

MORNING GLANCE



38,832






▲ 40



▲ 0.10%




93 mn



YTD -4.86%





1 Year -13.39%

ASIA	Value	Pts	Chg. (%)
 NIFTY 50	18,107.85	57.5	0.32% ▼
 DSE 30	2,210.42	4.83	0.22% ▼
 SHANGHAI	3,256.38	16.10	0.50% ▲
 Hang Seng	21,830.00	179.02	0.83% ▲
 Nikkei 225	26,392.50	12.73	0.05% ▼

EUROPE	Value	Pts	Chg. (%)
 FTSE 100	7,747.29	83.41	1.07% ▼
 DAX 30	14,920.36	261.44	1.72% ▼

USA	Value	Pts	Chg. (%)
 DOW JONES	33,044.56	252.4	0.76% ▼
 S&P 500	3,898.85	30.01	0.76% ▼
 NASDAQ	11,295.67	114.62	1.00% ▼

Commodities	Value	Chg.	Chg. (%)
 Gold (t oz.)	1,931.80	7.90	0.41% ▲
 Oil-WTI (bbl)	81.07	0.46	0.57% ▲

Currencies	Value	Chg.	Chg. (%)
 USD/PKR	229.50	0.25	0.11% ▲
 EURO/PKR	247.63	0.61	0.25% ▲
 GBP/PKR	282.96	1.57	0.56% ▲
 AED/PKR	62.44	0.06	0.10% ▲

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

Market Outlook

KSE-100 on Thursday remained volatile throughout the day and managed to close flat amid macroeconomic and political uncertainty prevailing in the country. The index made an intra-day high and low at 39,065 (274 points) and 38,730 (-61 points) respectively while closed at 38,832 by gaining 40 points. Trading volume has increased to 93mn shares as compared to 81mn shares on the previous trading day. Going forward, we expect the market to remain volatile. 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

Asian stocks edge up, dollar sags as markets mull Fed risks

Most Asian equity markets edged higher on Friday, while the U.S. dollar hung near its weakest level since May, with investors fretting about the risks of a global recession as the Federal Reserve presses on with interest rate increases. U.S. Treasury yields remained elevated in Tokyo after bouncing off four-month lows overnight. Japanese government bond yields stayed depressed, two days after the Bank of Japan [see more...](#)

Oil up as bulls push back against another big U.S. crude build

Oil prices settled up about 1% Thursday, recouping losses from the previous session, as bulls in the space bet on falling U.S. refinery runs to lead to an imminent tightening in fuel supply, even as latest weekly data showed big builds in both crude oil and gasoline. February, the most-actively traded contract on New York West Texas Intermediate, or [see more...](#)

Politics

ECP likely to release schedule for by-polls on 35 NA seats next week

The Election Commission of Pakistan (ECP) is likely to release the schedule for by-polls on 35 National Assembly (NA) vacated by PTI lawmakers next week. According to sources, the ECP has decided to hold by-polls on 35 NA seats and schedule for by-elections will be released next week. The decision was taken in a ECP meeting held in Islamabad, [see more...](#)

Economy

SBP may hike rates by another 100bps to tame inflation - Neutral

State Bank looks set to raise its key policy rate by 100 basis points to 17% at its review on Monday as it struggles to rein in persistently high inflation, according to the median estimate in a Reuters poll. Eighteen of the 22 economists and market watchers surveyed said there would be a hike — 14 of them predicted 100 basis points (bps), three expected [see more...](#)

MORNING GLANCE

World Bank rejects media reports - Neutral

The World Bank (WB) has stated that the media reports claiming that it has delayed the release of loans to the tune of \$1.1 billion to Pakistan are unfounded. The Bank Country Director for Pakistan, Najy Benhassine, tweeted, “the press reports that refer to a World Bank decision to delay approval of potential Bank operations in Pakistan are unfounded. The tentative Board approval dates of all of our proposed operations, as well as [see more...](#)

Treasury dept’s officials to visit next week: US decides to lend PDM govt a helping hand - Positive

The United States of America (USA) is said to have increased engagement with Sharif Administration as a number of high-level meetings are in the pipeline, well informed sources told Business Recorder. Since Pakistan is facing financial woes due to the continuing impasse in talks with the International Monetary Fund (IMF), senior officials from the US Department of Treasury [see more...](#)

Textile group: H1FY23 exports decline 7.07pc to \$8.72bn YoY - Negative

The country’s textile group exports declined by around 7.07 percent during the first half (July-December) of the current fiscal year 2022-23 and remained at \$8.717 billion as compared to \$9.381 billion during the same period of last year, the Pakistan Bureau of Statistics (PBS) said. The data of exports and imports released by the PBS revealed that the country’s textile [see more...](#)

SBP’s foreign exchange reserves up - Positive

The State Bank of Pakistan’s (SBP) foreign exchange reserves rose by \$258 million during the last week. The sliding foreign exchange reserves moved upward after decline of some \$4.6 billion during the last two months. According to a weekly report issued by the State Bank on Thursday, SBP’s foreign exchange reserves rose to \$4.601 billion as of Jan 13, 2023 up from \$4.343 billion as of Jan 6, 2023, showing an increase of \$258 million. Sources said [see more...](#)

Pakistan, Russia Agree to form Working Groups in Diverse Fields including Energy - Neutral

The Inter-Governmental Commission (IGC) of Pakistan and Russia on Thursday continued deliberations and reached an agreement to form working groups and further the existing cooperation between the two countries in diverse fields including energy, oil and gas. The 8th three-day meeting of the IGC, which started here on Wednesday, reviewed the areas of cooperation and [see more...](#)

CPPA-G seeks FCA of Rs2.20/unit for Dec 2022 - Positive

Central Power Purchasing Agency-Guaranteed (CPPA-G) has sought negative adjustment of Rs2.20 per unit in Discos’ tariffs for December 2022 under monthly Fuel Charges Adjustment (FCA), National Electric Power Regulator Authority (Nepra) will hold a public hearing on January 30, 2023 on CPPA-G’s request of adjustment in Discos’ tariffs. According to data submitted to Nepra, in December [see more...](#)

Pak Suzuki suspends motorcycle bookings amid supply chain constraints - Negative

Pak Suzuki Motor Company (PSMC) on Thursday announced suspension of bookings of its motorcycles for an indefinite period citing “import based supply chain constraints and uncertain production possibilities”. The company will stop taking orders from Friday. In a letter to its dealers, the company said that under the present economic [see more...](#)

22nd consecutive decline: rupee depreciates against US dollar - Negative

Pakistani rupee maintained its downward trajectory against the US dollar for the 22nd straight session, as it depreciated 0.10% in the inter-bank market on Thursday. As per the State Bank of Pakistan (SBP), the rupee declined by Re0.24 to close at 229.15. During the ongoing fiscal year, the rupee has depreciated 10.68% against the greenback. On [see more...](#)

Avanceon Secured Multi-Million Dollar Contract for One of the Largest World Oil & Gas Company in Middle East - Positive

Avanceon has secured a multi-million-dollar contract to ensure seamless communication and asset monitoring for one of the largest Oil & Gas companies in the world. The project will see Avanceon provide state of the art solution to nearly 184 wells in the first phase. “The project is in its initial [see more...](#)

Lucky Core Concludes \$169 Million Morinaga Milk Deal with Japanese Partner - Neutral

Lucky Core Industries Limited ,formerly ICI Pakistan Limited, has successfully concluded the sale of 21,763,125 ordinary shares, constituting approximately 26.5% of the issued and paid up capital, of NutriCo Morinaga (Private) Limited (NMPL) to Morinaga Milk Industry Co., Ltd. (Morinaga Milk). Lucky Core Industries is also buying majority stake in Pakistan [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

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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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