

## MORNING GLANCE

ASIA	Value	Pts	Chg. (%)
KSE 100	44,373.23	293.34	0.66% ▼
NIFTY 50	17,646.00	176.3	0.99% ▼
DSE 30	2,787.81	9.69	0.34% ▲
SHANGHAI	3,568.17	31.87	0.90% ▲
Hang Seng	24,444.00	342.00	1.42% ▲
BIST 100	1,371.69	19.96	1.43% ▼
MOEX	4,171.71	52.14	1.23% ▼
CSE All-Share	9,626.45	92.81	0.97% ▲
Nikkei 225	27,951.00	422.13	1.53% ▲
KLCI	1,554.13	5.29	0.34% ▼

Source: Investing.com

EUROPE	Value	Value	Pts
FTSE 100	6,995.87	81.23	1.15% ▼
DAX 30	14,973.33	221.16	1.46% ▼
CAC 40	6,493.12	83.16	1.27% ▼
FTSE MIB	25,485.00	153	0.60% ▼
SMI 20	11,569.39	17.61	0.15% ▼

Source: Investing.com

USA	Value	Value	Pts
DOW JONES	34,416.99	102.32	0.30% ▲
S&P 500	4,363.55	17.83	0.41% ▲
NASDAQ 100	14,766.75	92.61	0.63% ▲
US Dollar Index	94.24	0.032	0.03% ▼

Source: Investing.com

GULF	Value	Value	Pts
ADX General	7,688.54	9.72	0.13% ▼
Tadawul All-Share	11,571.88	16.35	0.14% ▲
QE General	11,606.92	85.82	0.74% ▲
Premier Market	7,488.28	8.97	0.12% ▼

Source: Investing.com

Commodity	Value	Value	Chg.
Gold (t oz.)	1,760.00	1.8	0.10% ▼
Silver (t oz.)	22.62	0.09	0.38% ▲
Oil-WTI (bbl.)	76.72	0.71	0.92% ▼
Oil-Brent (bbl.)	80.65	0.43	0.53% ▼
Steel Scrap (tons)	461.50	2.00	0.44% ▲
Cotton (lb.)	112.32	1.02	0.92% ▲

Source: Investing.com

Currency	Value	Value	Chg.
USD/PKR	172.00	1.4	0.81% ▼
EURO/PKR	199.00	1.1	0.55% ▼
GBP/PKR	234.50	0.1	0.04% ▼
JPY/PKR	1.44	-	-
CNY/PKR	23.90	-	-
AED/PKR	48.00	0.95	2.02% ▲
SAR/PKR	46.00	0.45	0.99% ▲
CAD/PKR	137.00	0.6	0.44% ▼
AUD/PKR	124.00	1.1	0.88% ▼

Source: Forex.com.pk



### Market Outlook

KSE-100 on Wednesday remained volatile throughout the day while concluded the session in the red zone amid uncertainties regarding upcoming negotiations with IMF. The index made an intra-day high and low at 44,795 (129 points) and 44,284 (-382 points) respectively while closed at 44,373 by losing 293 points. Trading volume has been decreased to 123mn shares as compared to 141mn 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 shares rise on stronger global risk appetite as oil prices ease

Asian shares rallied on Thursday, taking heart from a late recovery on Wall Street after U.S. politicians appeared near to a temporary deal to avert a federal debt default and as Russia reassured Europe on gas supplies, calming volatile markets. Oil prices also dropped back from multi-year highs hit a day earlier. [see more...](#)

##### Oil retreats from multi-year highs after U.S. stock build

Oil prices dropped nearly 2% on Wednesday, pulling back from multi-year highs, as an unexpected rise in U.S. crude inventories prompted buyers to take a breather after recent torrid gains. U.S. crude inventories rose by 2.3 million barrels last week against expectations for a modest dip of 418,000 barrels. [see more...](#)

#### Politics

##### PML-N terms ordinance 'black law'

Pakistan Muslim League-Nawaz (PML-N) has rejected the National Accountability Bureau (Amendment) Ordinance, 2021 and termed it as "black law" to advance the agenda of political "vendetta". In a statement, PML-N spokesperson Marriyum Aurangzeb said that her party categorically rejects the ordinance as "black law". [see more...](#)

## MORNING GLANCE

### Economy

#### Debt to GDP ratio declines to 83.5%: Finance Ministry - Neutral

The Ministry of Finance here on Wednesday said the country's total debt to Gross Domestic Product (GDP) ratio has decreased to 83.5 percent as on June 30, 2021 from 87.6 percent on June 30, 2020. Responding to some media reports, the statement added that both domestic and external debts have depicted a downward trend from last year. It said, the domestic debt declined to 55.1 percent of GDP from 56 percent last year. Similarly, the external debt to GDP ratio receded to 28.5 percent from 31.6 percent last year. [see more...](#)

#### THE RUPEE: PKR hits fresh low - Negative

Pakistan's rupee reached a fresh low against the US dollar, closing near the 171 level in the inter-bank market on Wednesday. As per the State Bank of Pakistan (SBP), the PKR closed at 170.96 against the USD, a day-on-day decline of 16 paisas or 0.09%. This is the weakest the rupee has been against the US currency, surpassing the 170.8 recorded earlier. [see more...](#)

#### Overseas Pakistanis: NRLP incentives may be partially withdrawn - Neutral

Sharing the details, sources said, Economic Coordination Committee (ECC) of the Cabinet in its meeting held on August 11, 2021 approved following proposals on National Remittance Loyalty Program submitted by Finance Ministry; (i) points accumulation structure and estimated financial impact of Rs. 13.107 billion; and (ii) service to be offered by different participating PSEs under NRLP. [see more...](#)

#### Finance Minister Orders to Reduce Prices of Edible Oil - Positive

Federal Minister for Finance and Revenue, Shaukat Tarin has directed the Ministry of Industries and Production and the Federal Board of Revenue (FBR) to accelerate the process of evolving a strategy that casts measurable impact on the prices of edible oil and, thus, provides relief to the consumers through concession in duty. [see more...](#)

#### Senate panel on power seeks report on closure of power plants - Neutral

The Senate Standing Committee on Power has sought a detailed report over the losses of power generation companies (GENCOs) and also advised to submit details of all the members of GENCOs board from the year 2000 till now. A meeting of the Senate Standing Committee on Power held on Wednesday under the chairmanship of Senator Saifullah Abro took up issues. [see more...](#)

#### KE in talks for new PPA - Neutral

This was disclosed by Additional Secretary Power Division/ CEO CPPA-G Waseem Mukhtar at a meeting of Senate Standing Committee on Power presided over by Senator Saifullah Abro. During discussion, difference of opinion was witnessed between the Power Division and KE on stock of receivables/payables. KE is receiving about 1300 MW electricity from national grid sans PPA which had expired in 2015. [see more...](#)

#### Power tariff main reason behind stalled IMF talks - Neutral

The parleys between International Monetary Fund (IMF) and Power Division on new Circular Debt Management Plan (CDMP) are reportedly not heading towards any conclusion due to impasse on increase in electricity tariff, well informed sources told Business Recorder. Pakistan had pledged in the fifth review to increase tariffs by Rs1.39 per unit from June 1, 2021 as the second phase of Nepra's determined tariff of Rs 2.34 per unit. [see more...](#)

#### Better days for cotton - Neutral

Cotton, once acknowledged as the lifeline of Pakistan's farmers and a source of raw material to more than 400 textile companies, hit an all-time low last year in production and is bordering on disaster. Over the last 10 years, cotton production has declined by more than 62 percent from 14.81 million bales to 5.65 million bales. [see more...](#)

#### Rs39bn collected, 1.86m returns filed till Sept 30th - Neutral

The Federal Board of Revenue (FBR) collected Rs39 billion tax along with 1.86 million income tax returns filed till September 30, 2021. The 5th Board-in-Council meeting of the FBR was held under the chairmanship of Dr Muhammad Ashfaq Ahmed, chairman FBR. The Board-in-Council members deliberated upon the decent growth of 38.3 percent in revenue collection. [see more...](#)

#### Pakistani startup Tazah raises \$2m in pre-seed funding - Neutral

Other investors included Ratio Ventures, Walled City Co, i2i Ventures, Suya Ventures, Globivest, Afropreneur Syndicate, +92 Ventures, Sunu Capital and Musha Investments. The round also witnessed participation from local business groups, including Mezan Foods and notable angels including senior executives in Careem and Swvl among others. [see more...](#)

#### Pakistan's trade deficit balloons to worrisome \$11.66 billion in first quarter of FY22 - Negative

The ballooning deficit trend will exert pressure on country's balance of payment and exchange rate in months to come, economists say. Rupee has already started shedding its value and since May 12, 2021, it devalued by 19.5 rupees against the US dollar. In interbank market, rupee on Monday lost Rs0.44 against the greenback and closed at 170.49. During the quarter exports were \$6.967 billion against \$5.47 billion in same period last year. [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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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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