

MORNING GLANCE



39,803	▼ -352	▼ -0.88%
102 mn	YTD -10.75%	1 Year -9.36%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,132.30	117.70	0.65% ▲
DSE 30	2,191.01	3.5	0.16% ▼
SHANGHAI	3,087.37	8.2	0.26% ▼
Hang Seng	20,113.00	519.94	2.65% ▲
Nikkei 225	26,281.00	166.87	0.63% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,473.01	3.73	0.05% ▲
DAX 30	13,995.10	54.17	0.39% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	33,241.56	37.63	0.11% ▲
S&P 500	3,829.25	15.57	0.41% ▼
NASDAQ	10,822.51	162.93	1.48% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,818.35	4.75	0.26% ▼
Oil-WTI (bbl)	79.64	0.11	0.14% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	226.40	0.20	0.09% ▲
EURO/PKR	243.17	2.81	1.17% ▲
GBP/PKR	273.82	0.76	0.28% ▲
AED/PKR	61.60	0.05	0.08% ▲

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

Market Outlook

KSE-100 on Tuesday remained depressed for the majority part of the day and concluded the session in the red zone amid political and macroeconomic uncertainty prevailing in the country. The index made an intra-day high and low at 40,316 (161 points) and 39,706 (-450 points) respectively while closed at 39,803 by losing 352 points. Trading volume has increased to 102mn shares as compared to 85mn shares on the previous trading day. Going forward, we expect the market to test its support at 39,300. Breaking this level would further push the index towards 38,800. Contrarily, the resistance for the index resides at 40,600.

Key News

International

Asian shares slip as investors gauge China reopening policy

Asian equities were subdued on Wednesday, while the dollar held firm, with investors looking for direction after China took further steps towards reopening its COVID-battered economy. MSCI's broadest index of Asia-Pacific shares outside Japan slid 0.13%, snapping a two-day winning streak and looking set to end the last month of the year in the red. Japan's Nikkei opened 0.5% lower at the open, while [see more...](#)

Oil prices rise on hopes for China demand boost

Oil prices climbed on Wednesday as markets were optimistic about fuel demand recovery as China continues to ease its COVID-19 restrictions. Brent futures for February delivery rose 31 cents to \$84.64 a barrel, a 0.4% gain, by 0117 GMT. U.S. crude advanced 22 cents, or 0.3%, to \$79.75 per barrel. Amid the optimistic market mood both benchmarks hit their highest level in three weeks on Tuesday. The hopes for [see more...](#)

Politics

IK summons party MNAs' meeting today

Former prime minister and Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan has summoned a meeting of his party MNAs Wednesday (Dec 28) to chalk out a strategy regarding resignations from the National Assembly. The meeting will be held at Khyber Pakhtunkhwa House in Islamabad. Sources said that the former premier Imran Khan would address the [see more...](#)

Economy

No option but to implement IMF programme: PM Shehbaz Sharif - Neutral

Prime Minister Shehbaz Sharif said on Tuesday they would have to implement the IMF programme as there was no other option. He lauded the Pakistani nation for braving the burden of price hike with patience and said the government could not cope with the economic issues in eight months alone and needed more time. The prime minister said the [see more...](#)

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SBP To Lift LCs Restrictions on Import Next Month - **Positive**

The State Bank of Pakistan (SBP) has decided to withdraw the prior approval needed for banks for initiating import transactions. According to a circular issued on Tuesday, the SBP has invited the attention of the banks to Circular letter No. 9 of May 20, 2022, and Circular letter No. 11 of July 5, 2022, wherein banks were required to seek prior permission from Foreign Exchange Operations Department SBP-BSC before initiating any import [see more...](#)

Pakistan Discover Huge Gas And Oil Reservoir In KP Province - **Positive**

Ministry of Energy, Petroleum Division announce that Joint Venture of Baska North Block (3169-4) comprising of Al-Haj Enterprises (Pvt) Ltd as operator (10.85%), Al Haj Pakistan Kirthar B.V (85%) and Government Holdings (Private) Ltd (4.15%) has discovered Gas and Condensate from an exploratory well namely 92 Kot Palak-1 which is located in District F.R. Dera Ismail [see more...](#)

Interbank, open market exchange rates: Uncertainty, USD smuggling widening the gap: experts - **Neutral**

Econo-mists have attributed the widening gap between interbank and open market exchange rate to the prevailing political uncertainty as well as unchecked dollar smuggling to Afghanistan. Former finance minister Dr Hafeez Pasha and former finance ministry adviser Dr Ashfaq Hassan Khan while talking to Business Recorder on Tuesday concurred that the [see more...](#)

THE RUPEE: PKR ends losing streak- **Negative**

Pakistan's rupee ended with a loss for the sixth successive session against the US dollar, falling 0.15% in the inter-bank market on Tuesday. As per the State Bank of Pakistan (SBP), the rupee closed at 226.15 after a fall of Re0.33 against the greenback. The rupee has depreciated over 22% against the US dollar during the ongoing calendar year. On Monday, the rupee depreciated against the US dollar to settle at 225.82 after a decline of Re0.18 or 0.08%. [see more...](#)

PRL set to resume production on Dec 31 - **Positive**

Pakistan Refinery Limited (PRL) is set to resume its production on December 31, 2022 after receiving the cargo of crude oil, The News learnt on Tuesday. "PRL has received 70,000 MT crude oil this week and now the refinery would be resuming its production on December 31, 2022," sources in the oil sector revealed. PRL went for a shut down on December 10, 2022 after it announced that it would carry out annual maintenance at the refinery. [see more...](#)

PGPCL issues 90-day notice to Pakistan LNG on delaying access deal - **Neutral**

Pakistan Gas Port Consortium Limited (PGPCL) on Tuesday issued a legal notice to Pakistan LNG Limited (PLL) for misconduct and default regarding third-party access agreement (TPPA) finalisation, causing hurdles in the private sector's LNG imports. PLL has been urged to resolve the matter of TPPA within 90 days. In case of failure, PGPCL [see more...](#)

Pakistan lacks infrastructure to import Russian gas - **Neutral**

The import of gas from Russia is still a distant dream for Pakistan despite the two countries' willingness to play ball. Analysts say the renewed discussion around gas imports from Russia won't amount to much — at least in the short term — for two reasons. One, lack of infrastructure to handle gas imports; and two, inadequate capacity in the existing pipeline system to transport gas from one point to another. [see more...](#)

Power sector receivables cross Rs2.5trn mark - **Negative**

Pakistan's energy sector is going through severe crisis as the power sector's receivables against various consumers including provincial governments, federal government, and private sector have crossed Rs2.5 trillion. This was stated by Tahir Basharat Cheema, former managing director (MD) Pakistan Electric Power Company (PEPCO), while addressing the launch ceremony of a book titled, "Power Sector an [see more...](#)

KE consumers get Rs7.43 per unit relief - **Positive**

The National Electric Power Regulatory Authority (Nepra) on Tuesday decided to reduce fuel cost adjustment (FCA) for the consumers of K-Electric by Rs7.43 per unit for one month, but increased its base tariff for three months by Rs3.30 per unit to reduce government subsidy. On the other hand, the regulator allowed an increase of about 19 paise per unit for the consumers of ex-Wapda distribution companies [see more...](#)

Govt reluctant to raise sugar export cap on mills' demand - **Neutral**

Amid mills' insistence, the government has shown reluctance in allowing greater quantity of sugar exports keeping in view revised lower sugarcane estimates, sources said on Tuesday. Sugar millers are asking for a nod for exports of at least one million tonnes of sugar, but the government has for the time being allowed only 100,000 tonnes. Sugar [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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