

MORNING GLANCE



39,747

▲ 468

▲ 1.19%

167 mn

YTD -10.87%

1 Year -10.2%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,241.55	50.55	0.28% ▲
DSE 30	2,194.20	2.75	0.13% ▲
SHANGHAI	3,092.50	18.80	0.61% ▲
Hang Seng	19,929.00	187.86	0.95% ▲
Nikkei 225	26,205.00	111.33	0.43% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,512.72	15.53	0.21% ▲
DAX 30	14,071.72	146.12	1.05% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	33,220.80	345.09	1.05% ▲
S&P 500	3,849.28	66.06	1.75% ▲
NASDAQ	10,951.05	271.70	2.54% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,824.65	1.35	0.07% ▼
Oil-WTI (bbl)	78.36	0.04	0.05% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	226.75	0.25	0.11% ▲
EURO/PKR	240.81	0.26	0.11% ▼
GBP/PKR	272.84	0.58	0.21% ▲
AED/PKR	61.70	0.07	0.11% ▲

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

Market Outlook

KSE-100 on Thursday remained volatile during the first half of the day. However, later on, it gained momentum and concluded the session in the green zone. The benchmark KSE-100 index made an intra-day high and low at 39,747 (468 points) and 39,205 (-74 points) respectively while closed at 39,747 by gaining 468 points. Trading volume has increased to 167mn shares as compared to 164mn shares on the previous trading day. Going forward, we expect the market to test its resistance at 40,600. Breaking this level would further push the index towards 41,000. Contrarily, the support for the index resides at 39,300.

Key News

International

Asia stocks rise as investors find foothold at end of brutal 2022

Asian equities rose on Friday as investors looked to end the year on an optimistic note after U.S. data showed the Federal Reserve's aggressive monetary policy was dampening inflationary pressures even as worries over COVID cases in China persist. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.71% and was set to end December flat. The index is set to end the year down 19% [see more...](#)

Oil set to close higher in 2022, a turbulent year marked by tight supplies

Oil prices edged up on Friday and were on track to post a second straight annual gain, albeit a meagre one, in a year marked by tight supplies due to the Ukraine conflict, a strong dollar and weak demand from the world's top crude importer China. Brent crude futures climbed 44 cents, or 0.5%, to \$83.90 a barrel by 0138 GMT after settling 1.2% down [see more...](#)

Politics

PTI MNAs finally come face to face with NA speaker

The issue of resignations of Pakistan Tehreek-i-Insaf (PTI) leaders from the National Assembly remained unsettled on Thursday as a crucial meeting between NA Speaker Pervaiz Ashraf and a PTI delegation failed to break the deadlock. The PTI delegation was led by former NA [see more...](#)

Economy

Virtual govt-IMF sessions on 'regular' basis: Aisha - Neutral

Minister of State for Finance, Aisha Ghaus Pasha has said that the government is holding virtual discussions with the International Monetary Fund (IMF) on a regular basis. Talking to media after the Senate Standing Committee on Finance meeting, she said that a day ahead of the IMF going on official winter holidays, a virtual meeting was held with the Fund. She added that the country would [see more...](#)

MORNING GLANCE

SBP raises EFS & LTF rates by 2pc to 13pc - Negative

Amid the dwindling foreign exchange reserves, Pakistan will have to repay approximately \$8.3 billion in shape of external debt servicing over the next three months (Jan-March) of the current fiscal year. Out of \$8.3 billion outstanding debt servicing, Pakistan will have to get rollover of \$2 billion from the UAE during the next three months of the current fiscal year. There is another outstanding commercial loan repayment of \$700 million [see more...](#)

SBP's foreign exchange reserves decline \$294m to \$5.822bn - Negative

The State Bank of Pakistan's foreign exchange reserves reached below \$6 billion at the end of last week. During the week ended Dec 23, 2022, the SBP's reserves further decreased by \$294 million to \$ 5.822 billion as compared to \$6.116 billion on Dec 16, 2022. The decline was recorded due to external debt repayment. Now, the SBP and banks' foreign exchange reserves are at [see more...](#)

'Govt may raise petroleum levy on diesel' - Negative

A cut in prices of petroleum products was unlikely in the next fortnight as the difference between international and domestic rates was slight, with chances of a raise in the petroleum levy on diesel. People from the oil sector on Wednesday said the government could raise the price of diesel to collect higher petroleum levy to meet the International Monetary Fund (IMF) demand to secure the stalled loan programme. [see more...](#)

Russia offers to supply blended crude oil to Pakistan - Neutral

Russia has offered to supply blended crude oil to Pakistan as part of 100,000 barrels per day crude oil supply. This is because Pakistan's refining sector is not able to process crude oil of one specification. The offer from the Russian side came when authorities from both sides held a virtual meeting on Thursday. The Pakistani side, led by State Minister for Petroleum Dr Musadik Malik, comprised senior [see more...](#)

Dar vows to settle gas circular debt - Neutral

Minister for Finance Ishaq Dar on Thursday directed the committee constituted for settlement of circular debt in the gas sector to finalise its report within three working days to resolve the issue. Mr Dar issued the directive while presiding over a meeting on reforms in the energy sector at the Finance Division here. The committee members briefed the meeting on circular debt in the gas sector [see more...](#)

Makers raise steel prices by up to Rs25,000 - Positive

Despite slowing down demand for steel bars, manufacturers have revised the prices upward citing supply chain disruptions and high production costs. "Steel bar prices have been raised by Rs10,000-25,000 per tonne in December," Chief Executive, F.F. Steel, Zarak K. Khattak told Dawn on Thursday. The new rates issued by many companies hover between Rs224,500-225,500 per tonne [see more...](#)

Anti-Dumping Act; CPEC Secretariat for retrospective waiver - Neutral

The China-Pakistan Economic Corridor (CPEC) Secretariat has urged the Ministry of Commerce (MoC) to move a summary for retrospective waiver from Anti-Dumping Act to avoid anti-dumping duty on grant projects in future, well informed sources told Business Recorder. The decision to amend Anti-Dumping Act was taken at a recent [see more...](#)

Pakistan to spend \$3bn on flood recovery by end-June - Neutral

Having spent about \$1.5 billion equivalent from its resources so far on flood rehabilitation, Pakistan would be seeking concessional loans from international development partners during the upcoming 'donor conference' in Geneva to build a resilient future with over \$16bn worth of recovery, rehabilitation and reconstruction activities. [see more...](#)

General Tyre eyes export avenues - Neutral

In a corporate briefing held on Tuesday, General Tyre and Rubber Company Limited (GTRCL) revealed that the company is looking for export opportunities in Africa and Dubai. According to Taurus Securities, the company is currently only exporting to Afghanistan. After it obtained the E-marking certification, however, it has started exploring the African and Dubai markets as well. Chinese manufacturers, [see more...](#)

Bumper wheat harvest expected - Neutral

Despite post-flood challenges 91.74 per cent of wheat crop sowing has been completed across the country to achieve the target of 22.58 million acres of wheat sowing target for the year 2022-23, said the Federal Minister for National Food Security and Research, Tariq Bashir Cheema, on Wednesday. Addressing a press conference, the minister said that wheat cultivation over 21 million acres has so far been [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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