

MORNING GLANCE



38,791	▲ 449	▲ 1.17%
81 mn	YTD -4.96%	1 Year -14.76%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,165.35	112.05	0.62% ▲
DSE 30	2,215.25	13.91	0.63% ▲
SHANGHAI	3,220.48	3.92	0.12% ▼
Hang Seng	21,577.00	101	0.47% ▼
Nikkei 225	26,477.50	313.62	1.17% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,830.70	20.33	0.26% ▼
DAX 30	15,181.80	5.27	0.03% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	33,296.96	613.89	1.81% ▼
S&P 500	3,928.86	62.11	1.56% ▼
NASDAQ	11,410.29	146.9	1.27% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,902.50	4.5	0.24% ▼
Oil-WTI (bbl)	78.78	1.02	1.28% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	229.25	0.25	0.11% ▲
EURO/PKR	247.02	0.83	0.33% ▼
GBP/PKR	281.39	2.16	0.77% ▲
AED/PKR	62.38	0.08	0.13% ▲

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

Market Outlook

KSE-100 on Wednesday remained volatile for the majority part of the day. However, later on, it gained momentum and concluded the session up in the green zone amid optimism over the expected foreign exchange inflows in the country from next week. The index made an intra-day high and low at 38,946 (604 points) and 38,258 (-85 points) respectively while closed at 38,791 by gaining 449 points. Trading volume has decreased to 81mn shares as compared to 126mn shares on the previous trading day. Going forward, we expect the market to remain volatile amid uncertain political and macroeconomic situation prevailing in the country. The index is likely to test its resistance at 39,300. Breaking this level would further push the index towards 39,800. Contrarily, the support for the index resides at 38,300.

Key News

International

Recessions risks knock stocks, speculators drawn back to yen
Asian stock markets struggled to make headway on Thursday, after weak U.S. consumer data stoked recession worries and nudged investors toward safe assets such as bonds, while Japan's yen rose as markets doubted the Bank of Japan's policy commitments. MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.8% and benchmark 10-year [see more...](#)

Oil prices dip as markets gauge U.S. inventory build, recession fears

Oil prices fell further on Thursday as industry data signaled another big weekly build in U.S. crude inventories, while weak economic data and a potential rise in interest rates fanned growing fears over a looming recession. But losses in crude markets were limited as traders held out hope for a [see more...](#)

Politics

IK declares himself candidate for bypolls to 33 NA seats

The Pakistan Tehreek-e-Insaf (PTI) Chairman, Imran Khan, has once again decided to contest by-elections in all 33 National Assembly seats which fell vacant after the National Assembly speaker accepted resignations of the party's 35 lawmakers. A day ago, the NA Speaker, Raja Pervez Ashraf, accepted the resignations of 35 PTI lawmakers which also included [see more...](#)

Economy

WB delays approval of \$1.1bn loans for Pakistan - Negative

The World Bank has delayed the approval of two loans for Pakistan worth \$1.1 billion until the next fiscal year pending some steps on the country's energy debt and tariffs, a finance ministry source told Reuters on Wednesday. The approval of the loans have been pending since June, said the source, declining to be named as they were not authorised to [see more...](#)

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UAE has rolled over \$2bn loan: SBP governor - **Positive**

Governor State Bank of Pakistan (SBP) Jameel Ahmad on Wednesday said that the UAE has rolled over \$2 billion loan and assured the businessmen of facilitating their imports on a suppliers' credit. During a meeting with the office-bearers and members of the Karachi Chamber of Commerce and Industry (KCCI), he said that the UAE rolled over \$2 billion today. A large number of importers present in the meeting demanded of [see more...](#)

FDI plunges 59pc during H1FY23 - **Negative**

The Foreign Direct Investment (FDI) into the country remained on a downward trend and fell by 59 percent during the first half of this fiscal year (FY23). The State Bank of Pakistan (SBP) on Wednesday reported that the country has fetched FDI amounted to \$461 million during July-Dec of FY23 as against \$1.115 billion in the same period of last fiscal year (FY22). During this period, FDI inflows were \$932.5 million and outflows \$472 million. [see more...](#)

C/A deficit dips 60pc in H1FY23 on lower imports - **Positive**

The country's current account deficit declined sharply 60 percent during the first half of this fiscal year (FY23) mainly due to lower import bill. According to the State Bank of Pakistan (SBP), the current account recorded a deficit of \$ 3.67 billion during July-Dec of FY23 compared to \$9.09 billion in the same period of last fiscal year (FY22), depicting a decline of \$5.42 billion. Economists said that the federal government's measures to curtail the [see more...](#)

Dollar reserves insufficient to tackle import pressure: SBP governor - **Negative**

State Bank of Pakistan (SBP) Governor Jameel Ahmad said on Wednesday the current dollar reserves held by the country are insufficient to bear import pressure faced by the economy. Speaking at the Federation of Industries and Commerce (FCCI), Ahmad said the current issues plaguing the economy did not emerge over the past few days, and "we have to see how [see more...](#)

Talks start with Russian team for oil, gas import - **Neutral**

After the G7 imposed a price cap on the Russian oil in the wake of invasion of Ukraine, Moscow under its new policy "Look at Asia" Wednesday initiated talks with Islamabad on provision of crude oil, finished products, LNG and change in IGA for flagship project of \$3 billion Pakistan Stream Gas Pipeline (PSGP) Project. "The importance of talks between the two countries can be gauged by the fact that an 11-member media team from Russia also [see more...](#)

Food inflation highest in South Asia after Sri Lanka: World Bank - **Negative**

The consumer price inflation for food items in Pakistan was 35.5 per cent in December on year-on-year basis – the highest in South Asia after Sri Lanka with 64.4 per cent, says the World Bank. The Bank in its latest, "Food Security Update", stated that the high incidence of climatological shocks, depletion of foreign currency reserves, and depreciation of local [see more...](#)

KE seeks reduction of Rs10.262 per unit in FCA for December - **Positive**

The K-Electric (KE) has sought a negative adjustment of Rs10.262 per unit in Fuel Charges Adjustment (FCA) for December 2022 under the monthly FCA mechanism. According to the data submitted to the National Electric Power Regulatory Authority (Nepra), the power utility has to refund Rs12.081 billion to its consumers due to [see more...](#)

THE RUPEE: PKR decline continues for 21st consecutive session - **Negative**

Pakistani rupee's downward spiral against the US dollar continued for the 21st consecutive session, as it depreciated 0.11% in the inter-bank market on Wednesday. As per the State Bank of Pakistan (SBP), the rupee declined by Re0.25 to close at 228.91. During the ongoing fiscal year, the rupee has depreciated 10.58% against the greenback. On [see more...](#)

DG Khan Cement exports second cement consignment to US - **Positive**

Pakistan sent the second cement consignment to the United States on Wednesday, as DG Khan Cement Company (DGKCC) shipped 37,500 tonnes low alkali to Houston on a vessel named Abu Al Abyad. DGKCC received an order to export 600,000 tonnes of low alkali cement to the US, which would fetch approximately \$360 million. "Our second [see more...](#)

'Gwadar plants on Thar coal': Two Chinese loans to be confirmed soon - **Positive**

China has reaffirmed strong resolve to extend financial support to Pakistan including early confirmation of two loans, i.e., from ICBC and CBC, as Pakistan has reverted its decision regarding shifting of Gwadar coal power projects from imported to local coal, well informed sources told Business Recorder. This information was shared by Special [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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- 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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