

MORNING GLANCE



40,717	▲ 177	▲ 0.44%
62 mn	YTD -0.24%	1 Year -10.33%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,992.15	50.8	0.28% ▼
DSE 30	2,196.85	4.68	0.21% ▲
SHANGHAI	3,157.00	1.79	0.06% ▲
Hang Seng	21,065.50	13.33	0.06% ▲
Nikkei 225	25,947.00	126.20	0.49% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,633.45	48.26	0.64% ▲
DAX 30	14,436.31	54.47	0.38% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	32,930.08	339.69	1.02% ▼
S&P 500	3,808.10	44.87	1.16% ▼
NASDAQ	10,741.22	173.58	1.59% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,843.95	3.35	0.18% ▲
Oil-WTI (bbl)	74.46	0.79	1.07% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	227.25	-	-
EURO/PKR	241.23	1.05	0.44% ▲
GBP/PKR	273.71	1.36	0.50% ▲
AED/PKR	61.83	-	-

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

Market Outlook

KSE-100 on Thursday remained positive throughout the day and concluded the session in the green zone amid the expected financial assistance to be provided by Saudi Arabia. The index made an intra-day high and low at 40,791 (251 points) and 40,539 (0 points) respectively while closed at 40,717 by gaining 177 points. Trading volume has increased to 62mn shares as compared to 61mn shares on the previous trading day. Going forward, we expect the market to test its resistance at 41,000. Breaking this level would further push the index towards 41,590 (50 DMA). Contrarily, the support for the index resides at 39,800.

Key News

International

Asian stocks edge up before U.S. jobs data, defying Wall Street selloff

Asian equities gained on Friday while the dollar hovered near a one-month high as investors braced for crucial U.S. jobs data later in the day that should provide clues on how aggressive the Federal Reserve will be in tightening policy. Japan's Nikkei rose 0.39%, while South Korea's Kospi jumped 0.77%. Australia's stock benchmark was 0.56% higher. Hong [see more...](#)

Oil edges up after big 2-day loss to year's start

Oil prices edged higher Thursday from a massive two-day loss to the start of the year as bulls in the trade pounced on a mixed weekly inventory report from the U.S. government that showed unexpectedly high demand for diesel toward the end of 2022 that offset a build in crude stockpiles. A temporary shutdown of a U.S. fuel pipeline also bolstered the market. Top U.S. pipeline operator Colonial Pipeline said its [see more...](#)

Politics

LHC bars ECP from removing Imran as PTI chief

The Lahore High Court (LHC) on Thursday barred the Election Commission of Pakistan (ECP) from removing Imran Khan as the chairman of the PTI in pursuance of the verdict issued in the Toshakhana case. The court issued the directives as it accepted Imran's petition against the ECP notice issued to debar him from heading the party. The LHC also [see more...](#)

Economy

Foreign exchange reserves at almost 9-year low level - Negative

The foreign exchange reserves held by the State Bank of Pakistan (SBP) reached almost nine years low level due to slow foreign inflows and continued external debt servicing. According to weekly report issued on Thursday, the SBP's foreign exchange reserves further declined by \$245 million during the last week. Foreign exchange reserves held [see more...](#)

MORNING GLANCE

Pakistan receives \$140m RDA inflows, lowest since Dec '20 - Negative

Foreign currency inflows from overseas Pakistanis through Roshan Digital Account (RDA) clocked in at \$140 million in December, according to data from the State Bank of Pakistan on Thursday. The latest RDA inflows are the lowest since December 2020, a local brokerage house, Arif Habib Limited said. Since the launch of RDA in September 2020 to December 2022, the country [see more...](#)

Public debt swells to Rs50.9tr in November - Negative

Pakistan's public debt increased 24.2 percent year-on-year to Rs50.9 trillion in November 2022, the central bank data showed on Thursday, courtesy of government's increasing borrowing needs to meet the budget deficit and lack of external financing in the country. The debt stood at Rs40.9 trillion as of November 30, 2021, increasing by 1.5 percent or Rs752 billion month-on-month. In October 2022, the debt was Rs50.1 trillion, while it had [see more...](#)

Rupee weakens - Negative

The rupee on Thursday ended weaker against the dollar in the interbank currency market on an increased dollar demand from importers, dealers said. In the interbank market, the local unit closed at 227.12 per dollar, compared with the previous close of 226.95. It fell by 0.07 on day on day. The domestic currency ended flat at 236 to the dollar in the open market. Dealers said a slight decline in the movement of the local unit was caused on a [see more...](#)

Govt plans meeting with oil sector to address financial issues - Neutral

Government has summoned a meeting with the oil sector of the country next week to take up its various issues, especially the problems that have been hitting the sector financially, The News learnt on Thursday. Government has invited the oil marketing companies (OMCs) and refineries on January 10 to discuss and find out ways for resolving the issues. According to sources, [see more...](#)

First phase of 1,000MW solar panels: Bidding process to begin next week, PM informed - Neutral

Prime Minister Shehbaz Sharif was informed on Thursday that the bidding process for the first phase of 1,000 MW solar panels would be started next week. While presiding over a review meeting regarding the implementation of measures to save energy in the country, the meeting was informed about the progress on the implementation of the solarization project. The prime [see more...](#)

Millat Tractors shuts down production citing reduced demand, cash flow constraints - Negative

Pakistan's biggest agricultural machinery manufacturer, Millat Tractors Limited, said on Thursday that it would remain closed from January 6 (tomorrow) till further notice, citing reduced demand and cash flow problems. In a regulatory filing, it stated, "Due to continuing reduced demand for tractors and cash flow constraints, the company will remain closed [see more...](#)

Edible oil: SBP, MoF urged to ask banks to open LCs - Neutral

The edible oil industry has asked the State Bank of Pakistan (SBP) and Ministry of Finance to direct the commercial banks to honor its request for opening of Letters of Credit (LCs) to avoid crisis and avert shortage of ghee and cooking oil. In a communication to the Finance Ministry and the SBP, Sheikh Abdul Razzaq, Chairman Pakistan Vanaspati Manufacturers Association (PVMA) said on Thursday that commercial [see more...](#)

Jul-Nov rice exports decline 30pc to 210,184 metric tons - Negative

Pakistan's rice export registered collectively (basmati & non-basmati) around a 30 percent decline in quantity and almost 11 percent decline in value during the period of July-November 2022 as compared to the corresponding period of July-November 2021. "Pakistan registered quantity wise 44 percent decline in export of basmati rice during the [see more...](#)

Heimtextil-2023: Visa denial to rob exporters of orders worth millions of dollars - Negative

Pakistan is likely to lose export orders worth millions of dollars because a number of exporters intending to attend the well-known trade fair in Germany — the Heimtextil-2023 — have either been denied visas by the German Embassy or are facing delays. Official sources at the Trade Development Authority of Pakistan (TDAP) — the sole export promotion body in [see more...](#)

Govt considering 50-70pc Windfall Tax on banking sector profits - Negative

The government is contemplating its options for slapping a Windfall Tax on the profits of banking sector in the range of 50 to 70 percent just on the pattern of the Western world, which imposed the same tax on energy companies. "Different proposals are under consideration for imposing the Windfall Tax on profits earned by the banking sector. A fixed tax [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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