

MORNING GLANCE

ASIA	Value	Pts	Chg. (%)
KSE 100	44,416.20	156.09	0.35% ▲
NIFTY 50	17,203.95	9.65	0.06% ▼
DSE 30	2,532.58	10.26	0.40% ▲
SHANGHAI	3,634.14	14.95	0.41% ▲
Hang Seng	23,435.37	323.36	1.40% ▲
BIST 100	1,863.65	31.81	1.68% ▼
MOEX	3,787.26	46.19	1.23% ▲
CSE All-Share	12,019.75	104.57	0.88% ▲
Nikkei 225	28,791.71	115.17	0.40% ▼
KLCI	1,535.79	7.82	0.51% ▼

Source: Investing.com

EUROPE	Value	Value	Pts
FTSE 100	7,403.01	17.68	0.24% ▼
DAX 30	15,884.86	32.61	0.21% ▲
CAC 40	7,173.23	11.71	0.16% ▲
FTSE MIB	27,346.83	2.58	0.01% ▲
SMI 20	12,875.66	50.9	0.39% ▼

Source: Investing.com

USA	Value	Value	Pts
DOW JONES	36,398.08	90.55	0.25% ▼
S&P 500	4,778.73	14.33	0.30% ▼
NASDAQ 100	16,429.10	61.91	0.38% ▼
US Dollar Index	96.02	0.06	0.06% ▲

Source: Investing.com

GULF	Value	Value	Pts
ADX General	8,488.36	37.84	0.45% ▲
Tadawul All-Share	11,281.71	81.87	0.73% ▲
QE General	11,625.81	53.12	0.45% ▼
Premier Market	7,639.11	11.84	0.15% ▼

Source: Investing.com

Commodity	Value	Value	Chg.
Gold (t oz.)	1,819.15	5.05	0.28% ▲
Silver (t oz.)	23.17	0.11	0.49% ▲
Oil-WTI (bbl.)	76.33	0.66	0.86% ▼
Oil-Brent (bbl.)	78.88	0.65	0.82% ▼
Steel Scrap (tons)	467.00	1	0.21% ▼
Cotton (lb.)	113.61	0.74	0.65% ▼

Source: Investing.com

Currency	Value	Value	Chg.
USD/PKR	178.50	-	-
EURO/PKR	202.03	0.32	0.16% ▲
GBP/PKR	240.48	0.89	0.37% ▲
JPY/PKR	1.55	-	-
CNY/PKR	28.20	0.01	0.04% ▲
AED/PKR	48.56	-	-
SAR/PKR	47.51	0.02	0.04% ▲
CAD/PKR	139.40	0.28	0.20% ▲
AUD/PKR	129.35	0.35	0.27% ▲

Source: Forex.com.pk



Market Outlook

KSE-100 on Thursday showed positive momentum throughout the day while concluded the session in the green zone amid Cabinet approves mini-budget, the bill to now be tabled in NA. The index made an intra-day high and low at 44,265 (330 points) and 44,260 (-0 points) respectively while closed at 44,416 by gaining 156 points. Trading volume has been decreased to 121mn 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 45,071(50 DMA). Breaking this level could further push the index towards 45,969(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. China's Shanghai Composite gained 0.52% by 10:03 PM ET (2:03 AM GMT) [see more...](#)

Oil heads for biggest yearly gains since 2009

Oil prices fell 1% on Friday but were set to post their biggest annual gains in 12 years, spurred by the global economic recovery from the COVID-19 slump and producer restraint, even as infections surged to record highs around the world. On the last day of 2021, Brent crude futures were on track [see more...](#)

Politics

PTI, PPP women get into physical brawl in National Assembly

Ruling PTI MNA Ghazala Saifi and Shagufta Jumani of the opposition PPP got into physical brawl during the National Assembly's noisy sitting on Thursday. The two lawmakers surrounded by others. [see more...](#)

MORNING GLANCE

Economy

'Mini-budget' approved by Cabinet - Neutral

Federal cabinet on Thursday approved a supplementary budget that plans to end exemptions on sales tax and levy new duties as part of fiscal tightening measures aimed at winning funding from the International Monetary Fund (IMF). The IMF approval is also a pivotal endorsement for country's economy, which is struggling with external and current account deficits, [see more...](#)

Tarin says IMF programme 'vital for economy' - Neutral

Finance Minister Shaukat Tarin on Thursday said that the International Monetary Fund (IMF) programme is very important for the economy of the country and it is not about \$ 1 billion tranche but it brings in other bilateral and multilaterals, as well. Addressing a press conference along with State Minister for Information and Broadcasting Farrukh Habib and Federal Board of Revenue (FBR) Chairman Dr Muhammad Ashfaq [see more...](#)

Foreign exchange: SBP reserves fall \$298m to \$17.86b - Neutral

The foreign exchange reserves held by the central bank fell 1.64% on a weekly basis, according to data released by the State Bank of Pakistan (SBP) on Thursday. On December 24, the foreign currency reserves held by the SBP were recorded at \$17,855.3 million, down \$298 million compared with \$18,153.7 million on December 17. [see more...](#)

Winter 2021: 500mmcf of gas shortfall estimated - Negative

Gas shortfall in winter 2021 has been estimated at 500 mmcf (with 9 percent depletion of natural gas reserves each year) against 300 mmcf in winter 2020. The RLNG price for consumers of both gas companies - SNGPL and SSGCL was raised by \$ 3.8 per mmbtu in December 2021 as compared with January 2021. The notified price of RLNG for both gas companies was \$ 8.7316 per mmbtu in January 2021 which rose to \$ 12.6238 per mmbtu in December. [see more...](#)

Government Reduce Tax For Refineries In Mini Budget - Positive

Federal government has proposed to slash the rate of sales tax on import of petroleum crude product to zero percent through the Finance (Supplementary) Act, 2021 presented in the national assembly today. Minister for Finance Shaukat Tarin today introduced the government's supplementary finance bill for final approval in the National Assembly after it was approved by the Federal cabinet. [see more...](#)

17pc GST proposed to be levied on over 150 items - Negative

The government has proposed to impose 17 percent sales tax worth Rs343 billion on over 150 items including imported plant and machinery, luxury items, dairy products, meat/poultry, pharmaceutical raw materials, beauty products/food supplements, computers, baggage of overseas Pakistanis, cotton/sunflower/canola seeds, mobile phones (exceeding US\$200), [see more...](#)

ECs may be offered Re1 incentive against each USD - Neutral

The government is likely to offer fiscal incentive of Re1 against each US dollar to forex companies to be surrendered to interbank being mobilized from inward remittances, well-informed sources told Business Recorder. Sharing the details, sources said, the State Bank of Pakistan has stated that in order [see more...](#)

PTI gov procures \$42.748bn foreign loans; \$32.7bn repaid - Neutral

The PTI government procured \$42.748 billion foreign loans during its tenure (August 2018 to December 2021) and repaid \$32.7 billion (including repayment of short term debt borrowed by the Khan Administration) with the government net borrowing of over \$10 billion. This was revealed in the data compiled by the Economic Affairs Division (EAD) and State Bank of Pakistan (SBP) and exclusively available with Business Recorder. [see more...](#)

MoF urged to extend Rs24.19bn sovereign guarantee - Neutral

Petroleum Division has requested Ministry of Finance (MoF) to extend sovereign guarantee amounting to Rs. 24.188 billion in favour M/s Habib Metropolitan Bank Ltd (HMPB) and a syndicate of two banks led by United Bank Limited (UBL) along with Faysal Bank in favour of Sui gas companies, official sources told Business Recorder. [see more...](#)

Car prices to rise as govt increases tax - Negative

Locally manufactured cars above 850cc will again be subject to 17pc GST, EVs up to 1800cc to be taxed at 12.5pc Prices of vehicles are set go further up due to proposed duties and taxes on the auto sector in the mini budget presented in the National Assembly (NA) on Thursday. According to the details, the government proposed to increase Federal Excise Duty (FED), [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

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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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