

MORNING GLANCE



39,669






▼ -169



▼ -0.43%




76 mn



YTD -11.05%





1 Year -10.39%

ASIA	Value	Pts	Chg. (%)
 NIFTY 50	17,806.80	320.55	1.77% ▼
 DSE 30	2,194.51	1.48	0.07% ▲
 SHANGHAI	3,063.54	17.68	0.58% ▲
 Hang Seng	19,593.06	86.16	0.44% ▼
 Nikkei 225	26,235.25	-	-

EUROPE	Value	Pts	Chg. (%)
 FTSE 100	7,473.01	3.73	0.05% ▲
 DAX 30	13,940.93	26.86	0.19% ▲

USA	Value	Pts	Chg. (%)
 DOW JONES	33,203.93	176.44	0.53% ▲
 S&P 500	3,844.82	22.43	0.59% ▲
 NASDAQ	10,985.45	29.30	0.27% ▲

Commodities	Value	Chg.	Chg. (%)
 Gold (t oz.)	1,806.00	10.70	0.60% ▲
 Oil-WTI (bbl)	79.35	1.86	2.40% ▲

Currencies	Value	Chg.	Chg. (%)
 USD/PKR	225.90	0.40	0.18% ▲
 EURO/PKR	239.46	0.5	0.21% ▼
 GBP/PKR	271.68	1.59	0.58% ▼
 AED/PKR	61.46	0.10	0.16% ▲

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 red zone amid the macroeconomic and political uncertainty prevailing in the country. The index made an intra-day high and low at 39,938 (100 points) and 39,498 (-341 points) respectively while closed at 39,669 by losing 169 points. Trading volume has decreased to 76mn shares as compared to 86mn shares on the previous trading day. Going forward, we expect the market to test its support at 39,300. Breaking this level would further drag the index towards 38,800. Contrarily, the resistance for the index resides at 40,600.

Key News

International

SGX Nifty signals a positive start; Asian shares trade higher

Nifty futures on the Singapore Exchange traded 22 points, or 0.12 per cent, higher at 17,886, signaling that Dalal Street was headed for a positive start on Monday. While making lower lows for the last seven trading sessions, Nifty today slipped below the 200-DEMA (double exponential moving average) and formed a bearish candle on the daily scale. Tokyo [see more...](#)

Oil prices in weekly win on tighter supply bets as Russia mulls output cuts

U.S. crude oil prices settled higher Friday, as Moscow said it may cut oil production to offset price caps on Russian crude imposed by the G7 nations and the European Union. On the New York Mercantile Exchange crude futures settled 2.7% higher at \$79.56 a barrel, while on London's Intercontinental Exchange, Brent added 3.6% to settle at \$83.92 a [see more...](#)

Politics

Elahi returns on condition PA won't be dissolved

The Lahore High Court (LHC) on Friday suspended Punjab Governor Balighur Rehman's late-night order de-notifying the chief minister, restoring Chaudhry Parvez Elahi and his cabinet on the assurance that the provincial assembly will not be dissolved, at least until the next date of hearing — Jan 11. The ruling coalition at the Centre, led by the PML-N, termed it a 'temporary relief' for CM Elahi, while the Pakistan [see more...](#)

Economy

Stalled programme revival: IMF asks Pakistan to meet all demands in three weeks - Neutral

The IMF has shared lists of prerequisite actions and told Pakistani authorities in plain words that Islamabad will have to move towards implementing all demands in the next 15 to 20 days for reviving the stalled Fund programme. Now the time has come for taking "all required actions" by Pakistani authorities and there is a timeframe of two to three [see more...](#)

MORNING GLANCE

ADB says Pakistan needs \$62bn to \$155bn for energy sector until 2030 - Neutral

Pakistan's energy investment needs range from \$62 billion to \$155 billion until 2030 based on three different scenarios. According to ADB's Central Asia Regional Economic Cooperation (CAREC) Energy Outlook for 2030 report, energy investment needs until 2030 vary significantly across the three scenarios, with estimates ranging from \$62 billion to \$155 billion. The most [see more...](#)

Govt fails to achieve growth, price stability - Negative

The countries that prioritise growth at the expense of price and financial stability are not able to sustain growth and face repeated boom-bust cycles, says the annual report issued by the central bank recently. The present government avoided focusing on growth for the fiscal year FY23 with the result that a steep fall in the growth is expected. But, even then it has failed to bring price stability along with financial stability. "International [see more...](#)

Pakistan received \$5.1bn in July-November - Neutral

Amid external account challenges, Pakistan borrowed about \$5.115 billion in foreign loans in the first five months (July-November) of the current fiscal year, almost 14pc higher than the foreign loans it received in the comparable period last year. In its monthly report on Foreign Economic Assistance (FEA), the Ministry of Economic Affairs (MEA) said it received about \$5.115bn foreign assistance in 5MFY23 compared to [see more...](#)

Import of petroleum products drops 26pc in Jul-Nov - Neutral

The import of petroleum products in the country plunged by 26 percent in the first five months of the current financial year on the back of depressed demand of petroleum products due to slowdown in economic activities and high prices. During the July-November period of this fiscal, petroleum products slipped to 7.035 million tonnes as compared with 9.537 million tonnes in the same period during the last financial year. Crude oil [see more...](#)

Hubco, Chinese firm resolve dispute - Positive

The Hub Power Company Ltd (Hubco) said on Friday its joint-venture (JV) partner in a coal-based 1,320-megawatt power plant has withdrawn the encashment notice it served on Hubco's bank last month. The announcement removes the analysts' earlier apprehensions that the notice — served on the bank that issued a \$150 million standby letter of credit (SBLC) on behalf of Hubco — would lead to increased financial costs for the country's [see more...](#)

MoFA opposes 'alteration' in IPPs' revised agreement - Negative

Ministry of Foreign Affairs (MoFA) has reportedly opposed alteration in IPPs' revised agreements of 2019 on a foreign country's demand, saying that by raising prospects for re-opening already signed agreements with the government, in the wake of a 'leaked' report, would raise apprehensions in business circles and amongst prospective investors, [see more...](#)

Chinese firms have adopted go-slow policy? - Negative

Beijing has reportedly acknowledged that Chinese companies in Pakistan opted for a "go-slow" policy due to delay in payment to the IPPs, rising exchange rate, and "unhelpful behaviour of the National Electric Power Regulatory Authority (Nepra) with its companies". This information has been shared by Chinese ambassador to Pakistan, Nong Rong, during a meeting with Special Assistant to Prime Minister on [see more...](#)

APTMA warns textile exports may slump below \$1bn/month from Jan 2023 - Negative

The All-Pakistan Textile Mills Association (APTMA) has warned the government that the country's textile exports could fall below \$1 billion a month from 2023 onwards and sought their help to save the sector from destruction. In a letter to Prime Minister Shehbaz Sharif Friday, the APTMA said, "the textile industry using less than 50% of its capacity. If [see more...](#)

Exports to Middle East fall with demand slowing in UAE - Negative

Pakistan's exports to the Middle East dipped 5.57 per cent on a year-on-year basis to \$951.78 million in the first five months of FY23 from \$1.008bn mainly led by a substantial decline in exports to the United Arab Emirates. The exports to the region saw a mixed trend with an increase to Saudi Arabia, Qatar and Bahrain, while a decline to other countries of the [see more...](#)

Flour set to hit new high, chakki atta may reach Rs150 per kg - Negative

The retail prices of flour are set to rise further after millers raised the rates by up to Rs11 per kg just three months ahead of the new crop's arrival in Sindh and Punjab. In Sindh, millers have increased the price of flour no. 2.5 to Rs115 per kg from Rs104 a week ago and Rs96 last month. Similarly, the prices of fine and super fine varieties increased to Rs118 from [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:

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- 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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