

MORNING GLANCE



39,279

▼ -523

▼ -1.32%

164 mn

YTD -11.92%

1 Year -10.82%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,122.50	9.8	0.05% ▼
DSE 30	2,191.45	0.44	0.02% ▲
SHANGHAI	3,073.67	13.73	0.44% ▼
Hang Seng	19,714.00	184.91	0.93% ▼
Nikkei 225	25,992.50	348	1.32% ▼
EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,497.19	24.18	0.32% ▲
DAX 30	13,925.60	69.5	0.50% ▼
USA	Value	Pts	Chg. (%)
DOW JONES	32,875.71	365.85	1.10% ▼
S&P 500	3,783.22	46.03	1.20% ▼
NASDAQ	10,679.34	143.17	1.32% ▼
Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,814.40	1.4	0.08% ▼
Oil-WTI (bbl)	78.52	0.44	0.56% ▼
Currencies	Value	Chg.	Chg. (%)
USD/PKR	226.50	0.10	0.04% ▲
EURO/PKR	241.07	2.1	0.86% ▼
GBP/PKR	272.26	1.56	0.57% ▼
AED/PKR	61.63	0.03	0.05% ▲

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

Market Outlook

KSE-100 on Wednesday plunged over 500 points and concluded the session in the red zone amid the uncertainty on the macroeconomic front including a delay over the 9th review of IMF programme, the foreign exchange crisis, and the continuous devaluation of the rupee against USD. The index made an intra-day high and low at 39,867 (64 points) and 39,028 (-775 points) respectively while closed at 39,279 by losing 523 points. Trading volume has increased to 164mn shares as compared to 102mn shares on the previous trading day. Going forward, we expect the market to test its support at 38,800. Breaking this level would further drag the index towards 38,500. Contrarily, the resistance for the index resides at 39,800.

Key News

International

Asian shares skid as COVID surge in China unsettles investors
Asian share markets fell along with oil prices on Thursday as soaring COVID cases in China unsettled investors who have been expecting the world's second biggest economy to regather momentum after the relaxation of stringent COVID curbs. MSCI's broadest index of Asia-Pacific shares outside Japan was down 1.06%, and was set for a third straight [see more...](#)

Oil prices ease, China COVID spike hurts demand outlook
Oil prices ticked down on Thursday as surging COVID-19 cases in China dimmed hopes of a recovery in fuel demand in the world's second-biggest oil consumer. The scale of the latest outbreak and doubts over official data prompted some countries to enact new travel rules on Chinese visitors, even as China began dismantling the world's strictest COVID [see more...](#)

Politics

IK says doesn't see elections in 'near future'
Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan has expressed fear over the talks about bringing in a 'technocrat' government in the country; "I do not see fresh elections in near future". "It is necessary for the 'people' sitting behind the government to agree for the fresh election," he said while talking to a delegation of newly-elected office-bearers [see more...](#)

Economy

\$15.722bn newpacts signed: Country received \$16.974bn foreign assistance: EAD - Neutral

The country received foreign assistance of \$16.974 billion while signed new agreements worth \$15.722 billion in the fiscal year 2021-22, says the Economic Affairs Division (EAD). The Division in its annual report 2021-22 stated that borrowing can be productive for the economic growth of developing countries as long as the economic returns [see more...](#)

MORNING GLANCE

Pakistan to repay around \$8.3bn in next three months - **Negative**

Amid the dwindling foreign exchange reserves, Pakistan will have to repay approximately \$8.3 billion in shape of external debt servicing over the next three months (Jan-March) of the current fiscal year. Out of \$8.3 billion outstanding debt servicing, Pakistan will have to get rollover of \$2 billion from the UAE during the next three months of the current fiscal year. There is another outstanding commercial loan repayment of \$700 million [see more...](#)

Repatriation of profit decreases to 83.41% YoY in 5MFY23 - **Negative**

Repatriation of profit and dividends by foreign investors went down by 83.41% YoY in the first five months of this fiscal year (FY23), the central bank data showed on Tuesday. The SBP data shows that multinational companies operating in Pakistan repatriated \$128.7 million in profit and dividends on investments in the country during the first five months of the ongoing [see more...](#)

Rupee extends losses - **Negative**

The rupee posted more losses against the dollar in both currency markets on worries of a delay in IMF programme, depleting foreign exchange reserves, and lack of external funding, dealer said. In the interbank market, the local unit ended at 226.37 per dollar, 0.10 percent weaker than Tuesday's close of 226.15. The domestic currency fell 50 paisas to 235.50 versus the greenback in the open market. Dealers expressed worries about dismal [see more...](#)

PSO's liabilities swell to Rs235.22 billion - **Negative**

Pakistan State Oil (PSO) liabilities, including payments to refineries and meeting letters of credit requirements for the import of diesel, have scaled up to Rs235.22 billion, The News learned on Wednesday. The circular debt of Pakistan's energy sector, both gas and power, has swelled up to a total of Rs4,000 billion. According to the receivables and payables data of the PSO as of December 26, 2022, Sui Northern Gas Pipeline Limited [see more...](#)

Energy saving plan: Cabinet to expedite consultations with stakeholders - **Neutral**

The federal cabinet Wednesday decided to expedite the process of consultation with all stakeholders, including the provincial governments to ensure the implementation of the energy saving plan. The federal cabinet meeting which was chaired by Prime Minister Shahbaz Sharif discussed the proposed energy saving plan presented by the Power Division. The meeting was [see more...](#)

Market share of Islamic banking sector tops 20pc by Sept-end - **Positive**

The market Share of Islamic Banking Industry (IBI) in the banking sector continued to post healthy growth and crossed 20 percent by the end of September 2022. According to Islamic Banking Bulletin issued by the State Bank of Pakistan (SBP) Wednesday, the year on year (YoY) growth of assets and deposits of IBI was recorded at 41.3 percent and 31.4 [see more...](#)

NCL to close 51,360 spindles - **Negative**

Nishat Chunian Limited (NCL) has decided to temporarily close 51,360 spindles after one month amid current market condition, a notice issued by company to PSX on Wednesday showed. The company has an installed capacity of 219,528 spindles and 2,880 rotors in its spinning division, it added. However, the remaining units are operating normally, NCL will restart these spindles as soon as market conditions [see more...](#)

FBR Slashes Additional Customs Duty on Agricultural Tractors Import By 20% - **Positive**

In a major move to facilitate the tractor industry, the Federal Board of Revenue (FBR) has reduced additional customs duty from 35 percent to 15 percent on the import of Agricultural Tractors. The FBR has amended S.R.O. 693(I)/2006 through an SRO.2305(I)2022 here on Wednesday. Under the S.R.O. 693 (I)/2006, the FBR has imposed additional customs duty [see more...](#)

General Tyre eyes export avenues - **Neutral**

In a corporate briefing held on Tuesday, General Tyre and Rubber Company Limited (GTRCL) revealed that the company is looking for export opportunities in Africa and Dubai. According to Taurus Securities, the company is currently only exporting to Afghanistan. After it obtained the E-marking certification, however, it has started exploring the African and Dubai markets as well. Chinese manufacturers, [see more...](#)

Bumper wheat harvest expected - **Neutral**

Despite post-flood challenges 91.74 per cent of wheat crop sowing has been completed across the country to achieve the target of 22.58 million acres of wheat sowing target for the year 2022-23, said the Federal Minister for National Food Security and Research, Tariq Bashir Cheema, on Wednesday. Addressing a press conference, the minister said that wheat cultivation over 21 million acres has so far been [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 Salman

Phone: (+92) 42 38302028

Ext: 116

Email: salman@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