

# MORNING GLANCE



40,539	▼ -91	▼ -0.23%
61 mn	YTD -0.68%	1 Year -10.69%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,232.55	35.10	0.19% ▲
DSE 30	2,191.43	3.87	0.18% ▼
SHANGHAI	3,122.50	5.99	0.19% ▲
Hang Seng	20,451.00	305.71	1.52% ▲
Nikkei 225	25,720.50	374	1.43% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,554.09	102.35	1.37% ▲
DAX 30	14,181.67	112.41	0.80% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	33,136.37	10.88	0.03% ▼
S&P 500	3,824.14	15.36	0.40% ▼
NASDAQ	10,862.64	77.12	0.70% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,850.45	4.35	0.24% ▲
Oil-WTI (bbl)	76.89	0.04	0.05% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	227.25	0.25	0.11% ▲
EURO/PKR	240.18	1.85	0.76% ▼
GBP/PKR	272.35	1.58	0.58% ▼
AED/PKR	61.83	0.07	0.11% ▲

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

## Market Outlook

KSE-100 on Wednesday opened on a positive note. However, later on, it lost its impetus and concluded the session in the red zone amid macroeconomic uncertainties prevailing in the country. The index made an intra-day high and low at 40,896 (266 points) and 40,498 (-133 points) respectively while closed at 40,539 by losing 91 points. Trading volume has decreased to 61mn shares as compared to 81mn shares on the previous trading day. Going forward, we expect the market to test its support at 39,800. Breaking this level would further drag the index towards 39,300. Contrarily, the resistance for the index resides at 41,000.

## Key News

### International

#### Asia stocks hit 4-month high on reopening of Chinese economy

Asian shares rose on Thursday on investor hopes for China's emergence from the COVID-19 pandemic, while the dollar stayed under pressure even as the U.S. Federal Reserve had a warning against market bets on interest rate cuts this year. MSCI's broadest index of Asia-Pacific shares outside Japan rose 1% to touch a four-month high in morning trade. [see more...](#)

#### Oil prices rebound after opening the year with steep losses

Oil prices rebounded on Thursday after opening the year down more than 9%, the worst yearly start in over three decades, as investors took advantage of the decline to buy futures on expectations long-term fuel demand will remain steady. The bounceback followed two days of steep declines to start off 2023 as investors worry about a potential [see more...](#)

### Politics

#### Imran challenges ECP notice seeking his removal as PTI chairman

Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan on Wednesday challenged the notice sent to him by the Election Commission of Pakistan (ECP) as part of its proceedings to strip the former premier as his party's chairman. The PTI chairman has moved the Lahore High Court (LHC) against the notice. The electoral body had initiated the process to [see more...](#)

### Economy

#### Geneva moot: Pakistan seeking to generate \$8bn - Neutral

Pakistan is eyeing generating around \$8 billion from the international community and donor agencies for the rehabilitation and reconstruction of the flood-affected people from the "International Conference on Climate Resilient Pakistan" scheduled to be held on January 9 in Geneva. Diplomatic sources said that total of \$16.8 billion will be required for the reconstruction and rehabilitation of [see more...](#)

## MORNING GLANCE

### Ecneec approves Rs478bn uplift plans- Neutral

The Executive Committee of the National Economic Council (ECNEC), on Wednesday, approved over Rs478 billion in 10 development projects including the Flood Response Emergency Housing Project of Rs160 billion including a World Bank loan of US\$ 500 million. The meeting presided over by Finance Minister Ishaq Dar was informed that Flood Response Emergency Housing Project to support the flood-affected people in all districts [see more...](#)

### Forex reserves to be propelled by 'friends': Dar - Neutral

Finance Minister Ishaq Dar on Wednesday claimed that friendly countries have announced their support which will help improve depleting forex reserves in the country ahead of unveiling the government's plan to impose flood levy and tax windfall gain on exchange transactions to mobilise additional revenue. Responding to the Pakistan Tehreek-e-Insaf's (PTI's) "White Paper" at a news conference along with Planning Minister Ahsan Iqbal, [see more...](#)

### Post-flood challenges: PM anticipates greater global empathy - Neutral

Prime Minister Shehbaz Sharif on Wednesday expressed the hope that civilised societies would come forward to support the reconstruction and rehabilitation of flood-hit Pakistan at the International Conference on Climate Resilient Pakistan scheduled to be held in Geneva on January 9. The prime minister, while addressing a public gathering here after the inauguration [see more...](#)

### SSGC, FFBL ink GSA for supply of 68MMCFD gas - Positive

The Managing Directors of Sui Southern Gas Company Limited (SSGC) and Fauji Fertilizer Bin Qasim Limited (FFBL) signed on the Third Addendum to the Gas Supply Agreement (GSA) on January 4, 2023 at SSGC's Head Office in Karachi. Arif-ur-Rehman, MD, FFBL and Imran Maniar, MD, SSGC inked the GSA on behalf of their respective organizations. Senior managers from both the Companies were also present on the occasion. GSA [see more...](#)

### Trade deficit falls, still at \$17.13bn in 1HFY23 - Positive

No macro indicator of the economy shows positive signs particularly on the external front as the trade deficit in the first half of the current fiscal year FY23 remained at \$17.13 billion. The finance minister on Wednesday once again assured the nation that the country would not default on external payments but the media reports indicate the imports were suppressed so hard that exports started falling making it counterproductive to bring [see more...](#)

### Gap between inter-bank and 'open' market rates on FCY transactions widens to over Rs24 - Negative

Customers using their cards (debit or credit) to conduct foreign currency transactions will have to be vigilant as the gap between the central bank-quoted inter-bank and 'open-market' US dollar rates has widened by over Rs24, highlighting the difference in how the greenback is being valued in two formal marketplaces in Pakistan. A customer was [see more...](#)

### Urea price likely to increase as Agritech halts production - Negative

The price of urea fertiliser may see a rising trend following closure of a manufacturing plant on natural gas shortages, which is basic raw material for producing farm compost. The Sui Northern Gas Pipelines Limited (SNGPL) has formally informed the Agritech Limited (LNG) that Regasified Liquefied Natural Gas (RLNG) supply to the urea plant will be [see more...](#)

### Aluminium waste, auto-parts scrap: Customs classification body imposes 30pc duty - Negative

The customs classification committee of the Federal Board of Revenue (FBR) has imposed 30 percent customs duty on the import of aluminium waste and scrap of auto-parts', and not zero percent duty as claimed by the importer. The committee has resolved a classification dispute between the customs and the importer through issuance of an order here on [see more...](#)

### Cynergyico Received 91.06% Stake in Coastal Refinery - Positive

Cnergyico received 91.06 percent shares of Coastal Refinery (Private) Limited upon completion of formalities and conditions under SPA, according to company filing to the exchange. Byco Terminals Pakistan Limited (BTPL) entered into a Share Purchase Agreement executed in August 2010 (as amended from time to time) (SPA) with the [see more...](#)

### Tax demand in respect of Q2 2022 advance tax: IHC sets aside order of DC IR Islamabad - Neutral

The Islamabad High Court (IHC) set aside the order of Deputy Commissioner Inland Revenue, Islamabad creating tax demand in respect of advance tax of 2nd quarter of the tax year 2022 on National Highways Authority (NHA) under Section 147 Income Tax Ordinance, 2001. However, the court reiterated that the tax authorities shall be at liberty to [see more...](#)

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<b>TP</b>	Target Price	<b>DDM</b>	Dividend Discount Model	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>JPB</b>	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

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

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