

MORNING GLANCE



| | | |
|--------|------------|----------------|
| 41,679 | ▼ -93 | ▼ -0.22% |
| 123 mn | YTD -6.54% | 1 Year -10.78% |

| ASIA | Value | Pts | Chg. (%) |
|------------|-----------|--------|----------|
| NIFTY 50 | 17,530.85 | 346.55 | 1.94% ▼ |
| DSE 30 | 2,346.35 | 13.11 | 0.56% ▲ |
| SHANGHAI | 3,133.56 | 7.16 | 0.23% ▲ |
| Hang Seng | 18,653.00 | 108.69 | 0.58% ▼ |
| Nikkei 225 | 27,567.65 | 308.26 | 1.11% ▼ |

| EUROPE | Value | Pts | Chg. (%) |
|----------|-----------|-------|----------|
| FTSE 100 | 7,236.68 | 45.39 | 0.62% ▼ |
| DAX 30 | 12,741.26 | 215.4 | 1.66% ▼ |

| USA | Value | Pts | Chg. (%) |
|-----------|-----------|-------|----------|
| DOW JONES | 30,822.42 | 139.4 | 0.45% ▼ |
| S&P 500 | 3,873.33 | 28.02 | 0.72% ▼ |
| NASDAQ | 11,861.38 | 66.11 | 0.55% ▼ |

| Commodities | Value | Chg. | Chg. (%) |
|---------------|----------|------|----------|
| Gold (t oz.) | 1,680.85 | 2.65 | 0.16% ▼ |
| Oil-WTI (bbl) | 85.63 | 0.87 | 1.03% ▲ |

| Currencies | Value | Chg. | Chg. (%) |
|------------|--------|------|----------|
| USD/PKR | 237.00 | 0.50 | 0.21% ▲ |
| EURO/PKR | 236.68 | 1.14 | 0.48% ▲ |
| GBP/PKR | 271.53 | 0.61 | 0.22% ▼ |
| AED/PKR | 64.48 | 0.13 | 0.20% ▲ |

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

Market Outlook

KSE-100 on Friday remained volatile throughout the day and concluded the session in the red zone amid macroeconomic uncertainties prevailing in the country. The index made an intra-day high and low at 41,917 (145 points) and 41,603 (-169 points) respectively while closed at 41,680 by losing 93 points. Trading volume has decreased to 123mn shares as compared to 124mn shares on the previous trading day. Going forward, we expect the market to remain volatile. On last trading day, the index broke a major support at 41,780 (50 DMA), which has become the new resistance. However, the support for the index resides at 41,050.

Key News

International

Asian stocks brace for salvo of central bank hikes

Share markets idled in Asia on Monday as investors braced for a week littered with 13 central bank meetings that are certain to see borrowing costs rise across the globe and some risk of a super-sized hike in the United States. Markets are already fully priced for a rise of 75 basis points from the Federal Reserve, with futures showing an 18% chance of a full percentage point. They also show a 50-50 chance rates [see more...](#)

Oil Prices Rise as China Reopening Helps Demand Outlook

Oil prices started the week on a strong note as the lifting of COVID lockdowns in a major Chinese city boosted optimism over an eventual demand recovery in the world's largest crude importer. The Chinese megacity Chengdu- which was the biggest city to face COVID lockdowns after Shanghai earlier this year- is set to begin scaling back a two-week lockdown from Monday. The move is expected to [see more...](#)

Politics

ECP takes up PTI funding case today

The Election Com-mission of Pakistan (ECP), which had given a 'last chance' to the Pakistan Tehreek-i-Insaf (PTI) early this month to submit its reply to the commission's show cause notice in the prohibited funding case will resume its hearing on Monday (today). The notice had been issued last month after the ECP ruled on Aug 2 that PTI had received funding from 'prohibited sources'. The order documented [see more...](#)

Economy

Pakistan Finance Minister Up for Completing All Prior Actions to Get more than \$1 Billion World Bank Loan - Positive

Pakistan's Finance and Revenue Minister Miftah Ismail on Sunday held a meeting with Country Director World Bank Najy Benhassine and Program Leader Energy WB Teuta Kacaniku, on World Bank Initiatives RISE-II and PACE-II programs here at the Finance Division. The Finance Minister was briefed on the progress in the second Resilient Institutions for Sustainable Economy (RISE-II) and the second Programme for [see more...](#)

MORNING GLANCE

Saudi Fund for Development Confirmed Rollover of \$3bn Deposit for Pakistan - **Positive**

Saudi Fund for Development (SFD) has confirmed rollover of \$3bn deposit maturing on 5th December 2022 for one year, stated in a joint press Release of State Bank of Pakistan (SBP) and Saudi Fund for Development (SFD). Deposit is placed with SBP and is part of its forex reserves. "Financing commitments from bilateral and multilateral partners will help cover public gross external [see more...](#)

Qatar May Invest in Private Companies Listed at PSX, says Pakistan's Finance Minister - **Positive**

Minister for Finance Miftah Ismail has said that Qatar, United Arab Emirates (UAE), Saudi Arabia and Asian Development Bank (ADB) are showing keen interest in various sectors of Pakistan. Qatar was seeking three billion dollar plan to invest in Stock Exchange that may include investment in private companies, Solar and LNG plants and airports, he said while talking to a private [see more...](#)

IMF to support Pakistan's flood relief, reconstruction efforts 'under current programme' - **Neutral**

The International Monetary Fund (IMF) on Sunday said it would support flood relief and reconstruction efforts in Pakistan under the current programme agreed to between the two, according to a statement from the IMF's resident representative in the country, Esther Perez Ruiz. The statement said that the IMF was "deeply saddened" by the devastating impact of the recent floods [see more...](#)

Rupee closes at 236.84 against US dollar as depreciation run continues - **Negative**

Pakistan's rupee continued to sustain losses against the US dollar for the 11th successive session, settling with a depreciation of 0.41% in the inter-bank market on Friday, as the greenback strengthened globally while investors remained concerned over the widening trade deficit. As per the State Bank of Pakistan (SBP), the rupee closed at 236.84 after declining by Re0.96. [see more...](#)

Pakistan's electricity generation cost up 57% YoY in August as production dips - **Negative**

The total cost of generating electricity in the country jumped 57%, hitting Rs10.06 KWh in August 2022 compared to Rs6.41 kWh registered in the same month last year. However, on a month-on-month (MoM) basis, electricity generation cost was down 6%. "On an MoM basis, the decrease in fuel cost is witnessed mainly due to a rise in hydel and solar-based generation," said Arif [see more...](#)

Pakistan Largest Cement Player Decided to Extend its Shares Buy-Back Period - **Neutral**

The Board of Directors of the Lucky Cement Company, the largest cement player in the country, has approved, and recommended to the shareholders for their approval, that the purchase / buy-back period be extended, and shall be from September 29, 2022 to March 27, 2023 (instead of September 29, 2022 to December 19, 2022), or till such date purchase is complete, whichever is [see more...](#)

President Prohibit National Saving For Changing Rates on Existing Certificates Retrospectively - **Neutral**

While accepting a representation of an aggrieved citizen against a decision of the Wafaqi Mohtasib, President Dr Arif Alvi has directed the Central Directorate of National Savings (CDNS) to pay profit on the Special Saving Certificates (SSCs) as per the profit rate prevailing at the time of purchasing the certificates. He said that CDNS had committed [see more...](#)

Pakistan Central Bank Issued Show Cause Notice to Eight Banks Over Currency Speculation - **Neutral**

Pakistan Central Bank, State Bank of Pakistan (SBP) issued show cause notice to eight banks over allegation of currency speculation as SBP is investigating whether they had charged well above market rate for opening of Letter of Credit (LCs) or not, says Pakistan's Finance Minister Miftah Ismail. However, he did not disclose the names of the commercial banks [see more...](#)

Revision of tariff: Nepra rejects plea of telecom industry - **Neutral**

The National Electric Power Regulatory Authority (NEPRA) has dismissed the telecom industry's petition for revision of tariff from commercial to industrial tariff. The Federal IT Minister & Telecom Syed Amin Ul Haque; however, has expressed his concern over Nepra's decision regarding dismissal of petition of Telecom Companies to grant Industrial Electricity [see more...](#)

Pakistan Able to Reschedule \$3.6 Billion Loans Under G20 Debt Suspension Plan - **Positive**

The Senate's Standing Committee on Economic Affairs on Friday reviewed budgets, external debt and liabilities, and details of multilateral and bilateral development partners. Senate panel told that following the Covid-19, the government was able to reschedule \$3,686 million bilateral debt under the Debt Service Suspension Initiative [see more...](#)

Smaller Textile Units Shutting Down on Lower Demand Amid Expensive Raw Material - **Negative**

Three smaller textile units shut down their production units citing unforeseen decrease in volume of sales and unavailability of conversion of raw material into finish goods as a reason, according to filing to the exchange. SHAMS Textile Mills Limited, J.A Textile Mills Limited and Asim Textile Mills Limited shut down their establishments due to slow [see more...](#)

'25pc of crop washed away': PTEA wants ban on import of Indian cotton lifted soon - **Neutral**

PTEA's Chairman Sohail Pasha urged the government for immediate lifting of ban on import of cotton from India. He said that we will have to import 1.5 million additional bales during the current year. He stressed that the government has to act promptly in this regard to avert a cotton crisis as according to estimates, 25 percent of cotton crop has [see more...](#)

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DEFINITION OF TERMS

| | | | | | |
|-------------|---------------------------|-------------|-------------------------|-------------|-------------------------|
| TP | Target Price | DDM | Dividend Discount Model | FCF | Free Cash Flows |
| FCFE | 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 | 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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