

## MORNING GLANCE

ASIA	Value	Pts	Chg. (%)
KSE 100	44,666.57	377.93	0.84% ▼
NIFTY 50	17,822.30	131.05	0.74% ▲
DSE 30	2,778.12	12.85	0.46% ▲
SHANGHAI	3,568.17	31.87	0.90% ▲
Hang Seng	23,835.00	429.5	1.77% ▼
BIST 100	1,391.65	2.72	0.19% ▼
MOEX	4,223.85	111.13	2.70% ▲
CSE All-Share	9,533.64	8.69	0.09% ▼
Nikkei 225	27,568.50	253.62	0.91% ▼
KLCI	1,545.72	15.30	1.00% ▲

Source: Investing.com

EUROPE	Value	Value	Pts
FTSE 100	7,077.10	66.09	0.94% ▲
DAX 30	15,194.49	157.94	1.05% ▲
CAC 40	6,576.28	98.62	1.52% ▲
FTSE MIB	25,635.00	472.00	1.88% ▲
SMI 20	11,587.00	4.65	0.04% ▲

Source: Investing.com

USA	Value	Value	Pts
DOW JONES	34,314.67	311.75	0.92% ▲
S&P 500	4,345.72	45.26	1.05% ▲
NASDAQ 100	14,674.14	202.02	1.40% ▲
US Dollar Index	94.04	0.06	0.06% ▲

Source: Investing.com

GULF	Value	Value	Pts
ADX General	7,688.54	9.72	0.13% ▼
Tadawul All-Share	11,555.53	88.62	0.77% ▲
QE General	11,521.10	8.81	0.08% ▲
Premier Market	7,488.28	8.97	0.12% ▼

Source: Investing.com

Commodity	Value	Value	Chg.
Gold (t oz.)	1,756.90	4	0.23% ▼
Silver (t oz.)	22.52	0.091	0.40% ▼
Oil-WTI (bbl.)	78.97	0.04	0.05% ▲
Oil-Brent (bbl.)	82.61	0.1	0.12% ▼
Steel Scrap (tons)	459.50	9.50	2.11% ▲
Cotton (lb.)	112.44	3.52	3.23% ▲

Source: Investing.com

Currency	Value	Value	Chg.
USD/PKR	173.40	1.80	1.05% ▲
EURO/PKR	200.10	0.4	0.20% ▼
GBP/PKR	234.60	1.9	0.80% ▼
JPY/PKR	1.44	-	-
CNY/PKR	23.90	0.05	0.21% ▲
AED/PKR	47.05	0.65	1.36% ▼
SAR/PKR	45.55	0.45	0.98% ▼
CAD/PKR	137.60	0.60	0.44% ▲
AUD/PKR	125.10	1.10	0.89% ▲

Source: Forex.com.pk



### Market Outlook

KSE-100 on Tuesday remained volatile throughout the day while concluded the session in the red zone amid uncertainties in upcoming negotiations with IMF. The index made an intra-day high and low at 45,101 (57 points) and 44,594 (-451 points) respectively while closed at 44,667 by losing 378 points. Trading volume has been increased to 141mn shares as compared to 94mn 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

##### Asian Stocks Down, Continues Downward Trend as Inflation Persists

Asia Pacific stocks were down on Wednesday morning, as soaring inflation due to increasing energy costs continue to dampen investor sentiment about the economic recovery from COVID-19. Japan's Nikkei 225 fell 0.93% by 10:05 PM ET (2:05 AM GMT). South Korea's KOSPI fell 0.85%, with data released earlier. [see more...](#)

##### U.S. oil rises to highest since 2014 amid global energy crunch

U.S. oil prices rose for a fifth day on Wednesday to their highest since 2014 amid global concerns about energy supply on signs of tightness in crude, natural gas and coal markets. Brent crude prices also climbed for a fourth day on the supply anxiety, particularly after the Organization of the Petroleum Exporting Countries (OPEC). [see more...](#)

#### Politics

##### Federal gov't's debt stocks touch new high of Rs39.77trn

The State Bank of Pakistan (SBP) Tuesday reported that the country's domestic and external debt continued to increase and went up by 3 percent during July-Aug of FY22. The central government's domestic and external debt stocks mounted up by Rs 1.073 trillion to touch a new peak level of Rs 39.77 trillion in August 2021. [see more...](#)

## MORNING GLANCE

### Economy

#### **Pandora Papers - Senate body on finance expresses its concern over revelations - Neutral**

The Senate Standing Committee on Finance, on Tuesday, took notice of names of over 700 Pakistanis in Pandora Papers for owning offshore companies, and observed that capital flight is a matter of great concern when the Financial Action Task Force (FATF) would review the country's position in the current month and where money laundering and money trail is being questioned. [see more...](#)

#### **Prices of POL products likely to increase - Negative**

The prices of petroleum products for the second half of October are expected to further increase as the Brent oil price reached \$81 per barrel on Tuesday, market sources said. Pakistan imports oil from the Middle East where crude prices fluctuate. The imports of crude oil and petroleum products are mostly based on long-term contracts with Kuwait, Saudi Arabia, and the United Arab Emirates. [see more...](#)

#### **SNGP records bumper profits during 9MFY21 - Positive**

Sui Northern Gas Pipelines Ltd (SNGP), a utility gas company, has shown a 55% surge in profits that clocked in at Rs8.94 billion (EPS: Rs14.09) during 9MFY21 against a net profit of Rs5.78bn (EPS: Rs9.11) reported in the corresponding period last fiscal year. According to the financial results sent to Exchange, the sales revenue experienced a decline of 12% YoY despite a 19% YoY jump in RLNG offtake. [see more...](#)

#### **SEARL declares strong payout amid 47% upsurge in profits - Positive**

SEARL has announced its FY21 results where it posted a profit after tax of Rs3.7bn as compared to a profit after tax of Rs2.5bn in the same period last year, up by 47% YoY. In line with profits, the earnings per share of the company went up by 37.8% YoY from Rs11.46/sh to Rs15.8/sh in FY20. Alongside financial results, the company announced a strong cash dividend of Rs2 and a 30% bonus issuance. [see more...](#)

#### **PSMCL suspends bookings for Alto AGS, Cultus VXL and Cultus AGS - Negative**

Pak Suzuki Motors Company Limited (PSMCL) has reportedly suspended the booking of Alto AGS, Cultus VXL, and Cultus AGS temporarily. According to the market sources, the decision was made in light of the shortage of semi-conductors at the international level, forcing the company to restrain the production of Alto AGS, Cultus VXL, and Cultus AGS temporarily. [see more...](#)

#### **GDP to surpass 5% growth due to higher cotton output: APTMA- Positive**

The All-Pakistan Textile Manufacturing Association (APTMA) Tuesday said due to higher cotton output, the country's Gross Domestic Product (GDP) growth rate was set to surpass the 5% mark during fiscal year 2021-22. "Cotton arrivals up by 100% to 3.8mn bales," the Association said in a statement adding that this could not only help Pakistan achieve more than 5% GDP growth but would also increase the exports significantly. [see more...](#)

#### **CDC cuts tariff to facilitate capital market - Neutral**

In line with its vision to facilitate capital market participants and as per the guidelines of Securities and Exchange Commission of Pakistan (SECP) to reduce cost of doing business, Central Depository Company of Pakistan (CDC) has again taken a step forward by further reduction in the base tariff for its major depository services. [see more...](#)

#### **Neptra censures Discos- Negative**

National Electric Power Regulatory Authority (Neptra) said on Tuesday that performance of power Distribution Companies (Discos) is pathetic and cannot be improved without structural reforms. These observations were shared by Vice Chairman Neptra Rafique Ahmad Shaikh at a meeting of National Assembly panel, constituted to discuss. [see more...](#)

#### **SC irked by lack of adequate investment in power transmission lines - Neutral**

The Supreme Court noted that no substantial investment has been made for the improvement of transmission lines and alternative power generation plants. A three-judge bench, headed by Justice Umar Ata Bandial, on Tuesday, heard a review petition of the All-Pakistan Textile Mills Association (APTMA). Justice. [see more...](#)

#### **Faysal Bank says its ultimate beneficial ownership will not change - Neutral**

Ithmaar Holding B.S.C., the parent of Ithmaar Bank, has entered into memorandum of understanding with Al-Salam Bank-Bahrain for exploring potential acquisition by Al-Salam of a group of assets from Ithmaar Holding. Ithmaar Bank holds, directly and indirectly, approximately 66.78 percent of the total shareholding in Faysal Bank Limited (FBL). Ithmaar Bank is at present a wholly-owned subsidiary of Ithmaar Holding. [see more...](#)

#### **Cement: trouble brewing - Negative**

If cement manufacturers are worried, they should be. It is not that cement mills don't have the capacity to churn out clinker to meet demand, because they certainly do, but the demand is very evidently not materializing like it had been hoped. It is also entirely possible that cement bosses are thinking long and hard before burning precious coal to produce enough cement to meet the demand. [see more...](#)

#### **PepsiCo enters partnership with TDAP- Neutral**

PepsiCo in Pakistan Monday announced its partnership with the Trade Development Authority of Pakistan (TDAP), Ministry of Commerce, for the iconic Pakistan Pavilion at the Expo 2020 Dubai. PepsiCo will be the exclusive beverage partner of the Pakistan Pavilion as well as other key engagements that will be set throughout the six months of the event. [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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The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

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