

MORNING GLANCE



40,970	▼ -331	▼ -0.80%
82 mn	YTD -8.13%	1 Year -6.67%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,420.45	151.45	0.83% ▲
DSE 30	2,208.48	0.48	0.02% ▼
SHANGHAI	3,086.62	20.5	0.66% ▼
Hang Seng	19,159.00	193.81	1.00% ▼
Nikkei 225	27,309.50	71.86	0.26% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,361.31	29.19	0.40% ▲
DAX 30	13,942.87	49.80	0.36% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	32,757.54	162.92	0.49% ▼
S&P 500	3,817.66	34.7	0.90% ▼
NASDAQ	11,084.59	159.13	1.42% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,795.05	2.65	0.15% ▼
Oil-WTI (bbl)	76.28	0.90	1.19% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	225.25	-	-
EURO/PKR	238.92	0.88	0.37% ▼
GBP/PKR	274.12	0.81	0.29% ▼
AED/PKR	61.29	0.01	0.02% ▼

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

Market Outlook

KSE-100 on Monday remained under pressure for the majority part of the day and concluded the session in the red zone amid the macroeconomic and political uncertainty prevailing in the country. The index made an intra-day high and low at 41,393 (92 points) and 40,815 (-487 points) respectively while closed at 40,971 by losing 331 points. Trading volume has increased to 82mn shares as compared to 65mn shares on the previous trading day. Going forward, we expect the market to test its support at 40,600. Breaking this level would further drag the index towards 39,800. Contrarily, the resistance for the index resides at 42,107 (50 DMA).

Key News

International

Asian markets mostly weaker as investors question China reopening

Asian share markets were trading mostly in negative territory on Tuesday, as investors anticipated a somewhat rocky road for China's unwinding of COVID restrictions and the prospect that U.S interest rates will rise higher than expected in 2023. MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.2% after U.S. stocks ended the previous session [see more...](#)

Oil climbs, but uncertainty on China COVID surge caps gains

Oil prices rose in early trade on Tuesday, shored up by a weaker dollar and a U.S. plan to restock its Strategic Petroleum Reserve, but gains were limited by uncertainty over the impact of rising COVID-19 cases in China, the world's top oil importer. Brent crude futures advanced 61 cents, or 0.8%, to \$80.40 a barrel at 0124 GMT, adding to a 76 cent gain in the previous session. U.S. West Texas Intermediate [see more...](#)

Politics

IK says PTI to contest polls jointly with PML-Q

Reacting to Punjab Chief Minister Chaudhry Pervaiz Elahi's statement in favour of former army chief General Qamar Javed Bajwa (retired), Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan has said that Elahi stands with the PTI and "despite the differences, we will contest the upcoming elections together". The former premier told this to the PTI members of Punjab Assembly during a meeting held [see more...](#)

Economy

Pakistan Incurs External Debt of \$5.1 Billion in First Five Months of FY23 - Negative

The government has borrowed \$5.114 billion from multiple financing sources during the first five months (July-November) of the fiscal year 2022-23 (FY23) compared to \$4.699 billion borrowed during the same period of the last fiscal year. The Economic Affairs Division data revealed that Pakistan [see more...](#)

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Revenue collection: PM toughens FY23 target regardless of import contraction - Neutral

Prime Minister Shehbaz Sharif has directed the FBR to achieve the revenue target of Rs7.6 trillion by June 30, 2023 against the target of Rs7.47 trillion, despite the fact chairman FBR hinted at reduction in collection of sales tax, custom duty, and federal excise duty due to import contraction, higher inflation, exchange rate, and interest rate polices, well-informed sources told [see more...](#)

'FASTER' system: Jul-Nov payment of ST refunds rises 44.5pc to Rs143.8bn YoY - Neutral

The Federal Board of Revenue (FBR) has made payment of sales tax refunds of Rs143.8 billion under the 'FASTER' system during the first five months of current fiscal year as compared to Rs99.5 billion, reflecting an increase of 44.5 percent. Sources said that the refund payment against all valid refund payment orders (RPOs) of the FASTER stream has been made on 1 December 2022 [see more...](#)

Pakistan Pleads for Help With Floods After 'Cameras Have Gone' - Neutral

Pakistan's Foreign Minister Bilawal Bhutto Zardari urged the world to continue to help the South Asian nation recover from devastating floods ahead of a United Nations conference next month to mobilize funding. Pakistan is facing an economic crisis with reserves covering one month of imports, a dollar shortage and a delay in its loan program with the International [see more...](#)

Failure to deposit CVT on foreign assets - Negative

The taxpayers/resident individuals who failed to deposit Capital Value Tax (CVT) on their foreign assets by December 15, 2022 would be liable to pay the default surcharge at the rate of 12 percent per annum. The one percent CVT is applicable on the value of the foreign assets of a resident individual where the value of such assets on the last day of the tax year in the aggregate exceeds Rs100 million. Sources told Business Recorder [see more...](#)

OGDCL discovers oil & gas reserves in Sindh - Positive

Oil and Gas Development Company Limited (OGDCL), the largest oil and gas exploration company in Pakistan, on Monday announced the discovery of oil and gas reserves from its exploratory well in Sindh. In a notice sent to the Pakistan Stock Exchange (PSX), the company said that OGDCL, "as operator with 100% working interest, has discovered oil and gas from development cum exploratory well namely Chak-5 Dim [see more...](#)

HNMPL, Shell Pakistan to launch co-branded lubricant - Positive

Hyundai Nishat Motor (Private) Limited (HNMPL) has collaborated with Shell, the leading global supplier of finished lubricants for 16 years, to launch co-branded lubricant products exclusively designed for Hyundai vehicles. The collaboration will create the fully synthetic, next-generation co-branded lubricant 5W-30 AH, specially formulated [see more...](#)

1320MW coal-fired power added to national grid: Murad - Positive

Sindh Chief Minister Syed Murad Ali Shah has said that 1320-MW of coal-fired energy has been added to the national grid this month and another 660-MW would be added next year. "The solution to the country's energy crisis lies in Thar coal," he said on Monday while presiding over a board meeting of Thar Coal Energy here. Minister Energy Imtiaz Shaikh [see more...](#)

Pakistan's power cost and generation declines significantly in Nov - Negative

The total cost of generating electricity in the country dropped nearly 34%, hitting Rs5.99 KWh in November 2022 compared to Rs9.02 KWh registered in the month of October. On a year-on-year (YoY) basis, electricity generation cost declined marginally by 5.3%. "On a YoY basis, the decrease in fuel cost is witnessed mainly due to a rise in nuclear, and solar- [see more...](#)

'Unable to continue production': Indus Motor latest to announce temporary plant shutdown - Negative

Indus Motor Company (IMC), the assembler of Toyota-brand automobiles in Pakistan, announced that it will completely shut down its production plant from December 20 to December 30, citing its struggle with delays pertaining to approval for imports. The automaker shared the development in a notice sent to the Pakistan Stock Exchange (PSX) [see more...](#)

Imports from Japan, China: customs values on tyres, tubes raised - Neutral

Keeping in view Chinese investment in local manufacturing of tyres and tubes, Directorate General Customs Valuation Karachi has raised customs values on tyres and tubes of trucks and buses imported from Japan and China. The Chinese investor has highlighted the customs values of the import tyres and tubes and their overall investment in [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

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

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

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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

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