

MORNING GLANCE

| ASIA | Value | Pts | Chg. (%) |
|---------------|-----------|--------|----------|
| KSE 100 | 45,578.36 | 243.04 | 0.53% ▼ |
| NIFTY 50 | 18,114.90 | 63.2 | 0.35% ▼ |
| DSE 30 | 2,698.31 | 1.02 | 0.03% ▼ |
| SHANGHAI | 3,595.45 | 12.85 | 0.36% ▲ |
| Hang Seng | 26,102.50 | 16.50 | 0.06% ▲ |
| BIST 100 | 1,479.93 | 24.51 | 1.68% ▲ |
| MOEX | 4,196.96 | 21.67 | 0.51% ▼ |
| CSE All-Share | 9,915.22 | 33.72 | 0.34% ▲ |
| Nikkei 225 | 28,616.50 | 188.35 | 0.65% ▼ |
| KLCI | 1,590.73 | 2.65 | 0.17% ▲ |

Source: Investing.com

| EUROPE | Value | Value | Pts |
|----------|-----------|-------|---------|
| FTSE 100 | 7,204.55 | 14.25 | 0.20% ▲ |
| DAX 30 | 15,542.98 | 70.42 | 0.46% ▲ |
| CAC 40 | 6,733.69 | 47.52 | 0.71% ▲ |
| FTSE MIB | 26,460.00 | 82.00 | 0.31% ▲ |
| SMI 20 | 12,056.21 | 17.07 | 0.14% ▲ |

Source: Investing.com

| USA | Value | Value | Pts |
|-----------------|-----------|--------|---------|
| DOW JONES | 35,677.02 | 73.94 | 0.21% ▲ |
| S&P 500 | 4,544.90 | 4.88 | 0.11% ▼ |
| NASDAQ 100 | 15,355.07 | 134.52 | 0.87% ▼ |
| US Dollar Index | 93.56 | 0.063 | 0.07% ▼ |

Source: Investing.com

| GULF | Value | Value | Pts |
|-------------------|-----------|-------|---------|
| ADX General | 7,949.44 | 73.16 | 0.93% ▲ |
| Tadawul All-Share | 11,848.05 | 91.53 | 0.77% ▼ |
| QE General | 11,820.72 | 50.71 | 0.43% ▼ |
| Premier Market | 7,559.01 | 21.96 | 0.29% ▲ |

Source: Investing.com

| Commodity | Value | Value | Chg. |
|--------------------|----------|-------|---------|
| Gold (t oz.) | 1,796.45 | 0.15 | 0.01% ▲ |
| Silver (t oz.) | 24.46 | 0.01 | 0.03% ▲ |
| Oil-WTI (bbl.) | 84.64 | 0.88 | 1.05% ▲ |
| Oil-Brent (bbl.) | 85.37 | 0.73 | 0.86% ▲ |
| Steel Scrap (tons) | 481.50 | 2.00 | 0.42% ▲ |
| Cotton (lb.) | 109.72 | 1.46 | 1.35% ▲ |

Source: Investing.com

| Currency | Value | Value | Chg. |
|----------|--------|-------|---------|
| USD/PKR | 173.40 | - | - |
| EURO/PKR | 203.60 | 3.50 | 1.75% ▲ |
| GBP/PKR | 241.10 | 6.50 | 2.77% ▲ |
| JPY/PKR | 1.44 | - | - |
| CNY/PKR | 23.90 | - | - |
| AED/PKR | 48.60 | 1.55 | 3.29% ▲ |
| SAR/PKR | 47.10 | 1.55 | 3.40% ▲ |
| CAD/PKR | 140.10 | 2.50 | 1.82% ▲ |
| AUD/PKR | 129.60 | 4.50 | 3.60% ▲ |

Source: Forex.com.pk



Market Outlook

KSE-100 on Friday opened on a positive note. However, later on it lost the impetus and concluded the session in the red zone amid profit taking by the investors. The benchmark KSE-100 index made an intra-day high and low at 46,038 (217 points) and 45,180 (-640 points) respectively while closed at 45,578 by losing 243 points. Trading volume has been decreased to 141mn shares as compared to 181mn shares on the previous day. Going forward, we expect the market to remain volatile amid uncertainty regarding the resumption of IMF program. The support for the index lies at the level of 45,300. Breaking this level could further drag the index towards the level of 44,700. However, the resistance for the index resides at 46,000.

Key News

International

Asian shares steady, dollar weak as traders await earnings

Asian shares started steady on Monday ahead of a week packed with major quarterly earnings announcements, while the dollar hovered near October lows after three weeks of risk-friendly sentiment hurt safe-haven currencies. [see more...](#)

Oil prices on the march again in tight market; U.S. crude at 7-yr high

Oil prices rose on Monday, extending pre-weekend gains, with U.S. crude hitting a seven-year high as global supply remained tight amid strong demand worldwide as economies recover from coronavirus pandemic-induced slumps. [see more...](#)

Politics

Appointment of new DG ISI: notification after PM's return from KSA

Prime Minister Imran Khan is expected to issue a notification of appointment of a new Director General, Inter-Services Intelligence (ISI), upon his return from the Kingdom of Saudi Arabia (KSA) on October 25. [see more...](#)

MORNING GLANCE

Economy

Power Div. seeks Rs134.8bn TSG to clear IPPs' dues – Neutral

Power Division has sought a Technical Supplementary Grant (TSG) of Rs134.783 billion to clear remaining agreed amount of 20 Independent Power Producers (IPPs) by December 3, 2021, official sources told Business Recorder. Of the 20 IPPs, M.s Hubco and Kapco belong to pre-1994 Generation Policy - six IPPs belong to 1994 Generation Policy, whereas 12 are related to wind, solar and bagasse. [see more...](#)

Top oil exporter Saudi Arabia targets zero carbon emissions by 2060 - Neutral

Top crude exporter Saudi Arabia will aim to achieve net zero carbon emissions by 2060, its de facto ruler said on Saturday, days before the COP26 global climate summit. The kingdom, one of the world's biggest polluters, said it would also join a global effort to cut methane emissions by 30 percent by 2030. The UN says more than 130 countries have set or are considering a target of reducing greenhouse gas emissions to net zero by 2050. [see more...](#)

CPEC open to all kinds of foreign investment: Umar - Neutral

Federal Minister for Planning, Development, Reforms and Special Initiatives Asad Umar Saturday said that four special economic zones set up under the China-Pakistan Economic Corridor (CPEC) and Gwadar Free Zone were open for foreign investment. Speaking at a seminar held at Wilson Centre in Washington, USA on the CPEC, he said that Pakistan was the largest exporter of its goods to the USA. [see more...](#)

PSX adopts new trading system - Neutral

The technologically advanced trading platform has a built-in surveillance system, meaning it is capable of detecting and preventing data leakages and theft attempts. It will ensure improved security features to better safeguard investor data. "Key changes to the DTS are extension of continuous trading session by 30 minutes, reduction in post-close session to 10 minutes. [see more...](#)

Japan agrees on \$200m debt deferral - Neutral

Earlier, the two sides had agreed on the first phase of debt deferral amounting to approximately \$370 million on April 27 this year under the G20 Debt Service Suspension Initiative (DSSI). With the second phase, the total amount of deferred debt has reached around \$570 million, according to a press statement. [see more...](#)

Pakistan succumbs to IMF pressure, accepts new conditions: report - Neutral

Pakistan's talks with the International Monetary Fund (IMF) have not failed as the country has accepted most of the Fund's new conditions. According to the report, Islamabad will have to comply with the IMF's new conditions, including increase in tax revenue, and ensure the implementation of a privatization programme to secure the IMF loan programme. [see more...](#)

IMF seeks closure of public entities' accounts in banks - Neutral

The International Monetary Fund (IMF) has placed a condition on Pakistan to close all the bank accounts maintained by public sector entities and the defence ministry in commercial banks. The money should be transferred to the central bank's account. The demand is aimed at bringing back hundreds of billions of rupees under. [see more...](#)

Withdrawal of Rs330bn GST exemptions - Neutral

The Federal Board of Revenue (FBR) is waiting for the Finance Ministry's nod to send the draft of the presidential Ordinance to the Law Division for vetting to withdraw sales tax exemptions of Rs330 billion. Sources told Business Recorder here on Friday that the draft of the Tax Laws (4th Amendment) Ordinance, 2021 is final at the level of the FBR. [see more...](#)

Govt to receive Rs60bn GDS from private plants - Neutral

Petroleum Division has testified before a panel of Public Account Committee (PAC) that an amount of Rs.60 billion is recoverable from power plants on account of Gas Development Surcharge (GDS). According to the minutes of PAC panel headed by Shahida Akhtar Ali MNA, the Audit apprised the Committee that Director General (Gas) did not recover Gas Development Surcharge (GDS) of Rs6.384 billion. [see more...](#)

Hefty Jump in LPG And Electricity Prices Push Inflation Up By 14.48 Percent For Common Man: PBS - Negative

The SPI for the current week ended on 21st October, 2021 recorded an increase of 14.48 percent on year on basis, according to data published by Pakistan Bureau of Statistics. Major increase is observed in the prices of LPG (75.02 percent), Electricity for Q1 (61.11 percent). [see more...](#)

Auto Financing Continue To Rise Despite Central Bank Tightening - Neutral

Car financing in Pakistan soared to an all-time high of PKR 338 billion as of September 2021, as the latest data released by the State Bank of Pakistan. This is despite SBP efforts to curb the financing. The State Bank of Pakistan (SBP) had revised Prudential Regulations (PRS) for Consumer Financing last month. [see more...](#)

Bestway Cement To Set Up a Brownfield Plant in KPK as Construction Industry Thrives - Positive

Unfolding a major investment plan, Bestway Cement Limited has announced to expand its operations with a new brownfield cement plant in district Haripur, Khyber Pakhtunkhwa. According to stock filing, the company has planned to set up a brownfield cement plant — which will add 7,200 tonnes of. [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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