

MORNING GLANCE



41,301	▲ 122	▲ 0.29%
64 mn	YTD -7.39%	1 Year -5.56%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,269.00	145.9	0.79% ▼
DSE 30	2,208.48	0.48	0.02% ▼
SHANGHAI	3,126.36	41.5	1.31% ▼
Hang Seng	19,388.50	62.17	0.32% ▼
Nikkei 225	27,229.50	297.62	1.08% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,332.12	94.05	1.27% ▼
DAX 30	13,893.07	93.16	0.67% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	32,920.46	281.76	0.85% ▼
S&P 500	3,852.36	43.39	1.11% ▼
NASDAQ	11,243.72	101.5	0.89% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,805.05	4.85	0.27% ▲
Oil-WTI (bbl)	75.53	1.07	1.44% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	225.25	0.50	0.22% ▲
EURO/PKR	239.80	0.46	0.19% ▲
GBP/PKR	274.93	3.36	1.21% ▼
AED/PKR	61.30	0.15	0.25% ▲

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

Market Outlook

KSE-100 on Friday remained volatile throughout the day and concluded the session in the green zone amid the expected import of discounted crude oil from Russia. The index made an intra-day high and low at 41,394 (214 points) and 41,088 (-92 points) respectively while closed at 41,301 by gaining 122 points. Trading volume has decreased to 64mn shares as compared to 137mn shares on the previous trading day. Going forward, we expect the market to remain under pressure amid PTI's announcement to dissolve Punjab and KP assemblies on Friday this week. The support for the index resides at 41,000. Breaking this level would further drag the index towards 40,600. Contrarily, the resistance for the index resides at 42,130 (50 DMA).

Key News

International

Festivity on hold for stocks as rate hikes beckon

Asia's stockmarkets made a wobbly start to the final full trading week of 2022, with the prospect of interest rates rising further next year taking the edge off festive cheer. The Federal Reserve and European Central Bank hiked rates and promised more last week, and speculation is even building that the Bank of Japan, which meets on Monday and Tuesday, is eyeing a shift in its ultra-dovish stance in future. Japan's Nikkei fell [see more...](#)

Oil climbs on optimism over China's demand recovery

Oil prices reclaimed ground on Monday after tumbling more than \$2 a barrel in the previous session as optimism from China's reopening and oil demand recovery outweighed concerns of a global recession. Brent crude futures rose 72 cents, or 0.9%, to \$79.76 a barrel by 0103 GMT while U.S. West Texas Intermediate crude was at \$74.89 a barrel, up 60 cents, or 0.8%. China, the world's top crude oil [see more...](#)

Politics

Punjab, KP assemblies to be dissolved on 23rd: PTI MNAs to demand joint acceptance of resignations, says Imran

Pakistan Tehreek-e-Insaf Chairman Imran Khan has announced that the Punjab and Khyber Pakhtunkhwa assemblies will be dissolved on December 23. Addressing his workers at the Liberty Chowk via video link from his residence in Lahore on Saturday, the PTI chairman demanded free and fair elections and warned that the country [see more...](#)

Economy

'All is not well' on economic front: Aisha - Neutral

Minister of State for Finance and Revenue, Dr Aisha Ghaus Pasha Friday admitted that all is not well on the economic front and the country is under stress, but would not default on the external obligation. The minister while briefing the National Assembly Standing Committee on Finance categorically stated that the International Monetary [see more...](#)

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'Pakistan expects \$18-20bn inflows in second half of fiscal year' - **Positive**

Conceding before a parliamentary panel difficulties in materializing dollar inflows, State Bank of Pakistan Governor Jameel Ahmed said Pakistan was expecting \$18 to \$20 billion in inflows from multilateral and bilateral creditors in the second half (Jan-June) period of the current fiscal year to overcome persistent liquidity crunch. The MNAs, irrespective of the political [see more...](#)

Jul-Nov FD1 declines 51pc to \$430m YoY - **Negative**

Foreign Direct Investment (FDI) recorded negative growth and declined by 51 percent during the first five months of this fiscal year (FY23). According to State Bank of Pakistan (SBP), Pakistan fetched FDI amounting to \$430 million during July-Nov of FY23 as against \$885 million in the same period of the previous fiscal year (FY22). During the period under review, overall FDI inflows were \$681 million as against \$ 1.306 billion inflows in the [see more...](#)

Jul-Nov CAD shrinks 57pc YoY - **Positive**

The country's current account deficit shrank 57 percent during the first five months of this fiscal year (FY23), mainly due to lower goods import bill. The State Bank of Pakistan (SBP) Friday reported that the current account recorded a deficit of \$3.1 billion during July-Nov of FY23 against \$7.23 billion in the same period of last fiscal year (FY22), showing a decline of \$4.135 billion. Analysts attributed the massive fall in the current account deficit to [see more...](#)

SOEs in Reko Diq deposit \$562.5m - **Neutral**

Pakistan's three state-owned entities (SOEs), having 25% stake in Reko Diq project in Balochistan, have deposited \$562.5 million in an escrow account after signing a final agreement "with respect to the SOEs' participation in the reconstituted Reko Diq project, according to a bourse filing on Friday. The amount deposited in the escrow account is to be paid for implementing an out-of-court dispute settlement with Tethyan Copper Company – a [see more...](#)

Govt revives 11 licences for oil, gas exploration - **Positive**

In a bid to boost oil and gas production in the country and generate revenues in foreign currency, the government has approved the revival of 11 revoked oil and gas exploration licences, after the petroleum division moved a summary in this regard to the cabinet. Sources in the petroleum division revealed that the government approved a framework for the revival of 11 revoked licences through an out-of-court settlement. [see more...](#)

Petroleum imports dip 8pc as demand slows - **Neutral**

Imports of the petroleum group dipped nearly 8.11 per cent year-on-year to \$7.70 billion in the first five months of the current fiscal year owing to the sharp reduction in demand as a result of the slowing down of the economy. The surging prices also contributed to lower consumption of petroleum products. Also, the imports of machinery group posted over 42pc decline during July-November 2022-23. Data [see more...](#)

Bank deposits rise 15pc to Rs22.7tr in Nov - **Positive**

Banking sector deposits rose by 15.6 percent year-on-year (YoY) to Rs22.7 trillion in November, a local brokerage house reported on Friday, with analysts attributing higher interest rates among reasons for the increase. Deposits at banks rose by 1.4 percent month-on-month (MoM) in November, which had stood at Rs22.4 trillion in October, the brokerage stated citing figures from the State Bank of Pakistan (SBP). [see more...](#)

Veon Nears Sale of Pakistan Towers to TPL-TASC Group - **Positive**

Wireless operator Veon Ltd. is close to selling its tower assets in Pakistan to a consortium comprised of Pakistan's TPL Corp. and UAE-based TASC Towers Holding Ltd. in what could be the country's largest deal in more than a decade, according to people familiar with the matter. Discussions are at an advanced stage and a transaction, which involves [see more...](#)

July-Nov textile group exports fall around 5pc YoY - **Negative**

The country's textile group exports declined by around five percent during the first five months (July-November) of the current fiscal year 2022-23 and remained at \$7.361 billion as compared to \$7.757 billion during the same period of last year, the Pakistan Bureau of Statistics (PBS) said. The data of exports and imports released by PBS revealed that the country's textile group exports witnessed a decline of [see more...](#)

LC restrictions crippling industries - **Negative**

The non-issuance of letters of credit (LCs) is crippling industrial activities, leading to massive unemployment as companies are unable to import the raw material necessary to keep their manufacturing wheel running. Karachi Chamber of Commerce and Industry (KCCI) President Mohammed Tariq Yousuf, while expressing deep concern over the non-issuance of LCs and a severe gas crisis, stated that the emerging situation has [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:

- 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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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