

## MORNING GLANCE



45,650






▲ 59



▲ 0.13%




61 mn



YTD 11.84%





1 Year 8.66%

ASIA		Value	Pts	Chg. (%)
	NIFTY 50	20,103.10	33.10	0.16% ▲
	DSE 30	2,137.60	3.63	0.17% ▲
	SHANGHAI	3,130.96	4.41	0.14% ▲
	Hang Seng	18,289.50	236.50	1.31% ▲
	Nikkei 225	33,612.50	400.00	1.20% ▲

EUROPE		Value	Pts	Chg. (%)
	FTSE 100	7,673.08	147.09	1.95% ▲
	DAX 30	15,805.29	151.26	0.97% ▲

USA		Value	Pts	Chg. (%)
	DOW JONES	34,907.11	331.58	0.96% ▲
	S&P 500	4,505.10	37.66	0.84% ▲
	NASDAQ	15,473.89	125.37	0.82% ▲

Commodities		Value	Chg.	Chg. (%)
	Gold (t oz.)	1,936.65	3.85	0.20% ▲
	Oil-WTI (bbl)	90.92	0.76	0.84% ▲

Currencies		Value	Chg.	Chg. (%)
	USD/PKR	297.96	0.86	0.29% ▼
	EURO/PKR	319.89	1.08	0.34% ▼
	GBP/PKR	372.12	0.48	0.13% ▼
	AED/PKR	81.12	0.23	0.28% ▼

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



### Market Outlook

The stock market on Thursday remained volatile throughout the day and concluded the session in the green zone as investors awaited the outcome of the Monetary Policy Committee meeting. The Benchmark KSE-100 index made an intra-day high and low at 45,776.96 (186 points) and 45,581.48 (-9 points) respectively while closed at 45,650.05 by gaining 59 points. Trading volume increased to 61mn shares as compared to 47mn shares on the previous trading day. Going forward, we expect the market to remain positive as the MPC has decided to keep the interest rate unchanged. The support for the index resides at 45,300. Breaking this level would further drag the index towards 44,500. Contrarily, the resistance for the index resides at 46,000..



### Key News

#### International

##### Asia Stocks Rally as Markets Ready for China Data: Markets Wrap

Stocks in Asia advanced following better-than-expected Chinese economic data and after the central bank took further measures to support the struggling economy. production and retail sales data beat estimates, adding to evidence Shares in mainland China swung to a gain after industrial [see more...](#)

##### Oil prices rise to 10 month-high on China reserve ratio cut

Oil prices rose to their highest level in 10 months on Friday, after China cut banks' cash reserve requirements to boost its economic recovery, and on expectations that major global interest rate hike cycles were nearing their end. Brent crude rose 46 cents, or 0.5%, to \$94.16 as of 0027 GMT, [see more...](#)

#### Politics

##### President proposes elections be held on Nov 6, 2023

President Dr Arif Alvi, Wednesday, wrote another letter to Chief Election Commissioner (CEC) Sikandar Sultan Raja and said that under Article 48 (5), the general election to the National Assembly should be held on November 6, 2023 (Monday), within 90 days after the dissolution of the National Assembly. According to the letter, whereas Article 48 [see more...](#)

#### Economy

##### Policy rate kept unchanged – Positive

As against the market expectations, the Monetary Policy Committee (MPC) of the State Bank of Pakistan has maintained the key policy rate at 22 percent as the inflation is projected to remain on the downward trajectory in the future. [see more...](#)

## MORNING GLANCE

### Jul-Aug CAD declines 54pc to \$935m YoY – Neutral

The country's current account deficit sharply declined by 54 percent during the first two months of this fiscal year (FY24) as goods import constricted. According to State Bank of Pakistan (SBP), Pakistan posted a current account deficit of \$935 million in July-Aug of FY24 as compared to a deficit of \$2.035 billion during the same month of last fiscal year (FY23), depicting a massive decline of \$ 1.1 billion. The country's current account [see more...](#)

### Jul-Aug FDI up 16pc to \$234m YoY – Neutral

After a long gap, some improvement has been witnessed on the foreign investment front as the Foreign Direct Investment (FDI) in the country rose by 16 percent during the first two months of this fiscal year (FY24). FDI into Pakistan is on decline for the past many months. It sharply declined by 25 percent to \$ 1.456 billion in the last fiscal year (FY23). However, now once again FDI is presenting an improved picture and posted an increase of [see more...](#)

### SBP forex reserves fall by \$140 million to \$7.6 billion – Negative

Pakistan's foreign exchange reserves held by the central bank fell by \$140 million to \$7.638 billion in the week ending September 8, the State Bank of Pakistan (SBP) said on Thursday. The total reserves of the country dropped by \$48 million to \$13.079 billion. However, the reserves of commercial banks increased by \$93 million to \$5.440 billion. The forex reserves are enough to cover 1.70 months of import payments. The SBP attributed [see more...](#)

### NPCs: RoR again revised upward to attract more investment – Neutral

The federal government has revised the rate of return on the conventional Naya Pakistan Certificates (NPCs) upward to attract more investment. This is the second increase in the rate of return of the NPC during this calendar year as previously, the rate was revised upward in January. Following the directives of the federal government, the State Bank of Pakistan (SBP) on [see more...](#)

### PKR further improves – Positive

The Pakistani rupee continued to improve against the US dollar, appreciating for the seventh consecutive session to settle at 297.96 in the inter-bank market on Thursday. At close, the rupee was up Re0.86 or 0.29%, as per the State Bank of Pakistan (SBP). Cumulatively, the rupee has appreciated over 3% in the last seven sessions after it hit a record low of 307.1 last week. On Wednesday, the rupee had appreciated 0.36% to settle at 298.82. [see more...](#)

### Summary seeking up to 50pc raise in gas sale prices re-submitted – Neutral

Petroleum Division has re-submitted a summary for upto 50 percent raise in gas sale prices to the interim cabinet in-line with the demand of the International Monetary Fund (IMF), an official of Petroleum Division told Business Recorder on condition of anonymity. "It is most likely that the interim cabinet will approve the sale price of gas for 12 [see more...](#)

### 24 spot cargoes; PLL seeks exemption from PPRA conditions – Neutral

Pakistan LNG Ltd (PLL) has sought exemption from applicability of PPRA conditions to procure approximately 24 cargoes during the period of one year, ie, January-December 2024, sources close to the Minister Energy told Business Recorder. Pakistan LNG Ltd is mandated by the government of Pakistan to import LNG to meet the natural. [see more...](#)

### Gross margins for refineries jump to record high of \$17/barrel in Sept – Positive

Gross refining margins (GRMs) of local refineries have gone up massively to around \$17 per barrel in the month of September this calendar year, a brokerage house report said on Thursday. GRMs, a key factor for refineries' earnings have reached a record level, with most refineries in Pakistan earning an average \$17 per [see more...](#)

### RfP for solar PV project; PPIB seeks revision in indexation, adjustment formula – Neutral

The Private Power Infrastructure Board (PPIB) has sought revision in indexation/adjustment formula, taking into account the one-time adjustment of 20 percent of the bid tariff at Commercial Operation Date (COD) for exchange rate variation, well-informed sources told Business Recorder. The PPIB, in a letter to the National Electric [see more...](#)

### PIA privatization; PM directs minister to oversee process – Neutral

Caretaker Prime Minister Anwaarul Haq Kakar directed ALL RELEVANT STAKEHOLDERS to find an immediate solution to the privatisation of Pakistan International Airlines (PIA). According to the Prime Minister's Office, the caretaker premier, on Thursday, chaired a meeting on matters related to the PIA. He was briefed on the progress of [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
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

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 Umair Javed

Phone: (+92) 42 38302028

Ext: 117

Email: umairjaved@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