

## MORNING GLANCE

ASIA	Value	Pts	Chg. (%)
KSE 100	44,333.68	1111.90	2.57% ▲
NIFTY 50	18,338.55	176.80	0.97% ▲
DSE 30	2,719.13	1.56	0.05% ▲
SHANGHAI	3,551.56	6.72	0.19% ▼
Hang Seng	24,998.00	14.50	0.06% ▲
BIST 100	1,411.75	1.79	0.13% ▼
MOEX	4,259.13	15.21	0.36% ▲
CSE All-Share	9,621.65	124.16	1.31% ▲
Nikkei 225	28,888.50	337.57	1.18% ▲
KLCI	1,593.41	0.89	0.06% ▲

Source: Investing.com

EUROPE	Value	Value	Pts
FTSE 100	7,207.71	65.89	0.92% ▲
DAX 30	15,462.72	213.34	1.40% ▲
CAC 40	6,685.21	87.83	1.33% ▲
FTSE MIB	26,065.00	402.00	1.57% ▲
SMI 20	11,892.52	77.93	0.66% ▲

Source: Investing.com

USA	Value	Value	Pts
DOW JONES	34,912.56	534.75	1.56% ▲
S&P 500	4,438.23	74.43	1.71% ▲
NASDAQ 100	15,052.42	277.82	1.88% ▲
US Dollar Index	93.99	0.03	0.03% ▲

Source: Investing.com

GULF	Value	Value	Pts
ADX General	7,811.60	25.31	0.33% ▲
Tadawul All-Share	11,699.11	74.13	0.64% ▲
QE General	11,663.63	59.75	0.51% ▲
Premier Market	7,459.36	16.63	0.22% ▲

Source: Investing.com

Commodity	Value	Value	Chg.
Gold (t oz.)	1,795.80	2.1	0.12% ▼
Silver (t oz.)	23.56	0.08	0.33% ▲
Oil-WTI (bbl.)	81.73	0.42	0.52% ▲
Oil-Brent (bbl.)	84.47	0.47	0.56% ▲
Steel Scrap (tons)	475.00	7.00	1.50% ▲
Cotton (lb.)	107.99	0.75	0.70% ▲

Source: Investing.com

Currency	Value	Value	Chg.
USD/PKR	172.50	0.9	0.52% ▼
EURO/PKR	199.00	1.1	0.55% ▼
GBP/PKR	236.00	1.40	0.60% ▲
JPY/PKR	1.44	-	-
CNY/PKR	23.90	-	-
AED/PKR	47.20	0.15	0.32% ▲
SAR/PKR	46.00	0.45	0.99% ▲
CAD/PKR	138.00	0.40	0.29% ▲
AUD/PKR	126.25	1.15	0.92% ▲

Source: Forex.com.pk



### Market Outlook

KSE-100 on Thursday remained bullish throughout the day while concluded the session in the green zone amid Fawad Chaudry stated in a tweet that "The civil-military leadership has once again proven that all institutions are united for the country's stability, integrity and progress." The index made an intra-day high and low at 44,431 (1,210 points) and 43,046 (-176 points) respectively while closed at 44,334 by gaining 1,112 points. Trading volume has been decreased to 150mn shares as compared to 156mn shares on the previous day. Going forward, we expect the market to remain positive due to the formation of Marubozu candlestick. The resistance for the index resides at the level of 45,000. Breaking this level could further push the index towards the level of 45,900. However, the support for the index resides at 42,700.

### Key News

#### International

#### Most Asian Stocks Climb Amid Earnings Optimism: Markets Wrap

Asian stocks pushed higher Friday after a rally on Wall Street spurred by robust corporate earnings and as China loosened curbs on home loans at some of its largest banks. Japanese equities outperformed amid a dip in the yen, Hong Kong gained and Chinese stocks were steady. U.S. futures. [see more...](#)

#### Crude Oil Price Update – Trade Through \$81.71 Could Trigger Acceleration into Near-Term Target at \$85.25

U.S. West Texas Intermediate crude oil futures edged higher on Thursday after top oil producer Saudi Arabia downplayed calls for additional OPEC+ supply and the International Energy Agency said surging natural. [see more...](#)

#### Politics

#### Pak-China strategic partnership, defense collaboration key to region's stability: COAS Bajwa

General Bajwa expressed these views during a visit to the Army Air Defense Centre in Karachi to witness the commissioning of a Chinese-origin High to Medium Air Defense System (HIMDAS), HQ-9/P. [see more...](#)

## MORNING GLANCE

### Economy

#### Tarin optimistic about IMF response - Neutral

Federal Minister for Finance and Revenue Shaukat Tarin on Thursday expressed hope for successful outcome of top-level negotiations with International Monetary Fund (IMF), for putting the \$6 billion Extended Fund Facility (EFF) back on track. "I believe that the progress we have made to date is really encouraging and as we say, Inshallah I see this happening now in this visit. [see more...](#)

#### THE RUPEE: PKR declines further - Negative

Pakistan's rupee fell for the fourth successive time, depreciating to a record low against the US dollar in the inter-bank market on Thursday. As per the State Bank of Pakistan (SBP), the PKR closed at 171.20 against the USD, a day-on-day depreciation of seven paisas or 0.04%. On Wednesday, the PKR had dropped to the then-record low of 171.13. [see more...](#)

#### FBR considers withdrawing Rs334 bn GST exemptions - Neutral

The Federal Board of Revenue (FBR) is contemplating different options for withdrawal of Rs 334 billion General Sales Tax (GST) exemptions in a staggered manner. The withdrawal of exemptions on imports having an estimated cost of Rs178 billion and on local supplies that cost Rs156 billion are in order to strike a staff-level agreement with the IMF. [see more...](#)

#### Forex reserves fall to \$25.969bln - Neutral

Pakistan's foreign exchange reserves fell to \$25.969 billion in the week ended October 8 from \$25.999 billion a week ago, the central bank said on Thursday. The forex reserves held by the State Bank of Pakistan decreased by \$31 million to \$19.138 billion. The reserves of commercial banks, however, inched up to \$6.831 billion from \$6.830 billion. [see more...](#)

#### Ogra works out another hike in POL products - Neutral

The Oil and Gas Regulatory Authority (Ogra) has worked out another increase in the ex-depot prices of petroleum products for the second half of October owing to price spike globally. The oil and gas regulator sent a summary to the Petroleum Division for recommendations for a significant hike in the prices based at current rate of petroleum levy (PL) and general sale tax (GST). [see more...](#)

#### PSO's receivables soar to Rs374.5 bn - Neutral

Inefficient power and RLNG sectors continue to haunt the Pakistan State Oil (PSO) as its receivables have touched a new high of Rs 374.539 billion which are feared to further swell to a staggering Rs 400 billion, making the entity's cash flow situation worse. And this has also made the PSO unable to clear its payables under the head of letter of credit for import of oil and LNG amounting to Rs 172.725 billion. [see more...](#)

#### Dasu Hydropower Project - Neutral

China has reportedly sought compensation of \$38 million (Rs 6.5 billion) from Pakistan for the dead and injured Chinese engineers working on Dasu Hydropower Project, prior to resuming work on the stalled project, well informed sources told Business Recorder. [see more...](#)

#### Cement makers likely to raise prices by Rs25-30/bag - Negative

Cement makers are mulling to increase prices by Rs25 to Rs30 per 50kg bag to absorb the impact of rupee depreciation and rising coal prices in the international market, industry sources said on Thursday. Since the cement industry uses coal as a fuel in the manufacturing process, the rise in the price of the commodity as well as the increasing cost of freight across. [see more...](#)

#### Urea being provided at one-fourth of global rate? - Neutral

The fertiliser industry of Pakistan is providing urea at around 75 percent discount, equivalent to Rs 5,000 per bag, to international prices owing to a farsighted and consistent government policy. Fertiliser industry expresses its gratitude to the prime minister of Pakistan and his team for creating enabling environment. [see more...](#)

#### Banking customers get Rs465.69mln relief - Neutral

The banking mohtasib Pakistan provided monetary relief amounting to Rs465.69 million to the banking customers by disposing of 24,326 complaints in the first nine months of 2021, a statement said on Thursday. "There is no letup in the number of complaints being lodged against commercial banks with the banking mohtasib as 27,596. [see more...](#)

#### Eying \$3bn investment, govt may frame petrochemical policy - Neutral

The federal government is likely to frame a petrochemical policy aimed at attracting an investment of \$ 3 billion in this sector on the same lines as in India and other countries, well-informed sources told Business Recorder. The Overseas Investors Chamber of Commerce and Industry (OICCI) has written a letter to Prime Minister's Advisor on Commerce and Investment. [see more...](#)

#### Local goods, materials for GIA, GFEZ - Neutral

The documented steel sector has approached Finance Minister Shaukat Tarin to stop allowing duty-free import of locally-manufactured goods and materials for construction of Gwadar International Airport and development of Gwadar Free Economic Zone projects. [see more...](#)

# DISCLAIMER

This report has been prepared by Abbasi & Company (Private) Limited and is provided for information purposes only. Under no circumstances, this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Abbasi & Company (Private) Limited and or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Abbasi & Company (Private) Limited accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. In particular, the report takes no account of the investment objectives, financial situation and needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Abbasi & Company (Private) Limited Research Department and do not necessarily reflect those of the company or its directors. Abbasi & Company (Private) Limited as a firm may have business relationships, including investment-banking relationships, with the companies referred to in this report. Abbasi & Company (Private) Limited does not act as a market maker in the securities of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives do not have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company at the time of issuance of this report. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives are not currently serving or have served in the past three years as a director or officer of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives have not received compensation from the subject company in the previous 12 months. The subject company currently is not, or during the 12-month period preceding the date of publication or distribution of this report, was not, a client of Abbasi & Company (Private) Limited. We have not managed or co-managed a public offering or any take-over, buyback or delisting offer of securities for the subject company in the past 12 months and/or received compensation for corporate advisory services, brokerage services or underwriting services from the subject company in the past 12 months. Abbasi & Company (Private) Limited does not expect to receive or intend to seek compensation for corporate advisory services or underwriting services from the subject company in the next 3 months

All rights reserved by Abbasi & Company (Private) Limited. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Abbasi & Company (Private) Limited. Action could be taken for unauthorized reproduction, distribution or publication

## VALIDITY OF THE PUBLICATION OR REPORT

The information in this publication or report is, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report. The information may be subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the company, jurisdiction or financial instruments referred to in this report. The valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report and were based upon several estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein is not to be relied upon as a representation and/or warranty by Abbasi & Company (Private) Limited and/or its other associated and affiliated companies, that:

- I. Such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- II. There is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein

## 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

## RATINGS CRITERIA

Abbasi & Company (Private) Limited employs a three-tier ratings system to rate a stock and sector, as mentioned below, which is based upon the level of expected return for a specific stock and outlook of sector. The rating is based on the following with stated time horizon

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.

## RESEARCH DISSEMINATION POLICY

Abbasi & Company (Private) Limited endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as email, fax mail etc. Nevertheless, all clients may not receive the material at the same time

## OTHER DISCLOSURES

The research analyst is primarily involved in the preparation of this report, certifies that:

- I. The views expressed in this report accurately reflect his/her personal views about the subject company/stock /sector and economy
- II. No part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report

The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

### PREPARED BY

Muhammad Nauman Naeem  
Phone: (+92) 42 38302028  
Ext: 116  
Email: nauman@abbasiandcompany.com

### RESEARCH DEPARTMENT

6 - Shadman, Lahore  
Phone: (+92) 42 38302028; Ext: 116, 117  
Email: research@abbasiandcompany.com  
web: www.abbasiandcompany.com

### HEAD OFFICE

6 - Shadman, Lahore  
Phone: (+92) 42 38302028  
Email: info@abbasiandcompany.com  
web: www.abbasiandcompany.com

### BRANCH OFFICE

42 - Mall Road, Lahore  
Phone: (+92) 42 38302028-37320707  
Email: info@abbasiandcompany.com  
web: www.abbasiandcompany.com