

MORNING GLANCE

ASIA	Value	Pts	Chg. (%)
KSE 100	44,629.45	192.08	0.43% ▼
NIFTY 50	18,418.75	58.3	0.32% ▼
DSE 30	2,656.05	22.5	0.84% ▼
SHANGHAI	3,580.75	12.4	0.35% ▼
Hang Seng	25,921.50	66	0.25% ▼
BIST 100	1,429.85	12.16	0.86% ▲
MOEX	4,276.26	27.93	0.66% ▲
CSE All-Share	9,709.14	85.33	0.89% ▲
Nikkei 225	29,382.50	166.98	0.57% ▲
KLCI	1,606.69	0.72	0.04% ▲

Source: Investing.com

EUROPE	Value	Value	Pts
FTSE 100	7,217.53	13.70	0.19% ▲
DAX 30	15,515.83	41.36	0.27% ▲
CAC 40	6,669.85	3.25	0.05% ▼
FTSE MIB	26,205.00	93.00	0.36% ▲
SMI 20	11,942.74	25.34	0.21% ▼

Source: Investing.com

USA	Value	Value	Pts
DOW JONES	35,457.31	198.70	0.56% ▲
S&P 500	4,519.63	33.17	0.74% ▲
NASDAQ 100	15,410.72	109.83	0.72% ▲
US Dollar Index	93.75	0.02	0.02% ▲

Source: Investing.com

GULF	Value	Value	Pts
ADX General	7,888.41	4.6	0.06% ▼
Tadawul All-Share	11,792.54	34.52	0.29% ▲
QE General	11,767.45	24.10	0.21% ▲
Premier Market	7,519.47	26.72	0.36% ▲

Source: Investing.com

Commodity	Value	Value	Chg.
Gold (t oz.)	1,771.45	0.95	0.05% ▲
Silver (t oz.)	23.75	0.138	0.58% ▼
Oil-WTI (bbl.)	82.09	0.35	0.42% ▼
Oil-Brent (bbl.)	84.68	0.4	0.47% ▼
Steel Scrap (tons)	481.00	0.50	0.10% ▲
Cotton (lb.)	107.01	0.65	0.60% ▼

Source: Investing.com

Currency	Value	Value	Chg.
USD/PKR	173.40	-	-
EURO/PKR	199.00	1.1	0.55% ▼
GBP/PKR	237.00	2.40	1.02% ▲
JPY/PKR	1.44	-	-
CNY/PKR	23.90	-	-
AED/PKR	47.50	0.45	0.96% ▲
SAR/PKR	46.00	0.45	0.99% ▲
CAD/PKR	139.00	1.40	1.02% ▲
AUD/PKR	127.00	1.90	1.52% ▲

Source: Forex.com.pk



Market Outlook

KSE-100 on Monday remained volatile throughout the day while concluded the session in the red zone amid uncertainties regarding ongoing negotiation with IMF. The index made an intra-day high and low at 44,990 (169 points) and 44,442 (-379 points) respectively while closed at 44,629 by losing 192 points. Trading volume has been decreased to 102mn shares as compared to 152mn shares on the previous day. Going forward, we expect the market to remain volatile amid country's deficit reached to USD 3.4bn in 1QFY22 as compared to the surplus of USD 865mn during same period last year. The support for the index resides at the level of 44,000. Breaking this level could further drag the index towards the level of 43,500. However, the resistance for the index resides at 43,500.

Key News

International

Asian shares advance on earnings optimism, yen slips to 4-yr low

Asian shares advanced and U.S. long-dated bond yields edged up to a five-month high on Wednesday on rising optimism about the global economy and corporate earnings while the yen slipped to a four-year low on the dollar. Japan's Nikkei rose 0.8% while MSCI's broadest index of Asia-Pacific. [see more...](#)

Oil remains near multi-year highs as energy crunch persists

Oil futures rose on Tuesday and were near multi-year highs as an energy supply crunch continued across the globe, while falling temperatures in China revived concerns over whether the world's biggest energy consumer can meet domestic heating needs. [see more...](#)

Politics

Taliban get aid promise but not recognition on eve of Moscow talks

The promise of humanitarian aid and economic support came after talks between Russian, Chinese and Pakistani officials, who will be joined by representatives of Afghanistan's rulers at a meeting in Moscow on Wednesday. [see more...](#)

MORNING GLANCE

Economy

FCCI voices its concern over surging food inflation - Neutral

President Federation of Pakistan Chambers of Commerce and Industry (FCCI) Mian Nasser Hyatt Maggo has expressed his profound concerns over surging and unbearable food inflation in the country and the resultant unrest among the masses. He expressed that edible oil prices are one of the biggest contributors to the skyrocketing food inflation in the country. [see more...](#)

Over 5.2m cotton bales reach ginneries: PCGA - Neutral

Seed cotton (Phutti) equivalent to over 5.2 million or exactly 5,208,339 bales have reached ginning factories across the country till Oct 15, 2021, registering a whopping 93.73 percent increase compared to corresponding period last year. According to fortnightly report of Pakistan Cotton Ginners Association (PCGA) for the cotton season 2021-22 released to media on Monday, Punjab arrival figures stood at 2.26 million. [see more...](#)

'More Chinese agri technologies to flow into Pakistan' - Neutral

Chinese Foreign Ministry Spokesperson, Zhao Lijian said on Monday that as the China-Pakistan Economic Corridor (CPEC) entered the second phase, there will be more Chinese agricultural technologies flowing into Pakistan. "China-Pakistan cooperation in cultivating rice, corn, soybean, sugarcane and other crops has yielded fruitful results and play the important role. [see more...](#)

PTCL Group posts over 7pc growth in revenues - Positive

The country's leading telecom and ICT services provider, Pakistan Telecommunication Company Limited (PTCL), posted a significant 7.3 percent growth in its revenues, owing to a robust commercial strategy that cements its market standing. The company has announced its financial results for the nine months period ended on September 30, 2021 at its Board of Directors' meeting on October 18, 2021. [see more...](#)

Plan for new LNG terminals in limbo - Neutral

The government's plan to establish two new LNG terminals appears to be in limbo as Minister for Maritime Affairs is unhappy at the volume of capacity for the two terminals, arguing that allocation of pipeline capacity, as proposed by the Petroleum Division, may not serve the purpose, well informed sources told Business Recorder. On October 8, 2021, Petroleum Division briefed the Cabinet Committee on Energy (CCoE) that as directed by the Oil and Gas Regulatory Authority. [see more...](#)

Oil prices ease off highs - Neutral

Oil prices pulled back after touching multi-year highs on Monday, trading mixed as US industrial output for September fell, tempering early enthusiasm about demand. Production at US factories fell by the most in seven months in September as an ongoing global shortage of semiconductors depressed motor vehicle output, further evidence that supply constraints were hampering economic growth. [see more...](#)

OPEC+ misses target again, as some members struggle to raise oil output - Neutral

OPEC+ compliance with oil cuts fell slightly to 115% in September, sources said, indicating that as the alliance raises production targets, some members are still falling short as they face challenges in pumping more oil. The Organization of the Petroleum Exporting Countries and allies led by Russia, or OPEC+ as the alliance is known. [see more...](#)

Rising inflation, price hike - Negative

The government came under severe criticism in the National Assembly on Monday for unbridled inflation, hike in petroleum and electricity prices, as opposition leader in the National Assembly Shehbaz Sharif termed the three-year rule of ruling PTI a glaring example of "exploitation, mismanagement and incompetence". [see more...](#)

FATF to announce grey list updates on Thursday - Neutral

The Financial Action Task Force (FATF) is set to meet to discuss and announce on Thursday updates on jurisdictions currently under the increased monitoring list, often referred to as the grey list. In a press statement issued on Monday, the FATF said that under the German Presidency of Dr Marcus Pleyer, delegates representing 205 members of the Global Network and observer organizations. [see more...](#)

Current Account Deficit Reduced To USD 1.1 Billion During September 2021: SBP - Positive

The Current account deficit narrowed to USD 1.11 bn in Sep 21 from USD 1.47 bn in Aug 21, as per data released by State Bank of Pakistan. A strong rebound in economic activity and higher int'l commodity prices kept the CAD at an elevated level of USD 3.4 bn in Q1-FY22. [see more...](#)

\$51.6 bn external financing required in two years- Neutral

Pakistan requires gross external financing of \$51.6 billion within two-year period of the current fiscal year 2021-22 and next fiscal year 2022-23 in order to fulfill its needs. Without striking a deal with the IMF under the existing \$6 billion Extended Fund Facility (EFF) during the ongoing parleys in Washington, D.C, this massive gross external financing requirement will be at risk. [see more...](#)

Gas shortage likely to force FO imports for power generation - Neutral

With consumers bracing for an expected gas shortage during winter, furnace oil (FO) is poised to make a comeback for meeting the power generation needs of the country. Unlike last year, the gas crisis was likely to hit during peak winter (November and December), when the share of hydropower in the overall electricity generation mix declines considerably amid lower water supply, a research report of AKD Securities pointed out. [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

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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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