



|        |           |               |
|--------|-----------|---------------|
| 45,507 | ▼ -105    | ▼ -0.23%      |
| 79 mn  | YTD 2.04% | 1 Year -0.48% |

| ASIA       | Value     | Pts    | Chg. (%) |
|------------|-----------|--------|----------|
| NIFTY 50   | 18,113.05 | 195.05 | 1.07% ▼  |
| DSE 30     | 2,598.95  | 8.87   | 0.34% ▼  |
| SHANGHAI   | 3,559.69  | 10.23  | 0.29% ▼  |
| Hang Seng  | 24,161.00 | 48.22  | 0.20% ▲  |
| Nikkei 225 | 27,662.50 | 594.75 | 2.10% ▼  |

| EUROPE   | Value     | Pts    | Chg. (%) |
|----------|-----------|--------|----------|
| FTSE 100 | 7,563.55  | 47.68  | 0.63% ▼  |
| DAX 30   | 15,772.56 | 161.16 | 1.01% ▼  |

| USA       | Value     | Pts    | Chg. (%) |
|-----------|-----------|--------|----------|
| DOW JONES | 35,368.47 | 543.34 | 1.51% ▼  |
| S&P 500   | 4,577.34  | 85.51  | 1.83% ▼  |
| NASDAQ    | 15,210.76 | 400.84 | 2.57% ▼  |

| Commodities   | Value    | Chg. | Chg. (%) |
|---------------|----------|------|----------|
| Gold (t oz.)  | 1,809.75 | 2.65 | 0.15% ▼  |
| Oil-WTI (bbl) | 85.97    | 1.14 | 1.34% ▲  |

| Currencies | Value  | Chg. | Chg. (%) |
|------------|--------|------|----------|
| USD/PKR    | 176.15 | 0.05 | 0.03% ▼  |
| EURO/PKR   | 200.62 | 0.46 | 0.23% ▼  |
| GBP/PKR    | 240.07 | 0.78 | 0.32% ▼  |
| AED/PKR    | 47.92  | 0.02 | 0.04% ▼  |

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

## Market Outlook

KSE-100 on Tuesday remained volatile throughout the day and concluded the session in red zone amid surge in international crude oil prices. The index made an intra-day high and low at 45,758 (146 points) and 45,469 (-143 points) respectively while closed at 45,507 by losing 105 points. Trading volume has been increased to 78mn shares as compared to 72mn shares on the previous day. Going forward, we expect the market to continue its negative momentum till its 50 DMA support of 44,798. Moreover, resistance for the index resides at 46,014 (200 DMA) crossing this level can further push the index towards 46,500.

## Key News

### International

#### Asia shares drop as Treasury yields hit fresh highs

Asia's share markets struggled on Wednesday as U.S. Treasury yields hit fresh two-year highs and a global technology stock sell-off unsettled investors worrying about inflation and bracing for tighter U.S. monetary policy. Oil prices hit their highest since 2014 amid an outage on a pipeline from Iraq to Turkey and global political tensions, stoking fears of inflation becoming more persistent and [see more...](#)

#### Oil rises to 7-year high as Turkey outage adds to tight supply outlook

Oil prices rose for a fourth day to a seven-year high as an outage on a pipeline from Iraq to Turkey increased concerns about an already tight supply outlook amid worrisome geopolitical troubles in Russia and the United Arab Emirates. Brent crude futures rose \$1.44, or 1.7%, to \$88.95 a barrel at 0230 GMT, adding to a 1.2% jump in the previous session. The benchmark contract climbed to as much as \$89.05, its highest since Oct. 13, 2014. [see more...](#)

### Politics

#### NA witnesses heated exchange of arguments on urea shortage

The National Assembly on Tuesday witnessed heated exchange of arguments between lawmakers belonging to the opposition Pakistan Peoples Party (PPP) and the ruling Pakistan Tehreek-i-Insaf (PTI) on the issue of urea shortage, wheat crisis and inclusion of members with conflict of interests in parliamentary committees. [see more...](#)

### Economy

#### Issuance of licenses for securities brokers; SECP decides to revise eligibility criteria - Neutral

The Securities and Exchange Commission of Pakistan (SECP) has decided to revise eligibility criteria for issuance of licenses for securities brokers. According to the draft amendments issued to the Securities Brokers (Licensing and Operations) Regulations, 2016, here on Tuesday, the SECP has decided to amend the eligibility criteria for licensing of securities brokers. [see more...](#)

## MORNING GLANCE

### **Pakistan pitches \$1bn Islamic bond to global investors - Neutral**

Pakistan has mandated four banks to arrange investor meetings ahead of the planned issuance of a seven-year tenor US dollar-denominated Sukuk, with analysts expecting an increased appetite for the country's debt from global investors seeking higher returns. The move follows a B3 rating given by Moody's to the Sukuk offering and the International Monetary Fund [see more...](#)

### **Proposed USD Sukuk certificates; Fitch, Moody's assign 'B-', 'B3' ratings, respectively - Neutral**

Fitch Ratings has assigned Pakistan's proposed US-dollar sovereign global Sukuk certificates, to be issued through The Pakistan Global Sukuk Programme Company Limited, a "B-" rating. The Pakistan Global Sukuk Programme Company Limited is a legal entity in Pakistan and is the issuer and trustee of the Sukuk, incorporated primarily for the purpose of participating in the Sukuk transaction. It is wholly owned by Pakistan. [see more...](#)

### **Personal Financing Crossed PKR Trillion Mark In December 2021: SBP – Positive**

Personal loans, constituted Bank employee loans and Consumer Financing, crossed PKR 1 trillion mark in the month of December to reach PKR 1,009 billion at the end of 2021, as the latest data released by the State Bank of Pakistan. Consumer financing explained 87 percent of this increase as it increases by PKR 197 billion or 32 percent on year-on-year basis to PKR 815 billion as of December 2021. [see more...](#)

### **Sixth review of EFF; IMF Board to discuss loan matter on 28th - Neutral**

The International Monetary Fund (IMF)'s Executive Board will take the sixth review of the \$6 billion Extended Fund Facility (EFF) on the agenda in its meeting scheduled for January 28. The Board calendar updated on its website shows that its meeting has been re-scheduled for January 28, 2022, [see more...](#)

### **H1FY22 FDI jumps 20pc to \$1.06bn YoY - Positive**

Foreign Direct Investment (FDI) into Pakistan rose by 20 percent during the first half of this fiscal year (FY22), the State Bank of Pakistan (SBP) reported Tuesday. According to the SBP data, Pakistan received FDI amounting to \$1.056 billion during July-Dec of FY22 compared to \$880 million in the same months of the previous fiscal year (FY21), showing an increase of \$177 million. During the period under review, net FDI inflows were \$1.454 billion (down by 7 percent) against the outflow of \$397 million (fell 42 percent). [see more...](#)

### **Govt likely to allow 2 gas-based fertilizer plants' operations for further two months - Positive**

The government is likely to allow operations of two fertilizer plants on Sui Northern Gas Pipeline Limited (SNGPL) system for a further two months, i.e., Feb-March 2022 to meet demand of urea, as farmers are still struggling to get fertilizer for their crops at controlled rate of Rs 1860/bag. Official documents seen by this scribe show that a Fertilizer [see more...](#)

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## 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

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| Stock Rating | Expected Total Return      |
|--------------|----------------------------|
| BUY          | Greater than 15%           |
| HOLD         | Between -5% to 15%         |
| SELL         | Less than and equal to -5% |

| Sector Rating | Sector Outlook |
|---------------|----------------|
| Overweight    | Positive       |
| Market Weight | Neutral        |
| Underweight   | Negative       |

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