

## MORNING GLANCE

ASIA	Value	Pts	Chg. (%)
KSE 100	45,407.89	17.05	0.04% ▲
NIFTY 50	17,925.25	120.00	0.67% ▲
DSE 30	2,575.88	4.69	0.18% ▲
SHANGHAI	3,586.21	8.96	0.25% ▼
Hang Seng	22,916.37	9.12	0.04% ▲
BIST 100	2,005.29	41.70	2.12% ▲
MOEX	3,815.05	58.44	1.51% ▼
CSE All-Share	13,076.91	276.37	2.16% ▲
Nikkei 225	28,907.50	424.66	1.45% ▼
KLCI	1,542.75	5.2	0.34% ▼

Source: Investing.com

EUROPE	Value	Value	Pts
FTSE 100	7,516.87	11.72	0.16% ▲
DAX 30	16,271.75	119.14	0.74% ▲
CAC 40	7,376.37	58.96	0.81% ▲
FTSE MIB	28,162.67	207.83	0.74% ▲
SMI 20	12,906.37	5.40	0.04% ▲

Source: Investing.com

USA	Value	Value	Pts
DOW JONES	36,407.11	392.54	1.07% ▼
S&P 500	4,700.58	92.96	1.94% ▼
NASDAQ 100	15,771.78	507.96	3.12% ▼
US Dollar Index	96.21	0.04	0.04% ▲

Source: Investing.com

GULF	Value	Value	Pts
ADX General	8,406.69	3.01	0.04% ▼
Tadawul All-Share	11,453.08	96.28	0.85% ▲
QE General	11,922.17	208.41	1.78% ▲
Premier Market	7,724.09	56.26	0.73% ▲

Source: Investing.com

Commodity	Value	Value	Chg.
Gold (t oz.)	1,810.65	14.45	0.79% ▼
Silver (t oz.)	22.81	0.365	1.58% ▼
Oil-WTI (bbl.)	77.34	0.51	0.66% ▼
Oil-Brent (bbl.)	80.09	0.04	0.05% ▼
Steel Scrap (tons)	465.00	2.62	0.56% ▼
Cotton (lb.)	116.18	0.21	0.18% ▼

Source: Investing.com

Currency	Value	Value	Chg.
USD/PKR	177.00	0.40	0.23% ▲
EURO/PKR	199.72	0.21	0.11% ▲
GBP/PKR	239.27	1.49	0.63% ▲
JPY/PKR	1.52	-	-
CNY/PKR	27.96	0.06	0.22% ▲
AED/PKR	48.15	1.15	2.45% ▲
SAR/PKR	47.09	0.09	0.19% ▲
CAD/PKR	139.09	0.42	0.30% ▲
AUD/PKR	127.91	0.59	0.46% ▲

Source: Forex.com.pk



### Market Outlook

KSE-100 on Wednesday remained volatile throughout the day while concluded the session a bit above the last day's close. The index made an intra-day high and low at 45,438 (47 points) and 45,241 (-149 points) respectively while closed at 45,408 by gaining 17 points. Trading volume has been decreased to 97mn shares as compared to 134mn shares on the previous day. Going forward, we can expect the market to continue its upward momentum and test its resistance at 45,995 (200 DMA). Breaking this level would further push the index towards 46,350. However, the support for the index resides at 45,016 (50 DMA).

### Key News

#### International

##### Asia Stocks Decline as Tech Rout Deepens on Fed

Stocks in Asia opened weaker after a selloff in U.S. technology shares and Treasuries accelerated once Federal Reserve minutes signaled interest-rate hikes may be more aggressive than many had expected. Equities retreated in Japan, Australia and South Korea, though declines were more restrained than in the U.S. U.S. contracts fluctuated after the

[see more...](#)

##### Oil Rises Amid Doubts About OPEC+ Plan to Boost Production

Oil climbed amid skepticism about whether OPEC and its allies can successfully raise output as much as they intend. Futures in New York rose 1.1% to \$77.85 a barrel on Wednesday. OPEC+ on Tuesday stuck to its plan to add 400,000 barrels a day next month after it cut estimates for a surplus in the first quarter. However, recent history shows the group has been severely

[see more...](#)

#### Politics

##### Khalid Maqbool says MQM to raise PML-N's reservations on 'mini-budget' with govt

Muttahida Qaumi Movement-Pakistan (MQM) convener Khalid Maqbool Siddiqui said on Wednesday his party would raise reservations expressed by the PML-N over the contentious Finance (Supplementary) Bill 2021 and State Bank of Pakistan (SBP) Amendment Bill 2021. [see more...](#)

## MORNING GLANCE

### Economy

#### Passage of money bill; Senate panel concerned at 'after-effects' - Neutral

The Senate Standing Committee on Finance Wednesday expressed serious concerns over reports that the proposed money bill would stoke massive inflation in the country and even chairman Federal Board of Revenue (FBR) was not ready to commit that price of drugs would not increase following measures suggested in the bill. [see more...](#)

#### FY23 budget; Remaining GST exemptions to be withdrawn - Negative

Chairman FBR/Secretary Revenue Division, Dr Muhammad Ashfaq Ahmed said Wednesday that the government will withdraw the remaining sales tax exemptions in the coming budget. Briefing Senate Standing Committee on Finance on the Finance Supplementary Bill, 2021, the FBR chairman said that the zero sales tax would come from the pharmaceutical sector. [see more...](#)

#### H1 trade deficit widens 106.4pc to \$25.48bn YoY - Negative

Trade deficit widened by 106.4 percent during the first half (July-December) of the current fiscal year 2021-22 and reached \$25.478 billion compared to \$12.344 billion during the same period of 2020-21, revealed the Pakistan Bureau of Statistics (PBS) [see more...](#)

#### Govt debt hits historic high of Rs40.9trn - Negative

The federal government's total debt stocks rose to a historic level of Rs 40.9 trillion by the end of November 2021. The State Bank of Pakistan (SBP) Wednesday reported that the country's domestic and external debt went up by 6 percent during July-Nov of this fiscal year (FY22). The central government's total domestic and external debt stocks touched a new peak of Rs 40.973, [see more...](#)

#### Omicron spreading at rapid pace, warns NCOC chief - Negative

National Command and Operation Centre (NCOC) chief Asad Umar urged people on Wednesday to get vaccinated against coronavirus, saying the Omicron variant was spreading at a rapid pace in Pakistan, especially Karachi and Lahore. [see more...](#)

#### Hybrid Car Prices To Go Up PKR 900,000 To PKR 1,300,000 After ECC Approved Increased in Regulatory Duty - Negative

Ministry of Commerce submitted a summary for rationalization of tariff on import of vehicles and other items requested by MOIP & other sectors. The meeting discussed the summary in details and approved recommendations of the Tariff Policy Board with some modifications. The forum also decided to review some recommendations relating to automotive sector after six [see more...](#)

#### PTCL Group, TPL Trakker renew partnership for ICT services development - Positive

Pakistan Telecommunication Company Limited (PTCL) Group has signed a Memorandum of Understanding (MoU) for continuation of its strategic partnership with TPL Trakker, a leading GPS tracking and IoT services provider in Pakistan. Under the partnership, PTCL Group will provide wireless connectivity and a host of bundled services to TPL [see more...](#)

#### Telecard Subsidiary Wins Major Optical Fiber Supply and Deployment Project - Positive

Supernet Limited ("Supernet") today announced the award of a sizeable telecommunications infrastructure development project from a Pakistani mobile network operator. The project valued at over PKR 150 million includes the supply of optical fiber and associated equipment and its deployment in different areas of Punjab. [see more...](#)

#### Import of 50,000MT of urea from China approved- Positive

A meeting of the Economic Coordination Committee (ECC) of the Cabinet has allowed import of 50,000 metric ton urea on government-to-government basis from China on an urgent basis, subject to clearance from the Pakistan Standards [see more...](#)

#### Country seen missing Rabi crops' targets - Negative

The high urea and DAP prices coupled with shortage is likely to have serious negative impact on agricultural growth as the country could miss the Rabi crops production targets especially, wheat production target set at 28.9 million tons. This was the crux of a background discussion with various relevant officials and agriculturalist. [see more...](#)

#### RDA: Inflows reach \$3.16mn by December'21 - Positive

Foreign exchange inflows through Roshan Digital Account (RDA) reached \$3.16 billion by December 2021 since its launch in September 2020, indicating the increasing confidence of non-residents Pakistanis (NRPs), the latest data [see more...](#)

#### Efforts aimed at boosting rice exports may hit a snag - Negative

Efforts to enhance rice exports from current level of US two billion dollars to \$ 2.7 billion may hit a snag despite a good production as the commercial banks have declined to enhance the Export Refinance Facility (ERF) limits to the exporters. "Rice exporters are facing trouble obtaining Export Refinance Facilities from their banks [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

<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

## 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 Ahmed

Phone: (+92) 42 38302028

Ext: 118

Email: mahmed@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

### BRANCH OFFICE

42 - Mail Road, Lahore

Phone: (+92) 42 38302028-37320707

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com