

# MORNING GLANCE



40,801	▲ 297	▲ 0.73%
116 mn	YTD -0.04%	1 Year -11.08%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,914.15	187.05	1.03% ▼
DSE 30	2,191.78	1.62	0.07% ▼
SHANGHAI	3,179.18	9.68	0.31% ▲
Hang Seng	21,611.00	279.54	1.31% ▲
Nikkei 225	26,432.50	256.94	0.98% ▲

  

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,694.49	30.45	0.39% ▼
DAX 30	14,774.60	18.23	0.12% ▼

  

USA	Value	Pts	Chg. (%)
DOW JONES	33,704.10	186.45	0.56% ▲
S&P 500	3,919.25	27.16	0.70% ▲
NASDAQ	11,205.78	97.33	0.88% ▲

  

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,877.70	1.20	0.06% ▲
Oil-WTI (bbl)	74.50	0.62	0.83% ▼

  

Currencies	Value	Chg.	Chg. (%)
USD/PKR	228.25	0.50	0.22% ▲
EURO/PKR	245.05	1.88	0.77% ▲
GBP/PKR	277.72	1.08	0.39% ▲
AED/PKR	62.10	0.14	0.23% ▲

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

## Market Outlook

KSE-100 on Tuesday remained positive throughout the day and concluded the session in the green zone amid the expected inflows after donors pledged more than \$10 billion at the Geneva conference to support post-floods rehabilitation and reconstruction. The index made an intra-day high and low at 40,986 (482 points) and 40,505 (0 points) respectively while closed at 40,801 by gaining 297 points. Trading volume has increased to 116mn shares as compared to 98mn shares on the previous trading day. Going forward, we expect the market to be volatile amid uncertain macroeconomic conditions. Further, we expect the market to test its resistance at 41,000. Breaking this level would further push the index towards 41,556 (50 DMA). Contrarily, the support for the index resides at 40,600.

## Key News

### International

**Asian shares subdued, dollar steady, focus on U.S. CPI data**  
 Asian equities edged higher on Wednesday, while the dollar steadied as investors braced for U.S. inflation data that will influence the Federal Reserve's interest rate policy. MSCI's broadest index of Asia-Pacific shares outside Japan was 0.28% higher, while Japan's Nikkei gained 1%. Australia's S&P/ASX 200 index rose 0.80%. While China's reopening from [see more...](#)

### U.S. crude inventories up by 14.9 million barrels last week: API

U.S. crude stockpiles jumped by more than four times last week from the previous week's level, trade group API said Tuesday, bucking market expectations for a drop in inventories as refiners built up product supply, particularly of heating oil, for the winter. U.S. crude inventories rose by 14.865 million barrels for the week ended Jan. 6, the [see more...](#)

### Politics

#### Most senior leaders of PTI want Punjab PA to be dissolved this month

A majority of the Pakistan Tehreek-e-Insaf (PTI)'s senior leaders were in favour of dissolving the Punjab Assembly in January even if the Lahore High Court does not ask Punjab Chief Minister Chaudhary Pervaiz Elahi to take a vote [see more...](#)

### Economy

#### KSA says could boost investments to \$10bn - Positive

The Kingdom of Saudi Arabia (KSA) said it could increase its investments in the cash-strapped Pakistan economy to \$10 billion, the Saudi state news agency reported on Tuesday, as well as increase the ceiling on deposits into the Pakistan central bank to \$5 billion. Crown Prince Mohammed bin Salman has directed a study to increase Saudi Arabian [see more...](#)

## MORNING GLANCE

### PM Shehbaz to visit UAE for advancement of bilateral trade, investment - Neutral

Prime Minister Shehbaz Sharif will visit the United Arab Emirates from January 12 to 13 "with a particular focus on advancing economic, trade and investment ties between the two brotherly countries," the Foreign Office said on Tuesday. "At the invitation of His Highness Sheikh Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates, Prime Minister Muhammad [see more...](#)

### WB projects 2pc growth - Neutral

The World Bank has projected Pakistan's GDP growth rate at two percent in the fiscal year 2022-23, half the pace that was anticipated last June, while saying that the country faces challenging economic conditions, including the repercussions of the recent flooding and continued policy and political uncertainty. The bank in its latest report, "Global Economic Prospects" stated that Pakistan, with low foreign exchange reserves and [see more...](#)

### NA body approves 'Imports and Exports (Control) Amendment Bill, 2022' - Negative

National Assembly Standing Committee on Commerce headed by Khursheed Ahmed Junejo on Tuesday approved the "Imports and Exports (Control) Amendment Bill, 2022," as introduced in the National Assembly aimed at delegating powers to the Ministry to resolve hardship case on its own. The Import and Export (Control) Act, 1950 is the primary legal instrument which provides [see more...](#)

### Digital services: SBP issues guidelines for downtime - Neutral

The State Bank of Pakistan (SBP) has issued guidelines for downtime of digital services and directed the financial institutions to intimate the customers and SBP about any planned activity that created digital services disruption. According to State Bank, in recent years, the use of digital channels and customers' reliance for carrying out day-to-day transactions has increased manifold. However, it has been observed that in cases of service [see more...](#)

### 15th successive decline: rupee falters against US dollar - Negative

Pakistan's rupee registered a loss against the US dollar for the 15th successive session, depreciating 0.21% in the inter-bank market on Tuesday. As per the State Bank of Pakistan (SBP), the rupee declined by Re0.47 to close at 227.88. During the ongoing fiscal year, the rupee has depreciated 10.14% against the greenback. On Monday, the rupee had registered a loss for the fourteenth successive session against the US dollar to settle at 227.41 [see more...](#)

### OGRA proposes hike in gas tariff for households, tandoors and export-oriented sector - Negative

The Oil and Gas Regulatory Authority (OGRA) on Wednesday increased the gas tariff for consumers of two Sui Gas companies by up to 74 percent for household consumers, commercial sector, roti tandoors, captive power plants and general industries, including export-oriented sector, effective from July 2022. Interestingly, the regulator has [see more...](#)

### Steel prices surge to all-time high level - Negative

The prices of steel rebars rose to an all-time level of Rs 235,000 per metric ton due to shortage of raw material. All leading steel rebars producers, on Tuesday, have announced to increase the price due to exchange rate volatility and shortage of raw material as banks are not opening LCs. The booking rates of quality steel rebars have been increased by Rs 8,000 per metric ton with effect from 10th January, [see more...](#)

### State Bank of Pakistan reviews cement industry performance in FY22 - Neutral

The State Bank of Pakistan (SBP) has critically analysed the performance of the cement industry between July 2021 and June 2022. The central bank gauged the positive and negative impacts on local and export dispatches, employment, quarrying of minerals and the reason behind on slow progress of the industry. The SBP concluded that "marginal [see more...](#)

### Packages Ltd incorporates foreign subsidiary in UAE - Positive

One of the most iconic and recognisable companies in Pakistan, Packages Limited (PKGS), has incorporated a wholly owned foreign subsidiary in the United Arab Emirates (UAE). This is the first subsidiary of the company in the UAE and a continuation of its incorporation of subsidiaries outside of Pakistan. PKGS made the announcement to the [see more...](#)

### Edible oil shortage looms in Pakistan as dollar reserves fall - Negative

Edible oil stocks for three weeks are left in the country as traders remained unsuccessful to secure Letters of Credit (LCs) amid dollar shortage, it was learnt on Tuesday. As per Aaj News, over 10 ships carrying edible oil consignments remain stuck at ports in Karachi and Gwadar. "Consignments are not getting the clearance from the authorities," [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 Salman

Phone: (+92) 42 38302028

Ext: 116

Email: salman@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