

MORNING GLANCE



41,180	▼ -558	▼ -1.34%
137 mn	YTD -7.66%	1 Year -7.18%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,414.90	245.4	1.32% ▼
DSE 30	2,208.48	0.48	0.02% ▼
SHANGHAI	3,174.22	5.57	0.18% ▲
Hang Seng	19,614.00	245.41	1.27% ▲
Nikkei 225	27,624.50	427.2	1.52% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,426.17	69.76	0.93% ▼
DAX 30	13,986.23	473.97	3.28% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	33,202.22	764.13	2.25% ▼
S&P 500	3,895.75	99.57	2.49% ▼
NASDAQ	11,345.22	395.71	3.37% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,792.05	4.25	0.24% ▲
Oil-WTI (bbl)	76.36	0.25	0.33% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	224.75	0.15	0.07% ▼
EURO/PKR	239.34	0.34	0.14% ▲
GBP/PKR	278.29	0.51	0.18% ▲
AED/PKR	61.15	0.04	0.07% ▼

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

Market Outlook

KSE-100 on Thursday plunged over 550 points and concluded the session in the red zone amid the political uncertainty prevailing in the country in addition to a hike in US interest rate and the delay over 9th review of IMF programme which has dented the market sentiment. The index made an intra-day high and low at 41,997 (259 points) and 41,110 (-628 points) respectively while closed at 41,180 by losing 558 points. Trading volume has increased to 137mn shares as compared to 53mn shares on the previous trading day. Going forward, we expect the market to test its support at 41,000. Breaking this level would further drag the index towards 40,600. Contrarily, the resistance for the index resides at 42,147 (50 DMA).

Key News

International

Asia stocks slide toward weekly loss as central banks plough on with rate hikes

Asia stocks fell for a second day in a row on Friday, and were headed for their worst week in two months, after a slew of central banks raised interest rates and warned there were more hikes to come next year. Interest rates went up in Europe, Britain, Switzerland, Denmark, Norway, Mexico and Taiwan on Thursday, following a U.S. rate hike on [see more...](#)

Oil rises, poised to end week higher despite economy concerns

Oil prices rose in early Asian trade on Friday after falling 2% in the previous session on central bank interest rates hikes, and is poised to end the week higher after a series of positive oil demand forecasts. Brent crude futures rose 36 cents or 0.4% to \$81.57 per barrel by 0109 GMT. West Texas Intermediate futures rose 25 cents, or 0.3%, to \$76.36 per barrel. [see more...](#)

Politics

Imran Khan expected to dissolve assemblies by December 23

Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan expected to dissolve assemblies either on December 17 or 23, the party's senior vice-president, Fawad Chaudhry, said Thursday. As the PTI remains persistent that only snap polls are the solution to end the ongoing political as well as economic instability in the country, Fawad said: "The coalition government isn't serious about dialogue." The claim [see more...](#)

Economy

Flood recovery efforts: Five financing pacts worth \$775m inked with ADB - Neutral

The government of Pakistan and the Asian Development Bank (ADB) Thursday signed five financing agreements of \$775 million to support recovery and reconstruction efforts, in the flood-affected areas of Balochistan, Khyber-Pakhtunkhwa, and Sindh. These projects will support reconstruction [see more...](#)

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UN says funds for flood-hit Pakistan to run out in weeks - **Negative**

The United Nations on Thursday said that emergency food aid for devastated flood-hit communities in Pakistan would run out in January after a funding appeal received only a third of its target. Pakistan was lashed by unprecedented monsoon rains over the summer that put a third of the country underwater, damaged two million homes and killed more than 1,700 people. [see more...](#)

SBP reserves drop \$15m - **Negative**

Foreign exchange reserves held by the State Bank of Pakistan (SBP) didn't see a major change on week on week basis, closing at a level of \$6.7 billion after shedding \$15 million, SBP data released on Thursday showed. As per the data, total liquid foreign reserves held by the country stood at \$12.57 billion as of December 9, 2022. Net foreign reserves held by commercial banks clocked in at \$5.87 billion. "SBP's reserves did not record any major change [see more...](#)

Jul-Oct LSM sector output down 2.89pc YoY - **Neutral**

The overall output of the Large Scale Manufacturing (LSM) sector declined by 2.89 percent during the first four months (July-October) of 2022-23 when compared with the same period of last year, says the Pakistan Bureau of Statistics (PBS). According to the Provisional Quantum Index Numbers of Large Scale Manufacturing Industries (QIM), the LSMI output decreased by 7.75 percent for October 2022 when compared with October 2021 and [see more...](#)

Barrick Settles Reko Diq Case With Pakistan in Exchange for 50% of All Gold Reserves - **Negative**

Barrick Gold Corporation said today that it had completed the reconstitution of the Reko Diq project, having received a favorable opinion from the Supreme Court of Pakistan and the required legislation having been passed into law. One of the largest undeveloped copper-gold projects in the world, Reko Diq is owned 50% by Barrick, 25% by three federal state-owned [see more...](#)

Ishaq Dar announces reduction of Rs10 in petrol price, diesel's rate cut by Rs7.5 - **Neutral**

Finance Minister Ishaq Dar on Thursday announced that the price of petrol was being reduced by Rs10 and diesel was being brought down by Rs7.5 per litre, Aaj News reported. The reduction means the price of petrol is now Rs214.8 per litre, while that of diesel is Rs227.80 per litre with effect from December 16. "The prime minister wants that we should pass maximum relief to the [see more...](#)

Discounted Russian oil not 'a reality,' says Bilawal - **Positive**

Pakistan is seeking "to address the energy shortfalls and difficulties we're facing," Foreign Minister Bilawal Bhutto-Zardari said on Thursday, but he dismissed the concept of discounted Russian oil after Islamabad announced a deal with Moscow. When asked about a \$60-per-barrel cap imposed by the Group of Seven states and the European Union on Russian seaborne oil over Russia's war in Ukraine, he said: "Up [see more...](#)

MTL notifies non-production days - **Neutral**

Millat Tractors Limited (MTL) has announced to close its production on Fridays on a decline in demand for tractors in the country. In a statement to the Pakistan Stock Exchange on Thursday, the company secretary of Millat Tractors said, "Due to reduced demand of tractors, the company will observe Fridays as non-production days from December 16, 2022, till further notice." Analysts said due to floods in the [see more...](#)

ECC allows export of 100,000 tonnes of sugar - **Positive**

The Economic Coordination Committee (ECC) of the Cabinet on Thursday approved the export of 100,000 metric tons (MT) of sugar provided the price in domestic market would not increase from Rs89-90 per kg till January 31, 2023. The ECC also decided that no subsidy whatsoever would be provided by federal and provincial governments at all. If the domestic prices of sugar went up, then the export of sugar would [see more...](#)

MEBL crosses Rs3bn in Shariah compliant Roshan Equity Investment - **Neutral**

Meezan Bank Limited (MEBL) has crossed the mark of Rs3 billion mark in Shariah-compliant Roshan Equity Investment in Pakistan Stock Exchange (PSX) by Meezan Roshan Digital Account customers, the bank informed via its official social media handle. "This is another important milestone on our journey towards establishing 'Islamic Banking as [see more...](#)

Searle Pakistan looks to raise Rs3.24bn through IPO - **Positive**

Searle Pakistan Limited (SPL), formerly OBS Pakistan Pvt Limited and a subsidiary of The Searle Company Limited (TSCL), intends to raise over Rs3.24 billion or \$14.45 million through an Initial Public Offering (IPO). The development was shared by the Pakistan Stock Exchange (PSX) through a prospectus provided to the bourse on Thursday. "It is informed that Searle Pakistan Limited has applied for [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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To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

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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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