

MORNING GLANCE



39,832	▼ -1138	▼ -2.78%
128 mn	YTD -10.68%	1 Year -10.17%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,385.30	35.15	0.19% ▼
DSE 30	2,201.78	6.7	0.30% ▼
SHANGHAI	3,081.68	7.91	0.26% ▲
Hang Seng	19,152.50	57.70	0.30% ▲
Nikkei 225	26,506.50	61.53	0.23% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,370.62	9.31	0.13% ▲
DAX 30	13,884.66	58.21	0.42% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	32,849.74	92.20	0.28% ▲
S&P 500	3,821.62	3.96	0.10% ▲
NASDAQ	11,072.42	12.17	0.11% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,826.90	1.50	0.08% ▲
Oil-WTI (bbl)	76.42	0.19	0.25% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PAKR	225.25	-	-
EURO/PAKR	238.38	0.54	0.23% ▼
GBP/PAKR	272.94	1.18	0.43% ▼
AED/PAKR	61.29	-	-

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

Market Outlook

KSE-100 on Tuesday plunged over 1100 points and concluded the session in the red zone amid the expected dissolution of Punjab and KP assemblies on Friday in addition to macroeconomic factors including a delay in the completion of 9th review of IMF programme, the continuous depreciation of PKR and worsening economic situation prevailing in the country. The index made an intra-day high and low at 41,037 (66 points) and 39,533 (-1438 points) respectively while closed at 39,832 by losing 1138 points. Trading volume has increased to 128mn shares as compared to 82mn shares on the previous trading day. Going forward, we expect the market to test its support at 39,500. Breaking this level would further drag the index towards 38,800. Contrarily, the resistance for the index resides at 40,600.

Key News

International

Glittering gold gives markets some Christmas cheer

Asian stocks were trying get into a festive mood on Wednesday, and managed small gains with even Japan's Nikkei lifting off a two-month low it hit following the Bank of Japan's surprise decision to loosen its tight leash on government bond yields. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.6%. Japan's Nikkei was down 0.2%, paring earlier losses of around 1%. Gold miners in [see more...](#)

Oil rises past U.S. storm jitters as inventories shrink

Oil prices crept higher on Wednesday as data signaled a bigger-than-expected weekly draw in U.S. inventories, although concerns over adverse weather conditions weighed on the outlook for near-term demand. Data from the American Petroleum Institute showed that U.S. inventories grew by a bigger than expected 3 million barrels in the week to December 16, heralding a similar trend in official [see more...](#)

Politics

Survival of Punjab CM, PA hanging in balance

Pakistan Tehreek-e-Insaf (PTI) Senior Vice President Fawad Chaudhary has said that after defeating the vote of no-confidence, advice for dissolution of the Punjab Assembly will be sent to the Punjab Governor immediately. "The PTI and PML-Q have the 'number' to defeat the opposition's [see more...](#)

Economy

Flood victims in Sindh: WB approves financing for 5 projects - Positive

The World Bank's Board of Executive Directors has approved \$1.692 billion in financing for five projects to support people living in flood-affected areas of Sindh. Three projects support rehabilitation and housing reconstruction and the restoration of crop production for vulnerable communities, while another two projects support health services for mothers [see more...](#)

MORNING GLANCE

July-Nov services sector deficit falls over 50pc to \$865m YoY - Positive

Services sector is presenting an improved picture with some 50 percent decline in the trade deficit during the first five months of current fiscal year (FY23) supported by exports growth and lower import bill. According to State Bank of Pakistan (SBP), services sector trade recorded a deficit of some \$865 million during July-Nov of FY23 compared to \$1.713 billion deficit in same [see more...](#)

THE RUPEE: PKR: marginal improvement - Neutral

After witnessing marginal improvement in the opening hours of trading, Pakistan's rupee ended the session with a loss of 0.08% against the US dollar in the inter-bank market on Tuesday. As per the State Bank of Pakistan (SBP), the rupee closed at 225.12 after a fall of Re0.18. The rupee has depreciated by 21.6% against the US dollar during the ongoing calendar year. On Monday, the rupee ended unchanged against the US dollar to settle at 224.94 [see more...](#)

Oil refinery project: Chinese team visits Gwadar - Neutral

In order to materialise the \$4.5 billion oil refinery project in Gwadar, five-member delegation of Chinese Company "East Sea Group Limited (ESGL)" is visiting Gwadar, Gwadar Pro reported on Tuesday. ESGL official Jason Zhou said that ESGL chief engineer Liu along with other officials will be in Gwadar from December 20. The delegation consisting of technical team with marine engineering, commerce and petroleum professional background will be [see more...](#)

Senate body seeks full record of KESC privatisation - Neutral

The Senate Standing Committee on Power has sought complete record of privatisation process of Karachi Electric Supply Corporation (KESC), now Karachi Electric (KE), including the hiring process of the financial advisors (FAs). Presided over by Senator Saifullah Abro, the committee also quizzed KE's Chief Regulatory Affairs Imran Qureshi for not properly responding to queries raised during the meeting. Additional Secretary Power [see more...](#)

Fleecing end-consumers: FTO issues second order against MTL - Negative

Federal Tax Ombudsman (FTO) has unearthed that Millat Tractors Limited (MTL) has not passed on the relief granted through Finance Act, 2022 to the end consumers by over charging sales tax, and recommended to refund the excessive amount collected on delivery of tractors after July 1, 2022. The FTO has issued the order on the complaints filed by the farmer's community against [see more...](#)

Closure of shops by 8pm: Policy hinges on provinces' nod of acknowledgement - Negative

Federal Minister for Defence, Khawaja Asif Tuesday said the federal government would persuade provinces to implement energy conservation policy, which envisages closure of shops by 8pm and wedding halls' by 10pm in view of the current difficult economic situation. Addressing a press conference along with ministers Qamar Zaman Kaira, Marriyum [see more...](#)

Foreign loans of IPPs: PPIB seeks guidance to replace Libor with SOFR - Neutral

The Private Power Infrastructure Board (PPIB) has proposed the Finance Ministry to provide guidance regarding the acceptability of Secured Overnight Financing Rate (SOFR) as an alternative benchmark to LIBOR for existing foreign loans of IPPs, as well as, SOFR applicability for future foreign loans, or a Working Group may be formed having [see more...](#)

Supply of sugar: LHC restrains FBR from setting minimum value - Neutral

The Lahore High Court (LHC) has restrained the Federal Board of Revenue (FBR) from the fixation of the minimum value on supply of sugar. It is reliably learnt that the court has granted stay order to eight sugar mills - members of the Pakistan Sugar Mills Association (PSMA). According to the court's order, till the next date of hearing the proceedings before the [see more...](#)

Globe Residency REIT raises Rs388m - Neutral

Javedan Corporation Limited has received a subscription of Rs 387,945,000 from the general public through a two-day offer for sale process. The offer for sale was over-subscribed by 2.77 times. GRR is a closed ended, Developmental REIT Scheme with a limited life of 48 months offering investors the opportunity to become an investor in the Globe Residency apartments project at Naya Nazimabad. 14 million [see more...](#)

Dar for resolving outstanding issues between Etisalat, PC - Neutral

Finance Minister Ishaq Dar has emphasized of resolving outstanding issues between Etisalat and the Privatization Commission and moving ahead for a mutually beneficial solution. A delegation of Etisalat International led by Mikhail Gerchuk, CEO e& International held a meeting with Finance Minister on Tuesday. Ishaq Dar recalled his meetings [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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