



## Market Outlook

KSE-100 on Monday remained depressed throughout the day and concluded the session in the red zone amid the macroeconomic uncertainties prevailing in the country. The benchmark KSE-100 index made an intra-day high and low at 43,093 (0 points) and 42,762 (-331 points) respectively while closed at 42,851 by losing 242 points. Trading volume has decreased to 82mn shares as compared to 103mn shares on the previous trading day. Going forward, we expect the market to remain volatile. Whereas, the support for the index resides at 42,500. Breaking this level can further drag the index towards 41,800 (50 DMA). Contrarily, the resistance for the index resides at 42,967 (200 DMA).

## Key News

### International

#### Asia shares mixed while oil falls on China COVID outlook

Asian share markets were mixed on Tuesday and oil was weaker as investors sought to digest the economic implications of China's COVID policy adjustments and a rescue package for the country's struggling property sector. MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.1%, following mild losses for U.S. overnight. Australian shares lost 0.28%, while Japan's Nikkei stock index was [see more...](#)

#### Oil prices slip on OPEC cut in demand forecast, China COVID cases

Oil prices extended losses in early Asian trade on Tuesday after OPEC cut its 2022 global demand forecast, while rising COVID-19 case numbers in China clouded the outlook for fuel consumption in the world's top crude importing nation. Brent crude futures fell 39 cents, or 0.4%, to \$92.75 a barrel by 0133 GMT after settling down 3% on Monday. U.S. West [see more...](#)

### Politics

#### Govt castigates Imran for 'backtracking' from foreign conspiracy narrative

Prime Minister Shehbaz Sharif said on Monday that PTI chairman Imran Khan's rebuttal of the foreign conspiracy narrative was a reminder of the "vicious role he played to harm Pakistan's external relations while pursuing his own petty politics". In an interview with British newspaper Financial Times, Imran — who has repeatedly claimed [see more...](#)

### Economy

#### BOA approves six SEZs - Neutral

Federal Minister for Board of Investment (including Chinese and other FDI) and Special Initiatives, Chaudhary Salik Hussain chaired the 8th meeting of the Board of Approvals (BOA) in Prime Minister's Office, Islamabad. Members of BOA from Parliament, federal ministries, provincial governments, SBP, provincial BOIs, FPCCI, Pakistan Business Council and senior officers including Secretary BOI Asad Rehman Gilani [see more...](#)

|        |            |               |
|--------|------------|---------------|
| 42,851 | ▼ -242     | ▼ -0.56%      |
| 82 mn  | YTD -3.91% | 1 Year -6.34% |

| ASIA       | Value     | Pts    | Chg. (%) |
|------------|-----------|--------|----------|
| NIFTY 50   | 18,329.15 | 20.55  | 0.11% ▼  |
| DSE 30     | 2,235.97  | 4.72   | 0.21% ▲  |
| SHANGHAI   | 3,091.99  | 8.59   | 0.28% ▲  |
| Hang Seng  | 17,810.00 | 190.29 | 1.08% ▲  |
| Nikkei 225 | 27,934.50 | 28.97  | 0.10% ▼  |

| EUROPE   | Value     | Pts   | Chg. (%) |
|----------|-----------|-------|----------|
| FTSE 100 | 7,385.17  | 67.13 | 0.92% ▲  |
| DAX 30   | 14,313.30 | 88.44 | 0.62% ▲  |

| USA       | Value     | Pts    | Chg. (%) |
|-----------|-----------|--------|----------|
| DOW JONES | 33,536.70 | 211.16 | 0.63% ▼  |
| S&P 500   | 3,957.25  | 35.68  | 0.89% ▼  |
| NASDAQ    | 11,700.94 | 116.07 | 0.98% ▼  |

| Commodities   | Value    | Chg. | Chg. (%) |
|---------------|----------|------|----------|
| Gold (t oz.)  | 1,771.35 | 5.55 | 0.31% ▼  |
| Oil-WTI (bbl) | 85.36    | 0.51 | 0.59% ▼  |

| Currencies | Value  | Chg. | Chg. (%) |
|------------|--------|------|----------|
| USD/PKR    | 222.20 | 0.20 | 0.09% ▲  |
| EURO/PKR   | 228.96 | 1.89 | 0.83% ▲  |
| GBP/PKR    | 261.10 | 0.93 | 0.36% ▲  |
| AED/PKR    | 60.46  | 0.06 | 0.10% ▲  |

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

## MORNING GLANCE

### World Bank Likely to Approve \$510 Million for Flood Rehabilitation in Sindh - **Positive**

The World Bank's Board of Executive Directors is likely to approve \$510 million for Sindh Flood Emergency Rehabilitation Project with the objectives to rehabilitate damaged infrastructure and provide short-term livelihood opportunities in selected areas of the province affected by the 2022 floods. Official sources revealed that the Board will consider the project next month, which [see more...](#)

### ADB Shows Keen Interest in Financing WAPDA Projects - **Neutral**

The Asian Development Bank (ADB) has shown a keen interest to finance the projects undertaken by the Water and Power Development Authority (WAPDA). A 5-member delegation headed by ADB's Country Director Yong Ye called on Chairman WAPDA Lt. Gen. (R) Sajjad Ghani here on Monday. The delegation was briefed about the clean and green energy generation plan of WAPDA which is meant to add low-cost and environment-friendly [see more...](#)

### Pakistan Credit Default Swap Tops 64% as Reserves Fall by a Billion - **Negative**

Pakistan 5-year Credit Default Swap (CDS) increased 394 basis points in a day to 6,419 basis points on Friday 11th November 2022 as country reserves fall by a billion in a week and delay in negotiations with IMF for the release of next tranche. The CDS is up 4,210 basis points in a month time as per data published by Bloomberg. The schedule for talks between Pakistan and [see more...](#)

### Rupee declines marginally, settles at 221.69 against US dollar - **Negative**

Pakistan's rupee registered another marginal decline, falling 0.02% against the US dollar in the inter-bank market on Monday. As per the State Bank of Pakistan (SBP), the rupee closed at 221.69 after a depreciation of Re0.05. On Friday, the rupee had ended its three-session appreciation run against the US dollar, and declined 0.1% in the inter-bank market. However, overall the [see more...](#)

### SBP expands scope of investigation into alleged exchange-rate manipulation - **Neutral**

Pakistan's central bank has expanded its scope of investigation into alleged exchange-rate manipulation beyond eight banks with the inspection team working towards the end of the month as its deadline, said State Bank of Pakistan (SBP) Governor Jameel Ahmad on Monday. "Our inspection team is working on this (investigation against banks for manipulating exchange [see more...](#)

### APTMA Urges PM for Intervention to Save Export-Oriented Textile Industry of Sindh and Balochistan - **Neutral**

Chairman of All Pakistan Textile Mills Association (APTMA), Southern Zone, Zahid Mazhar, has urged the Prime Minister and the Sindh Chief Minister for their intervention to save the export-oriented textile industry of Sindh and Balochistan from total closure due to the denial of gas from November 15, 2022, to February 28, 2023. The chairman said that the [see more...](#)

### Ghani Chemical Class B Right Issue Subscribed 24.7% Only - **Neutral**

Ghani Chemical Industries inform that the 8.8045% Class B Right issue (of G3 Technologies Limited merged with and into Ghani Chemical Industries Limited - GCII) amounting to Rs. 220,000,000/- has been subscribed to the extent of 24.66% as of the last date of payment and acceptance of shares which is November 02, 2022. These details are received from the [see more...](#)

### MCB Downgraded to Small Cap Stocks by MSCI - **Negative**

MCB Bank Limited downgraded from MSCI Main Frontier Market Index in quarterly rebalancing of MSCI Index. MSCI Inc. (NYSE:MSCI), a leading provider of critical decision support tools and services for the global investment community, announced the results of the November 2022 Semi-Annual Index Review for the MSCI Equity Indexes - including the MSCI Global Standard, MSCI Global Small Cap and MSCI [see more...](#)

### Engro Fertilizer New Plant Lost Production due to Technical Issue - **Negative**

The EnVen plant tripped on Friday, November 11, 2022 due to a technical issue, according to company filing to the exchange. The issue was fixed, and the plant resumed operations on Sunday, November 13, 2022, resulting in an estimated production loss of approximately 0.4% of the annual production. EFERT share price drop 39 paise or 0.48 [see more...](#)

### Income from Property Situated in Another Country can be Taxed: Tax Tribunal - **Neutral**

The Appellate Tribunal Inland Revenue Islamabad on Monday declared that there is no bar under international law for the state of resident (Pakistan) to impose a tax on income from property situated in another country (UAE). Details of the said case revealed that the appellant taxpayer is an individual who derives income from salary and foreign source [see more...](#)

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## 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

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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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### 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