wake of an expanding current account deficit, [see more...](#)

Hi-Tech Lubricants Get Extension In Provisional License for Setting up OMC: OGRA - **Positive**

OGRA, through its letter dated January 11, 2022 as received by Hi Tech Lubricant on January 13, 2022, has further extended/renewed the Provisional License for setting up of an Oil Marketing Company by Hi-Tech Lubricants Limited upto December 31, 2023. Company had filled application dated November 16, 2020 to the Oil and Gas Regulatory [see more...](#)

Petrol price hits record high at Rs147.83 per litre - **Negative**

The government on Saturday increased the prices of petroleum products by up to Rs3 per litre effective from January 16. The finance division in a statement said that the petroleum products were showing a fourth straight weekly gain and witnessed an increase of 6.2% just in the last week in the international market. "The existing sales tax rate and petroleum levy on various petroleum products are much below the budgeted targets," it added. [see more...](#)

Govt seeking \$85m additional financing for housing project - **Positive**

The government is seeking additional financing of \$85 million for its 'Pakistan Housing Finance Project' which sought to improve access to housing finance of low- and middle-income households. The World Bank has started appraising the project and it is expected that the additional financing will be approved by the end of next month, it was learnt here. [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 - Mail Road, Lahore

Phone: (+92) 42 38302028-37320707

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com