

## MORNING GLANCE



40,451






▼ -396



▼ -0.97%




112 mn



YTD -0.9%





1 Year -10.28%

ASIA		Value	Pts	Chg. (%)
	NIFTY 50	17,604.35	287.6	1.61% ▼
	DSE 30	2,230.70	2.00	0.09% ▲
	SHANGHAI	3,286.64	21.82	0.67% ▲
	Hang Seng	22,600.50	88.4	0.39% ▼
	Nikkei 225	27,461.00	78.44	0.29% ▲

EUROPE		Value	Pts	Chg. (%)
	FTSE 100	7,765.15	4.04	0.05% ▲
	DAX 30	15,150.03	17.18	0.11% ▲

USA		Value	Pts	Chg. (%)
	DOW JONES	33,978.08	28.67	0.08% ▲
	S&P 500	4,070.56	10.13	0.25% ▲
	NASDAQ	12,166.60	115.12	0.96% ▲

Commodities		Value	Chg.	Chg. (%)
	Gold (t oz.)	1,942.75	13.35	0.69% ▲
	Oil-WTI (bbl)	79.94	0.26	0.33% ▲

Currencies		Value	Chg.	Chg. (%)
	USD/PKR	262.50	20.50	8.47% ▲
	EURO/PKR	286.85	30.18	11.76% ▲
	GBP/PKR	326.76	34.82	11.93% ▲
	AED/PKR	71.83	7.75	12.09% ▲

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

### Market Outlook

KSE-100 on Friday plunged by nearly 400 points and concluded the session in the red zone amid macroeconomic uncertainties as SBP reserves have fallen below \$4 billion in addition to profit-taking by investors. The index made an intra-day high and low at 41,096 (249 points) and 40,403 (-444 points) respectively while closed at 40,451 by losing 396 points. Trading volume has decreased to 112mn shares as compared to 235mn shares on the previous trading day. Going forward, we expect the index to test its support at 39,800. Breaking this level would further drag the index towards 39,300. Contrarily, the resistance for the index resides at 40,600.

### Key News

#### International

##### Asia shares brace for rate hikes, earnings rush

Asian shares started cautiously on Monday in a week that is certain to see interest rates rise in Europe and the United States, along with U.S. jobs and wage data that may influence how much further they still have to go. Earnings from a who's who of tech giants will also test the mettle of Wall Street bulls, who are looking to propel the Nasdaq to its best [see more...](#)

##### Oil climbs after drone attack in Iran, China's pledge to promote consumption

Oil prices climbed in early Asia trade on Monday, supported by tensions in the Middle East following a drone attack in Iran and as Beijing pledged over the weekend to promote a consumption recovery which would support fuel demand. Brent crude futures rose 54 cents, or 0.6%, to \$87.20 a barrel by 0115 GMT while U.S. West Texas Intermediate [see more...](#)

#### Politics

##### All stakeholders unsure about timely polls in Punjab, KP

All the stakeholders have doubts about the holding of elections for Punjab and KP assemblies within 90 days, however, it is not clear as yet what method of madness would be adopted to go beyond what is clearly envisaged in the Constitution of Pakistan. Opposition voices like Imran Khan and Shaikh Rashid have unambiguously said that the [see more...](#)

#### Economy

##### Pakistan's Currency Shock is First Step Toward IMF Loan Revival - Neutral

Pakistan has taken a first step toward reviving its bailout program with the International Monetary Fund by easing its control on the currency, which is among a slew of other decisions to be taken by the government to meet conditions set by the global leader. Prime Minister Shehbaz Sharif has said his coalition government is determined to [see more...](#)

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### PKR slide likely to fuel inflation in a big way - Neutral

The depreciation of Pak rupee by 13.5 percent by Friday in the interbank rate will raise inflation to 35 percent from the January Consumer Price Index of around 25 percent. This was stated by former finance minister Hafeez Pasha while speaking as a guest in "Paisa Bolta Hai" of Aaj News with Anjum Ibrahim. Pasha cautioned that in case the IMF programme was not revived, inflation could easily go up from between 65 to 70 percent. [see more...](#)

### Pakistan Revisiting Role of SOEs and PDF to Meet IMF Condition - Neutral

Federal Minister for Finance and Revenue Senator Mohammad Ishaq Dar on Saturday chaired a meeting on role of Pakistan Development Fund (PDF) and State Owned Enterprise (SOEs) at Finance Division. The meeting discussed the role of Pakistan Development Fund (PDF) and State Owned Enterprises (SOEs) in the light of new SOE Act 2022. The meeting discussed [see more...](#)

### Are 'encumbrances' stifling the growth of Sukuk market? - Positive

The Ministry of Finance is expected to issue the country's first-ever 12-month Ijara Sukuk or Islamic bonds next month — a move that's part of the renewed push for Sharia-compliant debt instruments as the banking industry begins its transition to an interest-free system. However, some analysts have raised doubts about the ability of the country to completely replace [see more...](#)

### Per person debt jumps by 21% - Negative

The debt burden of every citizen alarmingly jumped by 21% to Rs216,708 by the end of previous fiscal year due to wrong economic policies, stated an annual report of the Ministry of Finance, admitting that the previous year's fiscal policies sowed seeds of economic instability. The Fiscal Policy Statement 2022-23 has been prepared to meet a statutory requirement, a document that had been conceived 18 years ago to inform the [see more...](#)

### Foreign loan inflows slow down - Negative

Pakistan received only \$5.6 billion in foreign loans during the first half of current fiscal year, equal to about one-fourth of the annual budget estimate, due to its failure to take timely decisions about reviving the International Monetary Fund (IMF) loan programme. Data compiled by the Ministry of Economic Affairs showed that foreign loan disbursements from July through December 2022 stood at a mere \$5.6 billion. The disbursements were not [see more...](#)

### Open, black markets align closely after dollar surge - Neutral

Days after the removal of an artificial upper cap on the rupee that sent the local currency into a nosedive, the dollar's rate in the black market has come on a par with that in the open market, but uncertainty kept both the seller and buyers away on Friday. The rupee closed at 262.6 per dollar in the interbank market, down 2.7 per cent, on Friday, after a 9.6pc slump on Thursday, which was its biggest single-day [see more...](#)

### Steel price hits record Rs277,000 - Negative

Manufacturers on Friday again jacked up steel bar prices to an unprecedented high of Rs277,000 per tonne blaming a massive rupee devaluation and rising prices of raw materials that pushed up the cost of production. After increasing the prices by Rs10,000 less than a week ago, the steel makers delivered the second price shock of Rs22,000 per tonne despite thin construction activities evident from [see more...](#)

### SNGPL says has reduced UfG losses by 23,348mmcf - Positive

The Sui Northern Gas Pipeline Limited (SNGPL) has claimed to reduce the unaccountable for gas (UfG) losses by 23,348 mmcf which is 28 percent more than the assigned task. The government on October 31, 2019, assigned the task of reduction in the UfG losses of SNGPL by 18,240 mmcf within a period of three years (FY 2019-20 to FY 2021-22) ending on June 30, 2022. The gas company says that the targets [see more...](#)

### Lucky Core signs agreement to acquire 75pc stake in Lotchem - Neutral

Lucky Core Industries Limited (LCI) has entered into a share purchase agreement to acquire 75.01 percent issued and paid-up capital of Lotte Chemical Pakistan Limited (LOTCHM). The deal was announced by both LCI and Lotte Chemical through separate statements to the Pakistan Stock Exchange (PSX). The company secretary of LCI in a [see more...](#)

### LPG hits historic high of Rs300/kg - Negative

A judicial commission should be formed to inquire into corrupt practice and people behind black marketing of LPG as it has touched historic high of Rs300/kg across the country. Although the fixed price of LPG by Ogra is Rs204 per kg, but on the contrary, the government-owned SSGC has increased the price of LPG per kg to Rs300 with rate of domestic cylinder increasing by Rs235 to Rs3,550 and the price of [see more...](#)

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<b>TP</b>	Target Price	<b>DDM</b>	Dividend Discount Model	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>JPB</b>	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

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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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