

MORNING GLANCE

| ASIA | Value | Pts | Chg. (%) |
|---------------|-----------|--------|----------|
| KSE 100 | 44,596.07 | 179.87 | 0.49% ▲ |
| NIFTY 50 | 17,354.05 | 150.10 | 0.11% ▼ |
| DSE 30 | 2,560.64 | 28.05 | 0.05% ▼ |
| SHANGHAI | 3,639.78 | - | 0.21% ▲ |
| Hang Seng | 23,379.00 | 18.67 | 0.22% ▲ |
| BIST 100 | 1,857.65 | 5.99 | 2.43% ▲ |
| MOEX | 3,787.26 | 46.19 | 0.97% ▼ |
| CSE All-Share | 12,226.01 | 206.26 | 0.06% ▲ |
| Nikkei 225 | 28,791.71 | 115.17 | 0.04% ▼ |
| KLCI | 1,548.11 | 19.42 | 0.03% ▼ |

Source: Investing.com

| EUROPE | Value | Value | Pts |
|----------|-----------|-------|---------|
| FTSE 100 | 7,384.54 | 18.47 | 0.66% ▲ |
| DAX 30 | 15,884.86 | 32.61 | 0.70% ▼ |
| CAC 40 | 7,153.03 | 20.2 | 0.27% ▼ |
| FTSE MIB | 27,346.83 | 2.58 | 0.37% ▼ |
| SMI 20 | 12,875.66 | 50.9 | 0.34% ▼ |

Source: Investing.com

| USA | Value | Value | Pts |
|-----------------|-----------|--------|---------|
| DOW JONES | 36,338.30 | 59.78 | 0.25% ▲ |
| S&P 500 | 4,766.18 | 12.55 | 0.14% ▲ |
| NASDAQ 100 | 16,320.08 | 109.02 | 0.01% ▲ |
| US Dollar Index | 95.78 | 0.19 | 0.03% ▼ |

Source: Investing.com

| GULF | Value | Value | Pts |
|-------------------|-----------|-------|---------|
| ADX General | 8,488.36 | 37.84 | - |
| Tadawul All-Share | 11,331.91 | 50.20 | 1.02% ▼ |
| QE General | 11,620.70 | 5.11 | 0.03% ▲ |
| Premier Market | 7,639.11 | - | - |

Source: Investing.com

| Commodity | Value | Value | Chg. |
|--------------------|----------|-------|---------|
| Gold (t oz.) | 1,829.95 | 1.35 | 0.18% ▼ |
| Silver (t oz.) | 23.26 | 0.09 | 0.27% ▼ |
| Oil-WTI (bbl.) | 75.62 | 0.41 | 0.22% ▲ |
| Oil-Brent (bbl.) | 78.16 | 0.30 | 0.16% ▲ |
| Steel Scrap (tons) | 467.62 | - | - |
| Cotton (lb.) | 113.63 | 0.71 | 2.67% ▲ |

Source: Investing.com

| Currency | Value | Value | Chg. |
|----------|--------|-------|---------|
| USD/PKR | 178.50 | - | 0.06% ▲ |
| EURO/PKR | 202.03 | - | 0.13% ▼ |
| GBP/PKR | 240.48 | - | - |
| JPY/PKR | 1.55 | - | - |
| CNY/PKR | 28.20 | - | 0.04% ▲ |
| AED/PKR | 48.56 | - | 0.06% ▲ |
| SAR/PKR | 47.51 | - | 0.04% ▲ |
| CAD/PKR | 139.40 | - | 0.20% ▼ |
| AUD/PKR | 129.35 | - | 0.12% ▼ |

Source: Forex.com.pk



Market Outlook

KSE-100 on Friday remained volatile throughout the day while concluded the session in the green zone amid uncertainty regarding mini-budget. The index made an intra-day high and low at 44,646 (230 points) and 44,370 (-10 points) respectively while closed at 44,596 by gaining 180 points. Trading volume has been increased to 153mn shares as compared to 136mn shares on the previous day. Going forward, we expect the market to remain volatile amid uncertainty regarding the mini budget. However, we suggest our investors to look for dips for fresh buying. The resistance for the index resides at 45,023(50 DMA). Breaking this level could further push the index towards 45,968(200 DMA). However, the support for the index resides at 42,800.

Key News

International

Asian Stocks Up, Chinese Data Exceeds Expectations

Asia Pacific stocks were mostly up on Friday morning, potentially boosted by better-than-expected Chinese data and a rally in U.S.-listed Chinese equities. Trade was thin, with it being the last trading day of 2021 in some countries. [see more...](#)

Oil starts new year on positive note, pandemic worries curb gains

Oil prices rose on Monday as the market kicked off 2022 on a positive note, although concerns over demand waning due to rapidly spreading COVID-19 pandemic limited gains. Brent crude added 67 cents, or 0.86%, to \$78.45 a barrel, as of 0102 GMT. U.S. West Texas Intermediate crude futures gained 77 cents, or 1.02%, to \$75.98 a barrel. [see more...](#)

Politics

Govt to file petition against Shehbaz in LHC

Information Minister Fawad Chaudhry on Sunday said that the incumbent government will file a petition against the Leader of the Opposition in the National Assembly and the PML-N President Shehbaz Sharif in the Lahore High Court (LHC). The minister maintained that the government would take legal action against Shehbaz and file a petition. [see more...](#)

MORNING GLANCE

Economy

IMF to approve tranche only after prior actions are carried out: govt - Neutral

The government on Sunday said the International Monetary Fund (IMF) board would approve the new tranche for Pakistan, once all the required actions were completed. "As soon as the prior actions are completed by Pakistan, which the government is pushing hard, the IMF board will consider it for approval, [see more...](#)

Trade deficit declines by 17% MoM to \$4.14bn in Dec - Positive

Pakistan's trade deficit during the month of December declined by 17% MoM to \$4.14bn compared to \$5.02bn in the previous month as imports weakened by \$1bn MoM to \$6.9 billion, Adviser to PM on Commerce and Investment Razak Dawood announced today. In a series of tweets, he said "early indications are that the [see more...](#)

FBR collection jumps 32pc to Rs2.92tr in 6MFY22 - Positive

The Federal Board of Revenue (FBR) collected Rs2.920 trillion in the first half of the current fiscal year (6MFY22), exceeding the target of Rs2.633tr by Rs287 billion, provisional data compiled by the tax body showed on Friday. [see more...](#)

Inflation peaks 12.3% with inflationary budget on horizon – Negative

For the fourth month in a row, inflation rate skyrocketed to another peak of 12.3% in December – the highest pace in nearly two years that also beat the government's expectations, indicating the difficulties ahead once the highly inflationary mini-budget is implemented. [see more...](#)

Petrol, diesel prices up by Rs4 per litre - Negative

Owing to increase in the crude oil price in the international market, the government Friday increased the prices of petrol and diesel by Rs4 per litre each. The new prices will be effective from today (Saturday) till 15 January. Prices of kerosene and light diesel oil have also been increased by Rs3.95 and Rs4 per liter respectively for the first-half of January 2022. [see more...](#)

'New Year gift': Govt cuts LPG price by nearly Rs6 per kg - Neutral

According to a notification issued by the Oil and Gas Regulatory Authority (Ogra), the LPG will now be available at Rs196.67 per kg from January 1, 2022, Express News reported. Following the decrease, the price of a domestic cylinder of 11.8kg has been reduced by Rs105 and will be sold at [see more...](#)

K-3 nuclear power plant loads with fuel - Positive

After receiving a formal fuel load permit from the Pakistan Nuclear Regulatory Authority (PNRA), the authorities completed loading fuel to the second 1,100-megawatt nuclear power plant on Friday. The important milestone coincided with three decades of successful nuclear [see more...](#)

NEPRA is Reducing Electricity Tariff for 3 Months - Positive

The National Electric Power Regulatory Authority (NEPRA) has decided to reduce the electricity tariff per unit by Rs. 0.99 under the last quarter adjustment of FY 2021. It will reportedly be applied to the months of April, May, [see more...](#)

FO glut likely to ease as IPPs book most of available inventories - Positive

Oil refiners reeling from brimming Furnace Oil (FO) inventories on the back of lackluster demand have finally breathed a sigh of relief as Independent Power Producers (IPPs) place firm orders of huge quantities for next several weeks. [see more...](#)

A bumpy ride for auto sector - Neutral

The automobile sector of Pakistan witnessed a significant growth in the outgoing year but still it underwent turbulent times owing to a host of factors such as disruption in the international supply chain, depreciation of the rupee against the US dollar, hike in interest rate and strict banking regulations. [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 |

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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