

# MORNING GLANCE

ASIA	Value	Pts	Chg. (%)
KSE 100	45,044.50	172.80	0.39% ▲
NIFTY 50	17,691.25	-	-
DSE 30	2,765.26	23.55	0.85% ▲
SHANGHAI	3,568.17	31.87	0.90% ▲
Hang Seng	23,955.00	1	-
BIST 100	1,394.37	7.09	0.51% ▼
MOEX	4,112.72	25.73	0.63% ▲
CSE All-Share	9,542.33	100.03	1.06% ▲
Nikkei 225	27,667.00	777.89	2.73% ▼
KLCI	1,522.81	0.34	0.02% ▲

Source: Investing.com

EUROPE	Value	Value	Pts
FTSE 100	7,011.01	16.06	0.23% ▼
DAX 30	15,036.55	119.89	0.79% ▼
CAC 40	6,477.66	40.03	0.61% ▼
FTSE MIB	25,220.00	75	0.30% ▼
SMI 20	11,582.35	6.98	0.06% ▲

Source: Investing.com

USA	Value	Value	Pts
DOW JONES	34,002.92	323.54	0.94% ▼
S&P 500	4,300.46	56.58	1.30% ▼
NASDAQ 100	14,472.12	319.74	2.16% ▼
US Dollar Index	93.93	0.15	0.15% ▲

Source: Investing.com

GULF	Value	Value	Pts
ADX General	7,718.79	19.97	0.26% ▲
Tadawul All-Share	11,466.91	13.66	0.12% ▲
QE General	11,512.29	49.33	0.43% ▲
Premier Market	7,504.97	8.47	0.11% ▲

Source: Investing.com

Commodity	Value	Value	Chg.
Gold (t oz.)	1,763.85	3.75	0.21% ▼
Silver (t oz.)	22.51	0.132	0.58% ▼
Oil-WTI (bbl.)	77.86	0.24	0.31% ▲
Oil-Brent (bbl.)	81.61	0.35	0.43% ▲
Steel Scrap (tons)	450.00	-	-
Cotton (lb.)	105.65	0.69	0.66% ▲

Source: Investing.com

Currency	Value	Value	Chg.
USD/PKR	173.30	1.70	0.99% ▲
EURO/PKR	200.00	0.5	0.25% ▼
GBP/PKR	234.50	2	0.85% ▼
JPY/PKR	1.44	-	-
CNY/PKR	23.85	-	-
AED/PKR	47.00	0.7	1.47% ▼
SAR/PKR	45.50	0.5	1.09% ▼
CAD/PKR	137.50	0.50	0.36% ▲
AUD/PKR	125.00	1.00	0.81% ▲

Source: Forex.com.pk



## Market Outlook

KSE-100 on Monday open on a bearish note. However, later on, it gained momentum and concluded the session in the green zone amid an agreement was reached with Saudi Arabia under which Riyadh would provide \$3.6 billion to purchase crude oil. The index made an intra-day high and low at 45,104 (233 points) and 44,562 (-310 points) respectively while closed at 45,044 by gaining 173 points. Trading volume has been decreased to 94mn shares as compared to 111mn shares on the previous day. Going forward, we expect the market to remain volatile. The support for the index lies at the level of 44,000. Breaking this level could further drag the index towards the level of 43,500. However, the resistance for the index resides at 45,300.

## Key News

### International

#### Oil settles above \$81 with OPEC+ sticking to output increase

Oil jumped to a three-year peak on Monday after OPEC+ confirmed it would stick to its current output policy as demand for petroleum products rebounds, despite pressure from some countries for a bigger boost to production. [see more...](#)

### Politics

#### PM Imran forms 'high-level cell' to investigate individuals in Pandora Papers

Minister of State for Information and Broadcasting Farrukh Habib said that the cell will determine whether public office holders had declared their foreign assets. "If not, a corruption case will be referred to the National Accountability Bureau. [see more...](#)

#### Leaks: PM says cases of elected representatives will be referred to NAB

The ruling Pakistan Tehreek-e-Insaf (PTI) appears to be clueless about launching an across-the-board accountability to make both civilian and retired military personnel accountable after a fresh set of leaked documents exposed the secret fortunes of pensioned military generals, their spouses and sons, and sons-in-law. [see more...](#)

## MORNING GLANCE

### Economy

#### **Pakistan's trade deficit soars to \$4.1bn in Sep, up by 70% YoY - Negative**

Pakistan's merchandise trade deficit for the month of September 2021 clocked in at \$4.1 billion compared to a deficit of \$2.4 billion in the corresponding month last year, depicting a growth of 70% YoY. The widening of the trade gap is mainly attributed to exponential growth in imports and comparatively slow growth in exports. [see more...](#)

#### **'Inflation relief': Imran announces 40pc subsidy for low-income households – Positive**

Announcing a 40 percent targeted subsidy for the poor on purchase of essential food items, Prime Minister Imran Khan on Monday said the measure would provide relief to the lower-income people. Addressing the launch of the Kamyab Pakistan programme, a Rs 1,400 billion poverty alleviation initiative, the prime minister said the impecunious strata would get fixed subsidies on wheat. [see more...](#)

#### **Second phase of CPEC: Chinese companies showing some reluctance – Neutral**

Background interviews with officials dealing with Chinese companies, discussions at a recent high level Joint Working Group of Pakistani and Chinese officials meeting as well as available documents paint a depressing picture. According to sources, the representatives of Chinese companies which have established power projects in Pakistan under CPEC maintain. [see more...](#)

#### **CCP may scrap merger and acquisition approvals of Hascol with Vitrol - Neutral**

"We are investigating the case and some ambiguous vibes are coming out, but it will need further probe. We are working on it," the official told The Newser on Thursday. He said that after smelling a rat in the affairs of Hascol, the CCP initiated the probe into the affairs of M/s Hascol as it had some doubts that the financial statement the company had submitted to the regulator had ambiguities. [see more...](#)

#### **Pak Suzuki Increases Prices of Motorcycles for 3rd Time in 2021 - Positive**

Following in the footsteps of Atlas Honda and Yamaha, Pak Suzuki Motor Company (PSMC) has also announced a significant increase in the prices of its motorcycles which will take effect on October 5, 2021. The prices have been increased by up to Rs. 12,000. It bears mentioning that Yamaha, which has so far increased the prices of its motorcycles four times this year, has recorded a price difference of Rs. 14,000 since January 2021. [see more...](#)

#### **Cement dispatches drop by 12.17pc in Sept - Negative**

According to the data released by All Pakistan Cement Manufacturers Association (APCMA), local cement dispatches by the industry during the month of September 2021 were 4.018 million tons compared to 4.095 million tons in September 2020, showing a reduction of 1.88 percent. Exports dispatches suffered massive decline by 49.45 percent as the volumes reduced from 1.131 million tons. [see more...](#)

#### **Meezan Bank signs MGPay to Launch Fast Track Digital Payments in Merchant Acquiring Business- Positive**

Meezan Bank, the Best Bank in Pakistan and MYGLU Pvt. Ltd., a wholly-owned subsidiary of the US-based MYGLU LLC offering next-generation business solutions via integrated information technology products and services, have entered into a strategic collaboration to enable Point Of Sale (POS) payment services, branded as MGPay. According to this recently signed agreement. [see more...](#)

#### **Sugarcane purchase price likely to go up by Rs30 per 40kg - Positive**

Agriculture, food and other relevant agencies have been asked to work out the cost of production of sugarcane for determining its minimum support price accordingly, said an official. Last season, the price was fixed at Rs220 per 40kg. This year, it is likely to go up in view of the increase in farm input prices. [see more...](#)

#### **NEPRA Announces a Huge Increase in Per Unit Cost of Electricity - Negative**

The National Electric Power Regulatory Authority has made one unit of electricity Rs. 1.65 costlier for the people using 300 units per month on Monday. According to a notification issued by the national power regulator, the price hike will apply on October bills in which one power unit price will change from Rs. 16.44 to Rs. 18.9. [see more...](#)

#### **Avanceon secures its first contract in Nigeria - Positive**

Dubai, UAE – Avanceon FZE, a wholly-owned subsidiary of Avanceon Limited established in the Middle East, has secured its first contract in the West African nation of Nigeria. As per the contract, Avanceon will be responsible for reviving a key oil field for the West African Exploration and Production Company Limited (WAEP) with an industry-leading oil & gas solution. [see more...](#)

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## DEFINITION OF TERMS

<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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