



38,342	▼ -1379	▼ -3.47%
126 mn	YTD -6.06%	1 Year -15.94%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,053.30	158.45	0.89% ▲
DSE 30	2,201.34	4.07	0.19% ▲
SHANGHAI	3,226.45	2.20	0.07% ▲
Hang Seng	21,610.50	32.86	0.15% ▲
Nikkei 225	26,293.00	154.32	0.59% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,851.03	9.04	0.12% ▼
DAX 30	15,187.07	53.03	0.35% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	33,910.85	391.76	1.14% ▼
S&P 500	3,990.97	8.12	0.20% ▼
NASDAQ	11,557.19	15.70	0.14% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,910.95	1.05	0.05% ▲
Oil-WTI (bbl)	81.11	0.66	0.82% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	229.00	0.25	0.11% ▲
EURO/PKR	247.85	0.41	0.17% ▼
GBP/PKR	279.23	1.02	0.36% ▼
AED/PKR	62.30	0.06	0.10% ▲

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

Market Outlook

KSE-100 on Tuesday plunged over 1350 points and concluded the session in the red zone amid political uncertainty created by the expected dissolution of the KP assembly in addition to uncertainties on the macroeconomic front including a delay in the completion of the 9th review of IMF programme and the expected interest rate hike by SBP in the scheduled meeting next week. The index made an intra-day high and low at 39,942 (222 points) and 38,288 (-1433 points) respectively while closed at 38,342 by losing 1379 points. Trading volume has increased to 126mn shares as compared to 52mn shares on the previous trading day. Going forward, we expect the market to continue its downward momentum. The index is likely to test its support at 37,800. Breaking this level would further drag the index towards 37,000. Contrarily, the resistance for the index resides at 38,800.

Key News

International

Asian shares tentative, Japan yields close to policy cap ahead of BOJ meeting

Asian shares were mixed on Wednesday while Japanese yields hugged a policy cap, with markets anxiously awaiting a pivotal Bank of Japan (BOJ) meeting that could see the world's third largest economy shift away from decades of ultra-low interest rates. The BOJ's official two-day meeting will end on [see more...](#)

Oil prices move little as markets weigh China recovery, recession fears

Oil prices kept to a tight range on Wednesday as markets weighed increasing signs of a recovery in Chinese demand against fears of a global economic slowdown in 2023, with the IEA's monthly report now coming into focus. The Organization of Petroleum Exporting Countries (OPEC) [see more...](#)

Politics

No decision made on PTI's return to National Assembly: Fawad

Senior Pakistan Tehreek-e-Insaf (PTI) leader Fawad Chaudhry said on Tuesday that the party leadership had not decided on PTI's return to the National Assembly, Aaj News reported. His remarks come a day after PTI Chairman Imran Khan hinted at his party's return to the NA, backtracking his month- [see more...](#)

Economy

Rs200b mini-budget to appease IMF on cards - Neutral

The government may impose taxes to the tune of Rs200 billion – with effect from next month – aimed at breaking a deadlock with the International Monetary Fund (IMF). However, the current uncertain political situation in the country is causing a delay in taking a final decision in this regard. The move [see more...](#)

MORNING GLANCE

Jul-Nov LSMI output declines 3.58pc YoY - **Negative**

The Large Scale Manufacturing Industries (LSMI) output has declined by 3.58 percent during the first five months (July-November) of 2022-23 when compared with the same period of last year, says the Pakistan Bureau of Statistics. According to the provisional Quantum Index numbers of the Large Scale Manufacturing Industries (QIM), the LSMI output decreased by 5.49 percent for November 2022 when compared with [see more...](#)

20th straight loss: rupee depreciates against US dollar - **Negative**

Pakistani rupee's downward trajectory against the US dollar continued for the 20th successive session as it depreciated 0.14% in the inter-bank market on Tuesday. As per the State Bank of Pakistan (SBP), the rupee declined by Re0.32 to close at 228.66. During the ongoing fiscal year, the rupee has depreciated 10.47% against the greenback. On Monday, the rupee had registered a loss for the 19th successive session against the US dollar to [see more...](#)

Govt mulling hiking gas tariffs - **Negative**

Petroleum State Minister Musadik Malik, Tuesday, indicated a possible increase in gas tariffs in the coming days, saying it was "unaffordable" for the present government to maintain the present gas tariff. "Ogra (Oil and Gas Regulatory Authority) recommended increasing the gas prices but this has not been done keeping in view the inflation factor," the state minister told the Senate. Malik said the government is trying not to [see more...](#)

Production of Petroleum Products Down Over 13% in First 5 Months of FY23 - **Negative**

The petroleum products production witnessed a decline of 13.63 percent during July-November 2022-23 (FY23) as its indices went down to 88.36 from 102.31 during July-November 2021-22 (FY22), says Pakistan Bureau of Statistics (PBS). According to official data on month-on-month, petroleum products registered a 5.26 percent increase in November 2022. High-speed diesel [see more...](#)

Q1 of July-Sept 2022-23: Nepra allows Discos to recover Rs41.938bn under QTA mechanism - **Neutral**

The National Electric Power Regulatory Authority (Nepra) has allowed power distribution companies (Discos) to recover Rs 41.938 billion from their consumers for the first quarter of (July-September) 2022-23 under the QTA mechanism. The impact on IESCO consumers will be of Rs 1.97 per unit, LESCO Rs 2.76 per unit, GEPCO Rs 4.06 per unit, FESCO Rs 3.26 per unit, [see more...](#)

Conversion of Port Qasim power plant to local coal - **Neutral**

The Central Power Purchasing Agency—Guaranteed (CPPA-G) has advised the Private Power and Infrastructure Board (PPIB) to seek necessary approvals from the authorities concerned for conversion of the Port Qasim coal-fired power plant from imported coal to local coal as the company has offered a different version of minutes of a key meeting, well-informed sources told Business Recorder. The PPIB, in its letters [see more...](#)

ECC approves import of 'old' tractors - **Neutral**

The Economic Coordination Committee (ECC) of the Cabinet approved import of up to five years old tractors with a duty reduction allowing for depreciation in value at two per cent per month up to a maximum of 60 per cent. The ECC meeting presided over by Finance Minister Ishaq Dar was submitted a summary by the Ministry of Commerce regarding the import of agricultural tractors under the Kissan package 2022 [see more...](#)

Summit Bank equity injection completed - **Neutral**

Summit Bank Limited announced that a key milestone relating to equity injection from H.E. Nasser Abdulla Hussain Lootah (the Investor), a UAE National and a long standing friend of Pakistan, has been completed. In this regard, the shareholders of the Bank at their Extraordinary General Meeting held on January 16, 2023 passed the requisite resolutions authorizing the equity injection. The President of the Bank, Jawad [see more...](#)

Steel shortage in offing: Pakistan's construction sector under threat - **Negative**

The ongoing shortage of dollars and the industry's inability to secure Letters of Credit (LCs) for import of raw materials is expected to hit the profitability of the construction sector and may lead to a country-wide steel shortage in the coming days, said Arif Habib Limited (AHL) in a report on Tuesday. The brokerage house highlighted that given the short [see more...](#)

New tax raising steps under consideration - **Neutral**

The proposed revenue measures to be taken through the Presidential Ordinance may include an increase in the rates of withholding taxes, more indirect taxation, three percent flood levy on imports, and tax on banks' foreign exchange income. Sources told Business Recorder on Tuesday that the additional revenue measures would mostly cover indirect taxes and increasing rates of withholding taxes (WHT). The three [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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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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