

MORNING GLANCE

ASIA	Value	Pts	Chg. (%)
KSE 100	44,114.16	178.41	0.41% ▲
NIFTY 50	17,026.45	509.8	2.91% ▼
DSE 30	2,576.17	26.69	1.02% ▼
SHANGHAI	3,555.24	8.85	0.25% ▼
Hang Seng	23,960.00	66	0.27% ▼
BIST 100	1,776.41	42.82	2.35% ▼
MOEX	3,810.98	136.84	3.47% ▼
CSE All-Share	11,197.68	171.95	1.56% ▲
Nikkei 225	28,769.50	17.88	0.06% ▲
KLCI	1,506.94	5.28	0.35% ▼

Source: Investing.com

EUROPE	Value	Value	Pts
FTSE 100	7,044.03	266.34	3.64% ▼
DAX 30	15,257.04	660.94	4.15% ▼
CAC 40	6,739.73	336.14	4.75% ▼
FTSE MIB	25,635.00	1448	5.35% ▼
SMI 20	12,199.21	250.47	2.01% ▼

Source: Investing.com

USA	Value	Value	Pts
DOW JONES	34,899.34	905.04	2.53% ▼
S&P 500	4,594.62	106.84	2.27% ▼
NASDAQ 100	16,025.58	342.23	2.09% ▼
US Dollar Index	96.29	0.21	0.22% ▲

Source: Investing.com

GULF	Value	Value	Pts
ADX General	8,453.96	-	-
Tadawul All-Share	10,787.79	511.66	4.53% ▼
QE General	11,463.91	327.07	2.77% ▼
Premier Market	7,719.97	-	-

Source: Investing.com

Commodity	Value	Value	Chg.
Gold (t oz.)	1,795.70	7.60	0.43% ▲
Silver (t oz.)	23.67	0.53	2.29% ▲
Oil-WTI (bbl.)	71.78	3.63	5.33% ▲
Oil-Brent (bbl.)	75.06	3.47	4.85% ▲
Steel Scrap (tons)	495.50	1	0.20% ▼
Cotton (lb.)	112.38	0.86	0.77% ▲

Source: Investing.com

Currency	Value	Value	Chg.
USD/PKR	179.00	7.70	4.50% ▲
EURO/PKR	198.50	1.50	0.76% ▲
GBP/PKR	234.50	0.50	0.21% ▲
JPY/PKR	1.44	-	-
CNY/PKR	23.90	-	-
AED/PKR	49.00	1.50	3.16% ▲
SAR/PKR	47.50	2.50	5.56% ▲
CAD/PKR	137.50	-	-
AUD/PKR	127.00	0.5	0.39% ▼

Source: Forex.com.pk



Market Outlook

KSE-100 on Friday remained volatile throughout the day while concluded the session in the green zone amid worldwide uncertainty regarding the new variant of COVID-19. The benchmark KSE-100 index made an intra-day high and low at 44,334 (398 points) and 43,736 (-200 points) respectively while closed at 44,291 by gaining 178 points. Trading volume has been increased to 116mn shares as compared to 97mn shares on the previous day. Going forward, we expect the market to remain under pressure. The support for the index lies at 42,800. Breaking this level could further drag the index towards 42,000. However, the resistance for the index resides at 45,495.

Key News

International

Asian Stocks Down, Investors Continue to Digest Omicron Risk

Asia Pacific stocks were mostly down on Monday morning. Calm returned to markets even as investors continue to assess the risks to global economic recovery posed by the latest omicron COVID-19 strain. Japan's Nikkei 225 inched up 0.04% by 9:05 PM ET (2:05 AM GMT). [see more...](#)

Oil recoups losses from Friday, focusing on Omicron spread, Iran talks

Oil prices rose on Monday, recouping some losses after Friday's plunge of about \$10 a barrel, as investors looked for bargains but remained cautious with the focus on the Omicron coronavirus variant and Iran nuclear deal negotiations. [see more...](#)

Politics

Relations between US and China are influenced by America's insecurity

The effort at de-escalation came as relief to the international community increasingly concerned about the stand-off between the two powers as this involves far-reaching consequences for them, the global economy and international stability. [see more...](#)

MORNING GLANCE

Economy

Cabinet approves \$4.2b Saudi loan package - Positive

Pakistan will pay 4% interest on the cash deposit and 3.8% on the oil on deferred payment facility, according to the terms agreed between both countries. Unlike in the past, this time there is also no option for rollover of the Saudi loan and the country will have to return it at once after one year. The cabinet has approved the \$3 billion cash deposit agreement and \$1.2 billion oil on deferred facility agreement through the circulation of summaries. [see more...](#)

Covid cash transfers: BISP made 'irregular' payments of Rs1.84bn - Neutral

The management of the Benazir Income Support Programme (BISP) made irregular payments of 1.84 billion rupees to a total of 153,369 individuals comprising 86,211 government employees/pensioners and 67,158 spouses of government employees/pensioners, in terms of Covid cash transfers, in financial year 2019-20. This has been revealed by the Auditor General of Pakistan (AGP) in its special audit on the expenditure incurred on Covid-19 by the federal government. [see more...](#)

Profits outflow down 16pc in July-October - Neutral

The State Bank of Pakistan (SBP) reported that outflow of profits fell to \$566.6 million compared to \$678.6m during the same period in FY21. The biggest outflow was from banks indicating that financial business in the country was in the best shape yielding highest profits. Almost all banks showed profits in their annual and quarterly reports. The profits outflow during July-Oct FY22 was \$125m against an outflow of \$91m in the same period of FY21. [see more...](#)

Tax exemptions to go: Tarin - Neutral

Adviser to the Prime Minister on Finance and Revenue, Shaukat Tarin Friday said the government will not impose new taxes, however tax exemptions to various sectors would be withdrawn. Talking to reporters at Pakistan Stock Exchange on the gong ceremony on the occasion of first listing on PSX's Growth Enterprise Market (GEM) Board, Tarin rejecting all rumours said Pak rupee will improve its value soon. He said the real effective exchange rate should be between Rs 165-167. [see more...](#)

Emergence of 'Omicron': People should follow SOPs seriously: NCOC - Neutral

The National Command and Operation Centre (NCOC) has asked the people to get fully vaccinated against Covid-19, besides following Standard Operating Procedures (SOPs) seriously due to emergence of new variant 'Omicron'. In a tweet, the NCOC urged the people to observe the SOPs to prevent the spread of virus. "Please ensure that your vaccination is complete (both doses in case of two dose vaccine), wear mask and isolate yourself / get tested in case of any symptoms! Stay Safe!!!," the NCOC asked the masses through a tweet. [see more...](#)

PKR goes through series of up-down movements - Negative

PKR went through a series of up-down movements last week with no clear definite direction. It even moved in opposite directions against USD in interbank and open markets for a couple of days. The upward movement during the week was brought on primarily by positive sentiments that prevailed in the market after a staff level agreement was announced with IMF regarding Extended Fund Facility (EFF) last Monday. [see more...](#)

PSO receivables hit Rs402.863bn mark - Negative

The company announced its highest-ever after-tax profit of Rs29 billion for financial year 2020-21. The PSO's receivables from all the clients touched Rs402.863 billion. The PSO has recovered Rs194.283 billion from the power sector along with late payment surcharge income. At present, the PSO is to recover Rs402.863 billion from its clients. The company management has reduced finance cost by Rs3.2 billion that had further complemented the profitability of the company. [see more...](#)

Enough furnace oil imported for meeting electricity demand, Senate body told - Neutral

A parliamentary committee was Friday informed that to overcome constraint in LNG supply for the power generation, during the winter season, enough furnace oil has been imported to meet the electricity demand. The spot prices of LNG in international market are much higher than furnace oil rates that's why we have purchased it in abundance, secretary Petroleum Division Dr Arshad Mahmood said while briefing a Senate panel here. [see more...](#)

Pakistan, Russia to sign facilitation agreement on gas pipeline- Positive

During the three-day meeting of the Russian-Pakistani Intergovernmental Commission on Trade, Economic, Scientific and Technical Cooperation held in Yekaterinburg, Russia also agreed to allow import of grains and rice from Pakistan. A number of bilateral issues were discussed in the meeting, according to a statement issued here. [see more...](#)

REER falls 0.3% MoM in October, stands at 95.6 - Neutral

Pakistan's Real Effective Exchange Rate Index (REER) fell further to a provisional value of 95.6 in October 2021, a decline of 0.3% compared to 95.8 recorded in the previous month, the latest monthly data published by the State Bank of Pakistan (SBP) showed on Friday. Cumulatively, REER has declined by 4.2% since June 2021 and 7.2% from its recent peak in April 2021. [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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- 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

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

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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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