

MORNING GLANCE



45,508






▼ -358



▼ -0.78%




58 mn



YTD 11.5%





1 Year 8.71%

ASIA		Value	Pts	Chg. (%)
	NIFTY 50	19,993.20	3.15	0.02% ▼
	DSE 30	2,128.91	8.19	0.38% ▼
	SHANGHAI	3,113.22	23.84	0.76% ▼
	Hang Seng	17,975.00	48.5	0.27% ▼
	Nikkei 225	32,710.00	80	0.24% ▼

EUROPE		Value	Pts	Chg. (%)
	FTSE 100	7,527.53	30.66	0.41% ▲
	DAX 30	15,715.53	85.46	0.54% ▼

USA		Value	Pts	Chg. (%)
	DOW JONES	34,645.99	17.73	0.05% ▼
	S&P 500	4,461.90	25.56	0.57% ▼
	NASDAQ	15,289.74	172.13	1.11% ▼

Commodities		Value	Chg.	Chg. (%)
	Gold (t oz.)	1,930.85	4.25	0.22% ▼
	Oil-WTI (bbl)	88.84	-	-

Currencies		Value	Chg.	Chg. (%)
	USD/PKR	299.89	1.27	0.42% ▼
	EURO/PKR	321.50	1.53	0.47% ▼
	GBP/PKR	374.44	2.74	0.73% ▼
	AED/PKR	81.65	0.34	0.41% ▼

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

Market Outlook

The stock market on Tuesday plunged over 300 points and concluded the session in the red zone amid the likelihood of policy rate hike in upcoming MPC meeting on 14 Sep. The Benchmark KSE-100 index made an intra-day high and low at 45,902.72 (37 points) and 45,468.27 (-397 points) respectively while closed at 45,508.39 by losing 357 points. Trading volume decreased to 58mn shares as compared to 140mn shares on the previous trading day. Going forward, we expect the market to remain volatile and test its support at 45,300. Breaking this level can further drag it towards 44,500. However, the current resistance of the index resides at 46,000.

Key News

International

Asia markets mostly lower as investors watch Japan and South Korea data; U.S. inflation numbers ahead

Asia-Pacific markets are mostly lower as investors assess key economic data out of Japan and South Korea. South Korea's unemployment rate in August came in at 2%, its lowest since June 1999. Meanwhile, corporate confidence in Japan fell in September, among both manufacturers and non-manufacturers, according the Reuters Tankan poll. [see more...](#)

Oil prices hover near 10-month high on supply concerns

Oil prices edged higher on Wednesday, hovering at a new 10-month high hit the previous day, as expectations of tighter global supply and fears of supply disruption in Libya outweighed concerns of slower demand in some countries such as China. The international benchmark Brent futures rose 8 cents, or 0.1%, to \$92.14 a barrel by 0054 GMT, while U.S. West Texas Intermediate (WTI) crude. [see more...](#)

Politics

Nawaz Sharif to return home on Oct 21

The Pakistan Muslim League-Nawaz's (PMLN) announcement of the date of return of its Quaid Nawaz Sharif to Pakistan has raised the political temperature across the country. In a major development on Tuesday, former prime minister Shehbaz Sharif announced the date for his elder brother's return home ahead of the upcoming elections to lead the party's political campaign. "Nawaz Sharif will reach Pakistan" [see more...](#)

Economy

Pakistan likely to raise rates, hike of at least 150 bps seen – Negative

Pakistan's central bank is expected to hike rates when it meets to decide on policy on Thursday as it seeks to tackle sky-high inflation and bolster diminished foreign exchange reserves that have sent the rupee to record lows. Pakistan likely to raise rates, hike of at least 150 bps seen [see more...](#)

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Suddenly airport outsourcing plans put on ice – Neutral

The federal cabinet has reportedly put outsourcing of airports on ice till clearance by Steering Committee headed by Finance Minister, well-informed sources told Business Recorder. On August 29, 2023, Aviation Division gave a detailed presentation to the Cabinet on the outsourcing of Islamabad International Airport. It was explained that private sector participation in airports' operations was an established and successful international [see more...](#)

Annual target of Rs9.4tr: Shamshad asks FBR how it plans to plug widening revenue hole – Neutral

After identification of five major areas to plug leakages of Rs1 trillion through enforcement, including a crackdown on smuggling, the government has sought a workable plan to plug the widening gap for achieving the fixed annual target of Rs9.4 trillion. government has sought a workable plan to plug the widening gap for achieving the fixed annual target of Rs9.4 trillion [see more...](#)

Artificial appreciation of PKR to encourage imports: Pasha – Neutral

"The crackdown on illegal exchange dealers and envisaged investment inflows from friendly countries had been the major reason for a higher fall in the rupee against the dollar in the open market than inter-bank rate." This was stated by former Finance minister Dr Hafeez Pasha while talking to Business Recorder on Tuesday. However, he cautioned that an artificial [see more...](#)

PKR's upward march for fifth consecutive session – Positive

The Pakistani rupee continued to march upwards against the US dollar, appreciating for the fifth consecutive session to settle at 299.89 in the inter-bank market on Tuesday. At close, the rupee was up Rs1.27 or 0.42%, as per the State Bank of Pakistan (SBP). Cumulatively, the rupee has appreciated over 2% in the last five sessions after it hit a record low of 307.1 last week. Its increase in the open market, however, has been much more [see more...](#)

OGDCL starts new oil and gas production at Nashpa-11 well – Positive

The Oil & Gas Development Company Limited (OGDCL) said on Tuesday it had started production at the Nashpa-11 well in the Khyber Pakhtunkhwa province, adding to the country's hydrocarbon reserves and import substitution. The well, located in the Nashpa structure in District Karak, was drilled to a depth of 4,485 meters and tested positive for oil and gas in the [see more...](#)

Ogra raises LPG prices for SNGPL and SSGC consumers – Positive

The Oil and Gas Regulatory Authority (OGRA) on Tuesday increased the prices of LPG for the consumers on the system of both gas companies - Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Company (SSGC) by 2.79 percent and 3.08 percent, respectively with effect from September 1, 2023. The new price for the [see more...](#)

MoE advocates supply of RLNG to bulk consumers – Neutral

Ministry of Energy (MoE) has proposed supply of Re-gasified Liquefied Natural Gas (RLNG) to bulk consumers including Army messes subject to availability at OGRA notified tariff, well informed sources told Business Recorder. Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Company Limited (SSGC) are two public sector gas utility companies engaged in the. [see more...](#)

Govt directs OGRA to keep OMCs' retail outlets stocked – Negative

The government has asked the oil regulator to ensure that all retail outlets of oil marketing companies (OMCs) are well stocked with petroleum products to avoid any shortage in the country, a letter seen by The News showed on Tuesday. The Petroleum Division stated in a letter written to the Oil and Gas Regulatory Authority (OGRA) chairman that [see more...](#)

Power theft of 10.7m units detected in six days – Negative

The interim government, launching a nationwide campaign against power theft on September 7, 2023, has uncovered more than 10.7 million units of power theft within state-operated power distribution companies. In the past six days, 6,215 theft cases were unearthed, leading to the filing of 2,380 FIRs, arrest of 369 violators, and imposition of Rs441 million fine. However, the [see more...](#)

PPIB extends Lol of Mahl HHP to Dec 31, 2024 – Neutral

Private Power & Infrastructure Board (PPIB) has extended Letter of Interest (LoI) of 640-MW Mahl Hydropower Project till December 31, 2024 subject to the condition that the Company shall keep the Bank Guarantee valid for three months beyond the allowed period of extension of the LoI, official sources told Business Recorder. During a recent meeting of PPIB Board, MD PPIB, Shah Jahan [see more...](#)

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DEFINITION OF TERMS

TP	Target Price	DDM	Dividend Discount Model	FCF	Free Cash Flows
CFE	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

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
BUY	Greater than 15%
HOLD	Between -5% to 15%
SELL	Less than and equal to -5%

Sector Rating	Sector Outlook
Overweight	Positive
Market Weight	Neutral
Underweight	Negative

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