

MORNING GLANCE



42,460	▲ 109	▲ 0.26%
153 mn	YTD -4.79%	1 Year -10.46%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,542.80	216.5	1.22% ▼
DSE 30	2,305.66	22.60	0.99% ▲
SHANGHAI	3,184.52	0.46	0.01% ▼
Hang Seng	19,437.00	160.31	0.82% ▼
Nikkei 225	27,597.50	63.97	0.23% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,148.50	135.65	1.86% ▼
DAX 30	12,630.23	204.73	1.60% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	31,656.42	145.99	0.46% ▲
S&P 500	3,966.85	11.85	0.30% ▲
NASDAQ	12,274.63	2.59	0.02% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,708.05	1.25	0.07% ▼
Oil-WTI (bbl)	87.78	1.17	1.35% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	217.50	3.1	1.41% ▼
EURO/PKR	217.70	2.74	1.24% ▼
GBP/PKR	251.66	6.36	2.46% ▼
AED/PKR	59.18	0.81	1.35% ▼

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

Market Outlook

KSE-100 on Thursday remained positive throughout the day and concluded the session in the green zone amid optimism over the economic situation after the revival of the IMF programme. The index made an intra-day high and low at 42,667 (316 points) and 42,351 (0 points) respectively while closed at 42,460 by gaining 109 points. Trading volume has increased to 153mn shares as compared to 120mn shares on the previous trading day. Going forward, we expect the market to remain volatile amid macroeconomic uncertainties. The resistance for the index resides at 42,800. Breaking this level can further push the index towards 43,720 (50 DMA). However, the support for the index resides at 41,777.

Key News

International

Asian shares struggle ahead of U.S. payrolls report

Asian shares were mixed and the dollar stood tall on Friday ahead of a key U.S. jobs report as investors braced for more aggressive rate hikes from the Federal Reserve, while commodities took an overnight dive amid new China lockdowns. MSCI's broadest index of Asia-Pacific shares outside Japan remained largely unchanged in early Asia [see more...](#)

Oil firms on bets OPEC+ will talk up output cuts to stem sinking prices

Oil prices climbed on Friday on bets that OPEC+ will discuss output cuts at a meeting on Sept. 5, but the benchmarks were still on track to post their worst weekly drop in four on fears COVID-19 curbs in China and weak global growth will hit demand. Brent crude futures rose \$1.20, or 1.3%, to \$93.56 a barrel at 0117 GMT, while U.S. West Texas [see more...](#)

Politics

Islamabad ATC extends Imran's interim bail till Sept 12

An Islamabad anti-terrorism court (ATC) extended PTI chief and former prime minister Imran Khan's interim bail till September 12 in connection with the terrorism case registered him. The court also directed the PTI leader to submit Rs100,000 as surety. Imran was booked in a terrorism case for his controversial remarks about a female judge at a party rally in the capital on Aug 20. Last week, the [see more...](#)

Economy

Govt mulls taking another IMF loan for floods - Positive

Pakistan is weighing the option to seek an emergency loan from the International Monetary Fund, as preliminary estimates suggest that devastating floods might have caused nearly Rs2.5 trillion in losses and the economic growth rate could slow down to just 2% in the current fiscal year. The initial assessment by the Ministry of Finance showed that due to supply chain disruptions, the average inflation rate [see more...](#)

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WB joins govt to mobilise around \$300m - Positive

The World Bank has worked with the government of Pakistan to mobilise approximately \$300 million for immediate response from the existing portfolio to support the country's relief efforts amid widespread floods across the country. This was stated by the World Bank spokesperson in Islamabad while responding to Business Recorder's question regarding the Bank pledges for the flood victims. The spokesperson stated, "The World Bank [see more...](#)

Apple CEO Announces Flood Relief Aid For Pakistan - Positive

Pakistan is receiving flood relief aid from local and international benefactors alike. Recently, the United Nations pledged over \$160 million to help mitigate the catastrophe and now Apple's CEO Tim Cook is coming to Pakistan's aid as well. The executive has announced on Twitter that Apple will donate to relief and recovery efforts in Pakistan. He also said that the floods in Pakistan and surrounding areas are devastating humanitarian disasters. [see more...](#)

Google announces \$0.5m donation for Pakistan flood victims - Positive

As Pakistan continues its relentless battle against deadly floods triggered by the heaviest monsoon rains in a decade which have killed almost 1,200 people and submerged one-third of the country, Google on Thursday announced to donate \$0.5 million (Rs110 million) for the flood affectees. In a statement, Google said, "During this time of the disaster, Google.org will donate [see more...](#)

US offers support to flood victims - Positive

The United States (US) said that during this difficult time it stands with Pakistan and continues to support the flood-affected people. The Ambassador of the United States to Pakistan, Donald Blome, called on Federal Minister for Planning Development and Special Initiatives Ahsan Iqbal to extend his support to Pakistan during this difficult time after recent floods in the country. During the meeting, the US ambassador expressed his deep [see more...](#)

Aug CPI inflation hits multi-decade high of 27.3pc YoY - Negative

Consumer Price Index (CPI) surged to a multi-decade high of 27.3 percent on a year-on-year basis in August 2022 from a year earlier, government data showed on Thursday, as authorities warn massive flooding in the country could exacerbate already skyrocketing prices. The average inflation in the first two months of the current fiscal year 2023 is 26.1 per cent compared to 8.36 per cent in 2022. As per the monthly review of price indices [see more...](#)

Trade deficit shrinks 27pc to \$3.2bn in August - Positive

Pakistan's trade deficit in August narrowed by 27 percent from the same period in 2021, helped by efforts to curb imports which would further ease pressure on the current account balance, the finance minister said on Thursday. Imports fell by 13 percent in August while exports gained 13 percent, narrowing the monthly trade deficit slightly more than expected. "The trade deficit stood at \$3.2 billion in August," Finance Minister Miftah Ismail [see more...](#)

SBP's reserves fall by \$113m to \$7.697bn - Positive

The total liquid foreign exchange reserves held by the State Bank of Pakistan (SBP) decreased by \$113 million to \$7.697 billion during the week ended on August 26, 2022. According to the SBP data released on Thursday, the total liquid foreign exchange reserves held by the country stood at \$13.403 billion as of August 26, 2022. The net forex reserves held by commercial banks stood at \$5.706 billion on August 26, [see more...](#)

THE RUPEE: PKR gains on IMF inward inflows - Neutral

The inflow of funds from the International Monetary Fund (IMF) helped add to the gains of the Pakistani rupee for the third successive session, as the local currency appreciated 0.07% against the US dollar in the inter-bank market on Thursday. As per the State Bank of Pakistan (SBP), the rupee closed at 218.60 after appreciating Re0.15 against the greenback. During intra-day trading, the rupee had [see more...](#)

PL on petrol jacked up by 87pc - Negative

Federal government has jacked up the rate of petroleum levy (PL) on petrol by 87 percent, ie, all-time high to meet the condition of the IMF, in fortnightly review of petroleum products prices for first half of September 2022. The Oil and Gas Regulatory Authority (Ogra) notified Rs17.5 per litre hike in rate of PL on petrol with effect from September 1 and denied to pass on relief to public at large though the [see more...](#)

World Call Auditor Raised Material Uncertainty Relating To Going Concern of the Company - Negative

The External Auditors have given their unqualified opinion on the financial statements of the World Call Limited, on standalone basis, for the year ended December 31, 2021 wherein they have given a 'Material Uncertainty relating to Going Concern'. Going concern indicating that the Company has accumulated losses of Rs. 14,023 million and [see more...](#)

2 Pakistani companies make it to coveted Forbes list for a third time - Positive

Two Pakistani companies — Highnoon Laboratories and Systems Ltd — have made it to Forbes' coveted 'Asia's Best Under a Billion' list for the third time this year. The annual list recognises 200 top-performing small and mid-sized companies in the Asia-Pacific region with sales under \$1 billion. Prior to this, Highnoon Laboratories, one of [see more...](#)

Over 23pc surplus witnessed in Pak-US trade: SBP - Positive

Pakistan's goods and services trade with the United States (US) witnessed a surplus of 23.21 percent during the first month of the current financial year (2022-23) as compared to the corresponding period of the last fiscal year, APP reported, citing data from the State Bank of Pakistan (SBP). The trade surplus during the period under review was recorded at \$335.091 million against \$271.952 million last year, [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
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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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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