

MORNING GLANCE



45,612	▼ -151	▼ -0.33%
72 mn	YTD 2.28%	1 Year -0.82%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,308.10	52.35	0.29% ▲
DSE 30	2,607.83	9.48	0.36% ▲
SHANGHAI	3,574.89	33.23	0.94% ▲
Hang Seng	24,277.37	59.34	0.25% ▲
Nikkei 225	28,632.50	298.98	1.06% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,611.23	68.28	0.91% ▲
DAX 30	15,933.72	50.48	0.32% ▲

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.)	1,818.15	1.65	0.09% ▲
Oil-WTI (bbl)	84.44	1.14	1.37% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	176.20	0.15	0.09% ▼
EURO/PKR	201.08	1.2	0.59% ▼
GBP/PKR	240.85	1.12	0.46% ▼
AED/PKR	47.94	0.1	0.21% ▼

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

Market Outlook

KSE-100 on Monday remained under selling pressure throughout the day and concluded the session in the red zone amid a spike in international crude oil prices. The index made an intra-day high and low at 45,787 (24 points) and 45,386 (-377 points) respectively while closing at 45,612 by losing 151 points. Trading volume has been decreased to 72mn shares as compared to 90mn shares on the previous day. Going forward, we expect the market to oscillate between its 200 DMA resistance of 46,015 and 50 DMA support of 44,816. Crossing the 200 DMA resistance can further push the index towards 46,500.

Key News

International

Asia shares tick higher as spotlight stays on Fed

Asia's share markets were mostly higher on Tuesday even as global investor attention remains fixed on the prospect of U.S interest rate hikes in the next few months, after two years of unprecedented pandemic-induced policy easing. MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.4%, after the U.S market was closed overnight for the Martin Luther King Jr. holiday. The index is up 1.1% so far this [see more...](#)

Oil rises to more than 7-year high on Mideast tensions

Oil prices rose on Tuesday to a more than seven-year high on worries about possible supply disruptions after Yemen's Houthi group attacked the United Arab Emirates, escalating hostilities between the Iran-aligned group and a Saudi Arabian-led coalition. The "new geopolitical tension added to ongoing signs of tightness across the market," ANZ Research analyst said in a note. [see more...](#)

Politics

PTI MNA asked to explain why he bashed own party

The ruling Pakistan Tehreek-i-Insaf (PTI) on Monday issued a show-cause notice to Noor Alam Khan, the lawmaker from Peshawar who recently lambasted his own party leadership on the floor of the National Assembly. According to Information Minister Fawad Chaudhry, the party had issued notices to Mr Khan for apparently "bashing" his own party leaders on the floor of the house. [see more...](#)

Economy

Ministries, divisions; Finance issues 'Budget Call Circular' - Neutral

Finance Division on Monday issued a "Budget Call Circular" to the federal ministries and divisions in order to initiate the process of preparation and presentation of the budget for the next fiscal year 2022-23 in the first week of June 2022. As a first step, the Finance Division issued the "Budget Call Circular" to the principal accounting officers (PAOs) of ministries and divisions and sought submission of detailed budget, actual and revised [see more...](#)

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Pakistan's Petroleum Imports Swell by 113% in First Six Months of FY2022 - **Negative**

Petroleum group imports witnessed an increase of 113.39 percent growth as it reached \$10.18 billion in July-December 2021 compared to \$4.77 billion during the same period of the last fiscal year, says the Pakistan Bureau of Statistics (PBS). The petroleum imports were down by 17.44 percent in December 2021 and remained \$1.8 billion when compared to \$2.18 billion in November 2021, [see more...](#)

PTI govt gave KE Rs91bn subsidy in 3 years - **Neutral**

Despite record power outages, load-shedding, frequent power failures, erratic voltage and – most alarming – the deaths of scores of people, including children, in Karachi owing to K-Electric's faulty system, the ruling Pakistan Tehreek-e-Insaf (PTI) has provided Rs91 billion subsidy to the utility within a short span of three years. In a written reply to a question, the Minister for Energy [see more...](#)

Evaluation of power projects approved ahead of sell-off – **Neutral**

The Federal Cabinet has approved financial evaluation of 425MW Nandipur Power Plant (NPP), with a potential of 525 MW, and 747MW Guddu Power Plant (GPP) for subsequent privatisation, well informed sources in Privatisation Commission told Business Recorder. On December 31, 2021, Privatisation Division briefed the Cabinet Committee on Privatisation about its plans with respect to both the combined cycle power plants [see more...](#)

Suzuki Swift Might Be Launching Next Month - **Positive**

Pak Suzuki might be launching the new Swift next month, after more than a decade. This means that there are just a few days left until its launch. For Pakistan, Suzuki will launch the Swift with a 1250cc, K12C dual jet inline-4 engine, connected to a 5-speed CVT or manual transmission, according to a report by Pakwheels. Despite the fact internationally Swift comes with a 1000cc turbo engine, Pakistan appears to be getting the 1250CC one [see more...](#)

Dec textile group exports down 6.47pc to \$1.623bn MoM - **Negative**

The country's textile group exports declined by 6.47 percent on month-on-month basis and remained at \$1.623 billion in December 2021 compared to \$1.735 billion in November 2021, says the Pakistan Bureau of Statistics (PBS). The exports and imports data released by the PBS revealed that the country's overall exports in December 2021 [see more...](#)

Octopus Signed Five Year Contract With Cement Manufacturer For Entering Into Construction Sector - **Positive**

Octopus Digital Limited has secured a high value five-year IAAS (Infrastructure as a Service) contract on BTMI basis (Build, Train to Operate, Maintain & Improve). The Digitalization Subscription will see Octopus Digital Limited provide supply and maintenance services to a major cement manufacturer in Pakistan. The Contract Valued at 120 million PKR Marks Octopus Digital's Entry into the Thriving Construction Sector. [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:

- I. Discounted Cash Flow Model
- 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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