

# MORNING GLANCE



41,220	▼ -300	▼ -0.72%
86 mn	YTD -7.57%	1 Year -11.41%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,816.25	194.00	1.10% ▲
DSE 30	2,401.76	4.35	0.18% ▼
SHANGHAI	3,099.33	23.07	0.74% ▼
Hang Seng	18,494.00	287.42	1.53% ▼
Nikkei 225	27,309.50	378.92	1.37% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,192.66	44.02	0.61% ▼
DAX 30	12,670.83	132.41	1.03% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	30,706.23	313.45	1.01% ▼
S&P 500	3,855.93	43.96	1.13% ▼
NASDAQ	11,851.54	101.74	0.85% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,672.35	1.25	0.07% ▲
Oil-WTI (bbl)	83.67	0.27	0.32% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	238.75	0.75	0.32% ▲
EURO/PKR	239.31	1.82	0.77% ▲
GBP/PKR	272.80	1.74	0.64% ▲
AED/PKR	64.96	0.20	0.31% ▲

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

## Market Outlook

KSE-100 on Tuesday opened on a positive note. However, later on, it lost the impetus and concluded the session in the red zone amid a decline in global equities and PPL's weak fourth-quarter earnings and payout. The index made an intra-day high and low at 41,642 (121 points) and 41,079 (-442 points) respectively while closed at 41,221 by losing 300 points. Trading volume has increased to 86mn shares as compared to 78mn shares on the previous trading day. Going forward, we expect the market to continue its downward momentum. The support for the index resides at 41,000. Breaking this level can further drag the index towards 39,800. However, the resistance for the index resides at 41,786. (50 DMA).

## Key News

### International

#### Asian stocks sink, yields rise as markets brace for aggressive Fed

Stocks in Asia sank and bond yields were elevated on Wednesday, as investors braced for another aggressive interest rate hike from the U.S. Federal Reserve later in the day. Japan's Nikkei dropped 1.26% and touched a two-week low. Australia's benchmark share index slid 1.35% and South Korea's Kospi fell 0.9%. Chinese blue chips declined [see more...](#)

#### Oil Prices Fall Further on Demand Fears; Fed Rate Hike Looms

Oil prices extended losses on Wednesday as traders feared more pressure on crude demand from a widely anticipated interest rate hike by the Federal Reserve, while signs of a potential build in U.S. gasoline inventories also weighed. London-traded Brent oil futures fell 0.6% to \$90.37 a barrel, while U.S. crude West Texas Intermediate futures fell 0.2% to \$83.73 by 20:37 ET (00:37 GMT). Both contracts fell [see more...](#)

### Politics

#### Maryam urges Imran to provide proof of party being threatened, reveal identities of Mr X and Mr Y

PML-N Vice President Maryam Nawaz on Tuesday demanded that PTI Chairman Imran Khan provide proof to back his claim of his party members receiving threatening phone calls from unknown quarters, and urged him to reveal the identities of "Mr X and Mr Y" he often mentions during his speeches. According to a Dawn editorial on September 9, the [see more...](#)

### Economy

#### Infrastructure, livelihood: ADB says will provide new aid package soon - Positive

The Asian Development Bank (ADB) will soon provide Pakistan with a significant relief and rehabilitation package, to repair the infrastructure and help livelihood. The bank announced through Twitter that it will provide more details of its new assistance package when it is finalised. "We will work closely with the government and other international agencies [see more...](#)

## MORNING GLANCE

### Flood response: WB's \$230m 'CLICK' project rated 'moderately unsatisfactory' - Neutral

The World Bank project "Competitive and Livable City of Karachi (CLICK)" of worth \$230 million is rated as moderately unsatisfactory and restructured with the inclusion of a Contingent Emergency Response Component (CERC) to repurpose \$27 million of the CLICK loan to meet the immediate needs of the flood emergency response. Official documents revealed that a [see more...](#)

### Russia agrees to provide petrol to Pakistan on deferred payments: report - Neutral

In a major development, Russia has agreed to provide petrol to Pakistan on deferred payments, Daily Jang reported Tuesday. The development came after Prime Minister Shahbaz Sharif and Vladimir Putin held important meetings in Uzbekistan on the sidelines of the Shanghai Cooperation Organisation (SCO) summit last week. The two leaders held three meetings during [see more...](#)

### Petrol price moved up by Rs1.45 per litre - Negative

In a surprise move, the federal government early Wednesday again jacked up the petrol price by Rs1.45, taking it to Rs237.43 per litre for the remaining month of September, said a statement issue by the Finance Ministry. "In the wake of fluctuating global oil prices and exchange rate variation, the government has decided to revise the prices of petroleum products," it added. After the revised petroleum prices, there is a decrease of Rs4.26 per [see more...](#)

### THE RUPEE: PKR nears its all-time low against USD - Negative

The rupee's spectacular fall continued as it neared its all-time low against the US dollar, depreciating for the 13th successive session to settle at 238.91 on Tuesday, as expectation of a widening trade deficit and a strong greenback kept the local currency under pressure. As per the State Bank of Pakistan (SBP), the rupee closed at 238.91 after declining by Rs1 or 0.42%. During the last 13 trading sessions, the rupee has cumulatively declined by [see more...](#)

### Aug 2022 FCA: KE to refund Rs7.2bn to consumers - Positive

K-Electric (KE) is to refund Rs 7.217 billion @ Rs 4.211 per unit to its consumers for the month of August 2022 under monthly fuel charges component adjustment (FCA) mechanism. National Electric Power Regulatory Authority (NEPRA) is scheduled to hold a public hearing on September 29, 2022 to consider the request of KE. Insiders claim that there will be no relief to the consumers in August billing as over Rs 3 per unit FCA is already pending [see more...](#)

### Jamshoro coal power plant (Genco-1): KE interested in purchasing power - Positive

K-Electric (KE) has shown an interest in signing agreement with the Government of Pakistan to purchase power from the 2nd unit of Jamshoro coal power plan (Genco-1). According to a letter of KE Chief Executive Officer (CEO) Syed Moonis Abdullah Alvi to Secretary Power Rashid Langrial, KE is currently in the process of finalizing its long-term business plan to cater for the ever- [see more...](#)

### PM forms body on Chinese IPPs, other matters - Neutral

Prime Minister Shehbaz Sharif has constituted a Standing Committee on payments to Chinese Independent Power Producers (IPPs), as well as other issues related to different ministries, well informed sources told Business Recorder. The receivables stock of Chinese IPPs is over Rs 300 billion due to which they are unable to import coal and meet other payment obligations. On instructions of the prime minister, a [see more...](#)

### Auto financing falls in August - Negative

Outstanding consumer financing for transport, which includes purchase of cars etc, stood at Rs353 billion as of August 2022, a decline of Rs8 billion or 2.6% month-on-month (MoM), figures released by the State Bank of Pakistan (SBP) revealed on Tuesday. This is the lowest level since January 2022, said Arif Habib Limited (AHL) in a note. "Moreover, the cumulative decline in auto financing since June 2022 to August [see more...](#)

### FFL to issue 1.17billion shares to Fauji group subsidiaries - Neutral

Fauji Foods Limited (FFL) is issuing shares to Fauji group subsidiaries, the total volume of shares is 1.17bn at par Rs10 per share, the company's stock filings on the stock exchange showed. This issue of shares is against cash, except FF with total shares worth Rs2,350,000,000 from which Rs350,000,000 is against cash and Rs2,000,000,000 [see more...](#)

### Cross-border payments to be centralised at TOD from Oct 1: SBP - Neutral

In order to further streamline the cross-border payments, the State Bank of Pakistan (SBP) has announced to reengineer its business process by centralizing all cross-border payments at the SBP's Treasury Operations Department with effect from 1st October, 2022. As per current practice, the banks provide payment cases related to Asian Clearing Union (ACU), [see more...](#)

### Incoming international passengers: Declaration of \$10,000 or above forex made mandatory - Neutral

The Federal Board of Revenue (FBR) has imposed a new restriction on the incoming international passengers to declare foreign currency of US \$10,000 or above at the time of arrival at the airports. In this connection, the FBR has issued a draft of the new Customs Declaration form for the incoming international passengers for declaration of the foreign [see more...](#)

### PPL Reports a Profit of Rs. 53.54 Billion in FY22 - Negative

Pakistan Petroleum Limited (PPL), one of the top players in the oil and gas exploration and production sector, announced its financial results for the fourth quarter of the financial year that ended June 30th, 2022. On a year-on-year (YoY) basis, the company posted a profit after tax of Rs. 53.54 billion for FY22, which is 2 percent higher than Rs. 52.43 billion recorded in the corresponding period last year. According to the [see more...](#)

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<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

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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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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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