

MORNING GLANCE



39,343	▼ -490	▼ -1.23%
65 mn	YTD -11.78%	1 Year -10.94%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,199.10	186.2	1.01% ▼
DSE 30	2,199.47	2.31	0.10% ▼
SHANGHAI	3,086.97	18.56	0.61% ▲
Hang Seng	19,710.00	549.51	2.87% ▲
Nikkei 225	26,494.50	106.78	0.40% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,497.32	126.70	1.72% ▲
DAX 30	14,097.82	213.16	1.54% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	33,376.48	526.74	1.60% ▲
S&P 500	3,878.44	56.82	1.49% ▲
NASDAQ	11,235.88	163.46	1.48% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,826.95	1.55	0.08% ▲
Oil-WTI (bbl)	78.80	0.51	0.65% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	225.50	0.25	0.11% ▲
EURO/PKR	239.26	0.88	0.37% ▲
GBP/PKR	274.24	1.30	0.48% ▲
AED/PKR	61.36	0.07	0.11% ▲

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

Market Outlook

KSE-100 on Wednesday remained depressed for the majority part of the day and concluded the session in the red zone amid the political and macroeconomic uncertainty prevailing in the country. The index made an intra-day high and low at 40,022 (190 points) and 39,277 (--556 points) respectively while closed at 39,343 by losing 490 points. Trading volume has decreased to 65mn shares as compared to 128mn shares on the previous trading day. Going forward, we expect the market to test its support at 38,800. Breaking this level would further drag the index towards 38,000. Contrarily, the resistance for the index resides at 39,800.

Key News

International

Asia shares join Wall St bounce, yen keeps climbing

Asian stocks climbed into the black on Thursday after an upbeat reading on U.S. consumers cheered Wall Street investors, while the yen added to its recent massive gains as Japanese bond yields shifted into a new higher range. In a surprise, U.S. consumer confidence rose to an eight-month high in December as the labour market remained strong. Inflation expectations fell to 6.7%, the lowest since [see more...](#)

Oil rallies on tight U.S. stocks as winter blast hits

Oil prices rose for a fourth straight day on Thursday with U.S. crude, heating oil and jet fuel stocks seen tight just as a chilly blast hits the United States and travel is set to soar for the holiday season. U.S. West Texas Intermediate (WTI) crude futures climbed 35 cents, or 0.5%, to \$78.64 a barrel, while Brent crude futures gained 27 cents, or 0.3%, to \$82.47 at 0145 GMT, extending gains of around 2.7% in the [see more...](#)

Politics

PMNL discusses Governor's rule option: Punjab PA standoff intensifies

After the Punjab chief minister did not get vote of confidence as was asked by the governor, political situation in the province has turned tense amid talks of governor's rule in Punjab. The Punjab governor has ruled that Chief Minister Chaudhry Pervaiz Elahi has lost the confidence of the [see more...](#)

Economy

SBP lowers FY23 growth forecast - Negative

Taking into account the destruction caused by floods and the policy focus on stabilization, the State Bank of Pakistan has projected real GDP growth below the previously announced range of 3-4 percent for FY23 According to the SBP's annual Report 2021-22 titled "The State of Economy Pakistan" released Wednesday, the country's economic growth is expected to moderate considerably during FY23. [see more...](#)

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SBP warns of higher risks to food security - **Negative**

The State Bank of Pakistan (SBP) has warned that the country may face higher risks to food security in the wake of growing population and global warming. According to the SBP's annual report issued Wednesday, the agriculture sector has been growing at a steady rate during the past few years on average around 3.9 percent per annum in the last 3 years. The performance of the crop sector is even more impressive, which has grown at [see more...](#)

Pakistan's REER index falls to 98.8 in November - **Neutral**

Pakistan's Real Effective Exchange Rate (REER) saw a significant decrease in November, as it clocked in at 98.8 compared to 100.2 in October, showed data released by the State Bank of Pakistan (SBP) on Wednesday. As per the data, the REER increased by 0.20% on a yearly basis. On a monthly basis, the REER value declined by 1.34%. A REER below 100 means the country's exports are competitive, while imports are expensive. Experts say [see more...](#)

Govt rejects all bids for PIBs - **Neutral**

The State Bank of Pakistan (SBP) on Wednesday raised no amount through the auction of Pakistan Investment bonds (PIBs) as the government rejected all bids against a target of Rs175 billion. The bids for three-year, five-year, and 10-year were rejected, while no bids were received for 15, 20, and 30 years' papers, according to the SBP's auction result. Analysts said the government rejected bids for the PIBs as investors were seen asking for higher [see more...](#)

THE RUPEE: PKR declines - **Negative**

After opening positive, Pakistan's rupee again depreciated against the US dollar in the inter-bank market, declining 0.12% on Wednesday. As per the State Bank of Pakistan (SBP), the rupee closed at 225.4 after a fall of Re0.28 against the greenback. On Tuesday, the rupee had ended the session with a loss of 0.08% against the US dollar to settle at 225.12 after a decline of Re0.18 in the inter-bank market. Exchange Companies Association [see more...](#)

ECC defers PSO's request for Rs17bn - **Negative**

The Economic Coordination Committee (ECC) of the Cabinet was informed on Wednesday that receivables of the national fuel supplier – Pakistan State Oil (PSO) had crossed Rs612 billion and it was struggling to manage remittances to its foreign suppliers. The meeting of the ECC presided over by Finance Minister Ishaq Dar, however, did not immediately approve Rs17bn urgently demanded by the PSO to honour its liabilities to [see more...](#)

Govt delays PARCO's foreign dividend payments - **Negative**

Government is delaying payment of dividends to foreign partners of Pak-Arab Refinery Limited (PARCO) due to scarcity of foreign exchange in the country, sources said. The profit of the foreign partners is repatriated in dollars, however the foreign partners were being denied the repatriation of their dividend for the last one and a half month, sources privy to the development disclosed. PARCO has the holdings of [see more...](#)

Production at Zarghun gas field resumes - **Positive**

Mari Petroleum Company Limited has announced that the gas production from Zarghun South Gas Field, Balochistan has been resumed. The field is currently producing around 5mmscfd of gas which will be gradually ramped up to its optimum production rate, material information sent to Pakistan Stock Exchange on Wednesday said, adding that the gas is being supplied to Sui Southern Gas Company [see more...](#)

Margala Block: Transfer of 30pc working interest of MOL to MPCL approved by ECC - **Positive**

The Economic Coordination Committee (ECC) of the Cabinet has approved transfer of 30 per cent working interest of MOL Pakistan to Mari Petroleum Company Limited (MPCL) in Margala Block. The ECC meeting presided over by Finance Minister Ishaq Dar considered a summary of the Ministry of Energy (Petroleum Division) on assignment of working [see more...](#)

Red tape hampering small hydro projects - **Negative**

The sponsors of small hydropower projects under 50 megawatts generation capacity have complained to the prime minister over the bureaucratic red tape hampering the development of renewable domestic resources. In a letter to the prime minister, Hydro Electric Power Association (Hepa) – a group of local sponsors – has also appealed to the prime minister to intervene in the matter and appoint a [see more...](#)

Pakistan's Descon Oxychem says will expand operations in UAE - **Positive**

Descon Oxychem Limited, one of Pakistan's major chemical producers, on Wednesday announced that its board of directors has decided that the company will expand its operations in United Arab Emirates (UAE). In a notice to the Pakistan Stock Exchange (PSX), the company said: "We are pleased to inform that the Board of Directors of the [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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