

MORNING GLANCE

ASIA

| | Value | Pts | Chg. (%) |
|---------------|-----------|--------|----------|
| KSE 100 | 44,266.90 | 91.93 | 0.21% ▲ |
| NIFTY 50 | 17,072.60 | 117.15 | 0.69% ▲ |
| DSE 30 | 2,511.99 | 24.45 | 0.96% ▼ |
| SHANGHAI | 3,647.02 | 3.69 | 0.10% ▲ |
| Hang Seng | 23,339.87 | 146.23 | 0.63% ▲ |
| BIST 100 | 1,805.30 | 1.15 | 0.06% ▲ |
| MOEX | 3,704.60 | 42.15 | 1.12% ▼ |
| CSE All-Share | 11,951.23 | 136.86 | 1.16% ▲ |
| Nikkei 225 | 28,798.37 | - | - |
| KLCI | 1,514.86 | 1.56 | 0.10% ▼ |

Source: Investing.com

EUROPE

| | Value | Value | Pts |
|----------|-----------|--------|---------|
| FTSE 100 | 7,373.34 | 31.68 | 0.43% ▲ |
| DAX 30 | 15,756.31 | 162.84 | 1.04% ▲ |
| CAC 40 | 7,106.15 | 54.48 | 0.77% ▲ |
| FTSE MIB | 27,016.22 | 188.29 | 0.70% ▲ |
| SMI 20 | 12,785.32 | 71.42 | 0.56% ▲ |

Source: Investing.com

USA

| | Value | Value | Pts |
|-----------------|-----------|--------|---------|
| DOW JONES | 35,950.56 | 196.67 | 0.55% ▲ |
| S&P 500 | 4,725.78 | 29.22 | 0.62% ▲ |
| NASDAQ 100 | 16,308.21 | 128.07 | 0.79% ▲ |
| US Dollar Index | 96.06 | 0.01 | 0.01% ▼ |

Source: Investing.com

GULF

| | Value | Value | Pts |
|-------------------|-----------|-------|---------|
| ADX General | 8,431.36 | 32.47 | 0.39% ▲ |
| Tadawul All-Share | 11,271.46 | 67.03 | 0.60% ▲ |
| QE General | 11,696.47 | 12.74 | 0.11% ▲ |
| Premier Market | 7,649.83 | 17.35 | 0.23% ▲ |

Source: Investing.com

Commodity

| | Value | Value | Chg. |
|--------------------|----------|-------|---------|
| Gold (t oz.) | 1,810.10 | 0.25 | 0.01% ▲ |
| Silver (t oz.) | 22.91 | 0.09 | 0.40% ▲ |
| Oil-WTI (bbl.) | 73.72 | 0.96 | 1.32% ▲ |
| Oil-Brent (bbl.) | 76.52 | 0.08 | 0.10% ▼ |
| Steel Scrap (tons) | 465.00 | 1.5 | 0.32% ▼ |
| Cotton (lb.) | 109.12 | 0.29 | 0.27% ▲ |

Source: Investing.com

Currency

| | Value | Value | Chg. |
|----------|--------|-------|---------|
| USD/PKR | 178.25 | - | - |
| EURO/PKR | 202.07 | 1.21 | 0.60% ▲ |
| GBP/PKR | 237.84 | 1.65 | 0.70% ▲ |
| JPY/PKR | 1.56 | - | - |
| CNY/PKR | 28.16 | 0.01 | 0.04% ▲ |
| AED/PKR | 48.49 | 0.01 | 0.02% ▼ |
| SAR/PKR | 47.44 | - | - |
| CAD/PKR | 138.76 | 0.84 | 0.61% ▲ |
| AUD/PKR | 128.51 | 1.44 | 1.13% ▲ |

Source: Forex.com.pk



Market Outlook

KSE-100 on Thursday remained volatile throughout the day while concluded the session in the green zone amid govt mulls to bring a mini-budget through an ordinance. The index made an intra-day high and low at 44,447 (272 points) and 44,108 (-66 points) respectively while closed at 44,267 by gaining 92 points. Trading volume has been increased to 85mn shares as compared to 68mn shares on the previous day. Going forward, we expect the market to remain volatile ahead of mini budget ordinance. The resistance for the index resides at 45,130(50 DMA). Breaking this level could further push the index towards 46,004(200 DMA). However, the support for the index resides at 42,800.

Key News

International

Stocks Steady as Worry Over Omicron Virulence Ebbs: Markets Wrap

Asian stocks were steady Friday after U.S. shares reached an all-time high amid optimism that the economic recovery will shrug off the outbreak of the omicron virus strain. Shares fluctuated in Japan and climbed in South Korea and Australia in the wake of an S&P 500 record Thursday. [see more...](#)

Oil rallies on reduced fears of Omicron-induced demand slump

Oil prices bounced in a light-volume session on Thursday on signs that the worst effects of the Omicron variant might be more containable than previously feared, even as countries imposed travel restrictions on surging infection levels. [see more...](#)

Politics

Fawad says Maryam 'celebrating her defeat' in KP LG elections

Federal Information and Broadcasting Minister Fawad Chaudhry derided opposition parties on Thursday, saying that PML-N Vice President Maryam Nawaz was "celebrating her defeat" in the recently held first phase of local government elections in Khyber Pakhtunkhwa (KP). [see more...](#)

MORNING GLANCE

Economy

PSX performance in CY21; Technology and textile spinning top performing sectors - **Positive**

Technology and textile spinning were the top performing sectors during the calendar year 2021 posting returns of 37 percent and 35 percent, respectively based on market cap. This is compared to KSE-100 Index, which is up 1.0 percent (negative 9.0 percent in US\$ terms) in 2021 to date (7 trading sessions remaining). On the other hand, tobacco and refinery sectors remained the worst performing sectors posting decline of 35 percent and 29 percent, respectively. [see more...](#)

Fiscal year 2021-22; \$4.7bn foreign debt incurred in first 5 months - **Neutral**

Pakistan incurred foreign debt of \$4.7 billion from multiple financing sources in the first five months (July-November) of 2021-22 including \$1.53 billion from foreign commercial banks (33 percent) against the total budgeted external loans of \$14.088 billion for the entire fiscal year. [see more...](#)

SBP's reserves down \$415m - **Negative**

The total liquid foreign exchange reserves held by the States Bank of Pakistan (SBP) decreased by \$415 million to \$18.153 billion during the week ended December 17, mainly due to external debt repayment. According to data released by the SBP, the total liquid foreign exchange reserves held by the country stood at \$24.633 billion on 17 Dec, 2021. [see more...](#)

Govt decides to amend gas law - **Neutral**

The federal government has decided to amend Natural Gas (Development Surcharge) Ordinance, 1967, that includes alteration in definitions for sale price and prescribed price aimed at enforcing recoveries and consequential punitive measures, official sources told Business Recorder. [see more...](#)

Wilmar Increases its stake in Unity by 114% through Acquisition of Additional shares - **Positive**

Wilmar Pakistan Holding Pte. Limited has announced to increase its ownership in Unity Foods Limited from current 7.1 percent to 15.1 percent that will be 114 percent increase in its ownership. Unity Foods Limited has announced that Wilmar will increase its ownership in the company by subscribing 26.1 million right shares allocated to company directors, 32.8 million shares allocated to Unity Wilmar Agro and 14.1 million its own right issue. [see more...](#)

6th review of EFF to be presented to IMF board on Jan 12 - **Neutral**

The Ministry of Finance said on Thursday that the sixth review of the Extended Fund Facility (EFF) would be presented to the International Monetary Fund (IMF) board on January 12. The spokesman of the ministry shared this development through a tweet, "I am pleased to confirm 6th review will be presented to IMF Board on 12th January, 2022". he said that the government has finalised strategy to push through the parliament a mini-budget or supplementary [see more...](#)

CCoE reviews recommendations to enhance domestic LPG production - **Neutral**

Cabinet Committee on Energy (CCoE) Thursday asked the petroleum division to review the recommendations for enhancing domestic Liquefied Petroleum Gas (LPG) production and forward a summary in this regard to the Economic Coordination Committee of the Cabinet (ECC). [see more...](#)

Govt misses petroleum levy target - **Neutral**

The federal government has been able to generate only seven percent of petroleum levy (PL) in the first five months (July-November 2021) of the current financial year 2021-22. Sources said that the government has budgeted Rs610 billion to collect through PL in the current financial year; however, it failed and managed to collect only seven percent of [see more...](#)

K-E seeks Rs5.5 per unit hike in tariff - **Neutral**

The K-Electric on Thursday asked the National Electric Power Regulatory Authority (Nepa) to raise its tariff by Rs5.49 per unit on account of fuel charges adjustment (FCA). According to a notification, the KE has requested an increase of Rs5.182 for the first quarter of the current fiscal year [see more...](#)

Nine items exempted from duty - **Positive**

The Federal Board of Revenue (FBR) has exempted customs duty on the import of nine different types of items including coal, marble, sulphur and containers from Afghanistan. The FBR has also exempted regulatory duty on the import of marble and reduced regulatory duty on import of ground nuts from 20 percent to 10 percent, if imported from Afghanistan. The FBR has issued two notifications, here on Thursday. According to the notification, in exercise of the [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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