

MORNING GLANCE



42,213






▲ 76



▲ 0.18%




93 mn



YTD -5.34%





1 Year -7.22%

ASIA	Value	Pts	Chg. (%)
 NIFTY 50	17,576.30	12.35	0.07% ▲
 DSE 30	2,277.65	6.64	0.29% ▲
 SHANGHAI	3,016.09	22.84	0.75% ▼
 Hang Seng	15,525.00	686.12	4.23% ▼
 Nikkei 225	27,149.50	258.92	0.96% ▲

EUROPE	Value	Pts	Chg. (%)
 FTSE 100	6,969.73	25.82	0.37% ▲
 DAX 30	12,730.90	36.51	0.29% ▼

USA	Value	Pts	Chg. (%)
 DOW JONES	31,082.56	748.97	2.47% ▲
 S&P 500	3,752.75	86.97	2.37% ▲
 NASDAQ	11,310.33	263.63	2.39% ▲

Commodities	Value	Chg.	Chg. (%)
 Gold (t oz.)	1,657.80	1.50	0.09% ▲
 Oil-WTI (bbl)	85.34	0.29	0.34% ▲

Currencies	Value	Chg.	Chg. (%)
 USD/PKR	221.35	-	-
 EURO/PKR	216.16	0.33	0.15% ▼
 GBP/PKR	247.55	0.71	0.29% ▼
 AED/PKR	60.22	-	-

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

Market Outlook

KSE-100 on Friday remained volatile throughout the day and concluded the session in the green zone amid political unrest and macroeconomic uncertainties. The index made an intra-day high and low at 42,245 (108 points) and 41,793 (-343 points) respectively while closed at 42,213 by gaining 76 points. Trading volume has increased to 93mn shares as compared to 85mn shares on the previous trading day. Going forward, we expect the market to remain positive amid optimism over the economic situation as FATF has removed Pakistan from global terrorism financing list. The resistance for the index resides at 42,800. Breaking this level can further push the index towards 43,216 (200 DMA). Contrarily, the support for the index resides at 42,071 (50 DMA).

Key News

International

Hong Kong's Hang Seng down 4% in mixed Asia trade; Japan's yen weakens despite reports of intervention

Shares in the Asia-Pacific were mixed Monday after U.S. stocks soared on Friday following a Wall Street Journal report that some Fed officials are concerned about tightening policy too much. Hong Kong's Hang Seng index fell more than 4%, with the Hang Seng Tech index down 5.68%. Mainland China markets briefly entered positive territory on better- [see more...](#)

Oil climbs on expectations of tight supply as Russia sanctions loom

Oil rose in early Asian trade on Monday as expectations of tighter supplies globally ahead of European Union sanctions on Russian oil underpinned prices. Brent crude futures climbed 54 cents, or 0.6%, to \$94.04 a barrel by 0125 GMT while U.S. West Texas Intermediate crude was at \$85.56 a barrel, up 51 cents, or 0.6%. Brent posted a 2% gain last [see more...](#)

Politics

PML-N hoping long march will be 'damp squib'

Although Pakistan Tehreek-i-Insaf (PTI) Chairman Imran Khan has threatened to announce long march this week, sources in the government indicate the PML-N does not expect it to be any bigger than its previous power shows. A source in Prime Minister Office told Dawn that public reaction to Mr Khan's disqualification in Toshakhana case was not as high as [see more...](#)

Economy

Pakistan Removed From Terror-Financing List After Four Years - Positive

A global anti-money laundering watchdog removed Pakistan from its "gray" monitoring list after four years, providing relief for the South Asian nation that is facing a crisis. The Paris-based Financial Action Task Force said the country "has strengthened the effectiveness" of its regime for anti-money laundering and combating terror financing, and addressed technical deficiencies to meet the commitments of its [see more...](#)

MORNING GLANCE

ADB to disburse \$1.5bn to Pakistan next week - Positive

The Asian Development Bank (ADB) on Friday approved \$1.5 billion in financing to Pakistan to provide social protection, promote food security and support employment for its people amid devastating floods and global supply chain disruptions. The approved funds would be immediately disbursed to Pakistan next week and are expected to help build foreign exchange reserves and rein in the depreciation of the rupee. Pakistan's total [see more...](#)

Fitch downgrades Pakistan's rating as liquidity risks mount - Negative

After Moody's downgrade, global rating agency Fitch on Friday also cut Pakistan's long-term foreign currency issuer default rating (IDR) to 'CCC+' from 'B-' due to worsening liquidity, political volatility and resultant policy risks. The New York-based agency — one of the three major global rating agencies — said it did not typically assign outlooks to sovereigns with a rating of [see more...](#)

Pakistan seeks \$6.3b China debt rollover - Neutral

Pakistan on Saturday requested China to rollover its \$6.3 billion debt that is maturing in next eight months as part of its overall plan to arrange \$34 billion in the current fiscal year to meet its debt and external trade-related obligations. Another proposal was also under consideration to seek a fresh Chinese loan to repay the maturing bilateral debt during the fiscal year 2022-23, ending on June 30. The issue of rollover and refinancing of nearly \$6.3 [see more...](#)

Saudi Arabia to fund Rs30b AJK uplift schemes - Positive

Prime Minister of Azad Jammu and Kashmir (AJK) Sardar Tanveer Ilyas on Saturday thanked the Kingdom of Saudi Arabia (KSA) for funding projects worth Rs30 billion for the people of AJK. The projects were given under the Saudi Fund for Development (SFD) for hydropower and road infrastructure. Earlier, the Central Development Working Party (CDWP) had also approved them. While addressing a group of senior journalists in his office, [see more...](#)

Construction sector fears collapse - Negative

The construction sector, considered employer to millions of low-income segments and the labour class, is on the decline. Builders and other stakeholder say this is a result of government indifference. Former Chairman of the Association of Builders and Developers (Abad) Muhammad Hanif Gohar said, "There was a boom in the construction industry during the previous government's tenure as the industry engaged millions of [see more...](#)

External debt 'devouring' economy, says expert - Negative

The Financial and economic conditions of Pakistan are precarious, landing the country into a deep trouble, where an overwhelming part of tax revenue is consumed in "debt servicing", said Ateeq ur Rahman, economic & financial analyst. The three major contributors of external debt, multilateral loans, bilateral loans and commercial Loans are exacerbating and thus bringing a great risk to fiscal [see more...](#)

Axe falls on uplift spending as creditors stay aloof - Negative

The government has capped the development spending for the first half of the fiscal year at mere 20% of the annual budget because of severe economic crisis, as multilateral creditors remained reluctant to provide any major solace to Pakistan in the aftermath of the recent floods. However, the spending limit condition would not apply to the parliamentarians' schemes — an unsurprising [see more...](#)

Annual inflation jumps by 27.13% this week - Negative

As the spending power of consumers continues to take a beating, the rate of weekly inflation in the country climbed by 0.35% while the annual rate in the recent week has been 27.13%. According to the Federal Bureau of Statistics' weekly inflation report, at least 23 essential items went dearer and the prices of 14 items decreased in the recent week, while the prices of 14 items have remained stable. In recent [see more...](#)

Rupee seen higher on grey list exit, ADB support - Positive

Rupee would likely gain against the dollar in the week ahead on expected inflows from the Asian Development Bank (ADB) and positive sentiments on account of Pakistan's removal from the Financial Action Task Force's "grey list". This week in the interbank market, the rupee dropped against the dollar by 0.89 percent. Positive news from the ADB and FATF drove the rupee up to 220.84 versus the dollar in the final trading [see more...](#)

Surplus power generation capacity to cost citizens dear by 2030 - Negative

Consumers will have to pay for the surplus power generation capacity regardless of the use, an amount that is set to rise from Rs900 billion now to Rs1.6 trillion by 2030, said a report released on Friday. The report, titled Pakistan Electricity Outlook 2022 and compiled by the Energy Institute of the Lahore University of Management Sciences (Lums), [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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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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