

MORNING GLANCE



46,277	▼ -117	▼ -0.25%
96 mn	YTD 13.38%	1 Year 12.46%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,664.70	9.85	0.05% ▼
DSE 30	2,135.31	10.79	0.50% ▼
SHANGHAI	3,109.46	7.18	0.23% ▲
Hang Seng	17,573.00	98.00	0.56% ▲
Nikkei 225	32,176.50	182.5	0.56% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,625.72	1.73	0.02% ▲
DAX 30	15,255.87	149.62	0.97% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	33,618.88	388	1.14% ▼
S&P 500	4,273.53	63.91	1.47% ▼
NASDAQ	14,545.83	223.07	1.51% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,918.60	1.2	0.06% ▼
Oil-WTI (bbl)	91.20	0.81	0.90% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	289.80	1.06	0.36% ▼
EURO/PKR	306.90	2.66	0.86% ▼
GBP/PKR	353.04	3.12	0.88% ▼
AED/PKR	78.90	0.29	0.37% ▼

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

Market Outlook

The stock market on Tuesday opened on a positive note. However, later on, it lost the impetus and reversed all of its intra-day gains while concluded the session in the red zone amid the rupee maintained its positive run against the US dollar in the inter-bank market. The KSE-100 index made an intra-day high and low at 46,503.82 (110 points) and 46,258.96 (-135 points) respectively while closed at 46,277.65 by losing 116 points. Trading volume increased to 96mn shares as compared to 90mn shares on the previous trading day. Going forward, the resistance for the index resides at 46,740(50DMA). Breaking this level would further push the index towards 47,000. Contrarily, the support for the index resides at 45,800.

Key News

International

Asian stocks hit by rate hike fears, China rebounds on strong data

Most Asian stocks fell further on Wednesday amid persistent fears of rising U.S. interest rates, while Chinese stocks rebounded on positive industrial profits data and promises of more stimulus. Regional markets took a weak lead-in from Wall Street indexes, which sank in overnight trade as markets continued to fret over a barrage of hawkish [see more...](#)

Oil prices rise as tighter supply bets offset rate hike jitters

Oil prices rose slightly in Asian trade on Wednesday, extending a rebound from the prior session as the prospect of tighter supplies helped markets look past concerns over rising interest rates and their impact on the economy. Industry data showed a drop in U.S. fuel and distillate inventories, indicating that fuel consumption in the world's largest economy remained consistent, despite the end of [see more...](#)

Politics

Senate panel demands ECP announce election schedule

The Senate Standing Committee on Parliamentary Affairs recommended the Election Commission of Pakistan (ECP) announce the election schedule at the earliest to remove any uncertainty regarding the conduct of elections [see more...](#)

Economy

Pakistan to Get \$150 Million Loan From World Bank For Energy Project – Neutral

Pakistan has decided to get \$150 million from the World Bank for energy saving and capacity building of its officers. According to a national daily, the Central Development Working Party (CDWP) on Monday approved the \$150 million package for an energy efficiency and conservation project. The package is essentially a \$135 million loan while the [see more...](#)

MORNING GLANCE

Jul-Aug period; Borrowing from multiple financing sources stands at \$3.206bn – Neutral

The country borrowed \$3.206 billion from multiple financing sources during the first two months (July-August) of the current fiscal year 2023-24 compared to \$439.32 million borrowed during the same period of 2022-23, revealed the Economic Affairs Division (EAD) data. Data further shows that the country received \$316.14 million in August 2023 compared to \$252.25 [see more...](#)

Cumulative inflow under RDA hits \$6.62bn: SBP – Neutral

Inflow through Roshan Digital Account (RDA) has crossed \$6.6-billion by August-end, the State Bank of Pakistan (SBP) said on Tuesday. The central bank shared that total number of RDA accounts opened reached 606,865 from 596,268 a month ago at July-end. As per latest data available on SBP's website, the cumulative RDA inflow clocked in at \$6.617 billion by the end of the previous month [see more...](#)

PKR: 15th consecutive boost – Positive

The Pakistani rupee continued to strengthen against the US dollar, gaining 0.37% in the inter-bank market on Tuesday. This is the rupee's 15th successive increase against the greenback. As per the State Bank of Pakistan (SBP), the rupee settled at 289.80 after an increase of Rs1.06 in the inter-bank market. On Monday, the rupee had appreciated 0.31% to settle at 290.86. The rupee has maintained its upward trajectory in recent days [see more...](#)

Rs10bn recovered amid crackdown on power theft, Senate panel told – Positive

The countrywide crackdown on power theft has yielded positive results as so far Rs10 billion have been recovered while the Power Division is expecting to collect up to Rs150 billion in the next five months. It was revealed by a representative of the Power Division in the Senate Committee on Energy's meeting on Tuesday. The committee received a report from the Power Division [see more...](#)

Solar panel case; Further probe under way to uncover 'startling' facts – Neutral

Further investigation is under way to uncover additional information and the potential involvement of other entities in the solar panel sector following the detection of overinvoicing of Rs69.5 billion in imports of solar from 2017 to 2022. An official in the Finance Ministry, when asked, said that as per the Federal Board of Revenue (FBR), further investigation is [see more...](#)

Raast platform; SBP set to launch 'P2M' payment system – Neutral

The State Bank of Pakistan (SBP) is all set to launch the person-to-merchant (P2M) online payment system on its instant payment system - Raast. The new P2M system will enable the merchants and small businesses to receive instant payments from their customers. Addressing the 21st conference on "Future Banking Summit 2023" organized [see more...](#)

Many IT cos parking USD outside country: minister – Neutral

The caretaker Federal Minister for Information Technology and Telecommunication, Dr Umar Saif, said that the government is planning to put in place a mechanism for retaining dollars in the country, as many IT companies are parking dollars outside the country. Talking to media persons, the minister said that Pakistan's IT exports are 2.6 billion dollars. The total size of Pakistan's IT [see more...](#)

Footwear exports increase by 7.74% in August – Positive

The export of footwear products witnessed an increase of 7.74 percent during the Month of August 2023 as compared to the same month of last fiscal year, the Pakistan Bureau of Statistics (PBS) reported. Pakistan exported footwear products worth \$16.770 million during August 2023 as compared to the exports of \$15.565 million during August 2022. [see more...](#)

Avoiding financial implications; Power Div asked to revise FGOs of GPPs – Neutral

Directorate General of Gas (Petroleum Division) has urged Power Division to revise Firm Gas Orders (FGOs) of Government Power Plants (GPPs) down from November 2023 to February 2024 to avoid any financial implications on any party. Directorate General of Gas, sources said, floated this proposal in response to letters from Power [see more...](#)

Options to cut power costs being mulled – Neutral

Without disclosing the total outstanding electricity bills against the public and private sector, caretaker Minister for Power Muhammad Ali has said the electricity costs will be reduced through lengthening the repayment tenor of debt and improving energy mix to renewables and Thar coal. Speaking to reporters on Monday, the minister said the government [see more...](#)

DISCLAIMER

This report has been prepared by Abbasi & Company (Private) Limited and is provided for information purposes only. Under no circumstances, this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Abbasi & Company (Private) Limited and or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Abbasi & Company (Private) Limited accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. In particular, the report takes no account of the investment objectives, financial situation and needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Abbasi & Company (Private) Limited Research Department and do not necessarily reflect those of the company or its directors. Abbasi & Company (Private) Limited as a firm may have business relationships, including investment-banking relationships, with the companies referred to in this report. Abbasi & Company (Private) Limited does not act as a market maker in the securities of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives do not have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company at the time of issuance of this report. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives are not currently serving or have served in the past three years as a director or officer of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives have not received compensation from the subject company in the previous 12 months. The subject company currently is not, or during the 12-month period preceding the date of publication or distribution of this report, was not, a client of Abbasi & Company (Private) Limited. We have not managed or co-managed a public offering or any take-over, buyback or delisting offer of securities for the subject company in the past 12 months and/or received compensation for corporate advisory services, brokerage services or underwriting services from the subject company in the past 12 months. Abbasi & Company (Private) Limited does not expect to receive or intend to seek compensation for corporate advisory services or underwriting services from the subject company in the next 3 months

All rights reserved by Abbasi & Company (Private) Limited. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Abbasi & Company (Private) Limited. Action could be taken for unauthorized reproduction, distribution or publication

VALIDITY OF THE PUBLICATION OR REPORT

The information in this publication or report is, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report. The information may be subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the company, jurisdiction or financial instruments referred to in this report. The valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report and were based upon several estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein is not to be relied upon as a representation and/or warranty by Abbasi & Company (Private) Limited and/or its other associated and affiliated companies, that:

- I. Such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- II. There is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein

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

RATINGS CRITERIA

Abbasi & Company (Private) Limited employs a three-tier ratings system to rate a stock and sector, as mentioned below, which is based upon the level of expected return for a specific stock and outlook of sector. The rating is based on the following with stated time horizon

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.

RESEARCH DISSEMINATION POLICY

Abbasi & Company (Private) Limited endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as email, fax mail etc. Nevertheless, all clients may not receive the material at the same time

OTHER DISCLOSURES

The research analyst is primarily involved in the preparation of this report, certifies that:

- I. The views expressed in this report accurately reflect his/her personal views about the subject company/stock /sector and economy
- II. No part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report

The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

PREPARED BY

Muhammad Umair Javed

Phone: (+92) 42 38302028

Ext: 117

Email: umairjaved@abbasiandcompany.com

RESEARCH DEPARTMENT

6 - Shadman, Lahore

Phone: (+92) 42 38302028; Ext: 116, 117

Email: research@abbasiandcompany.com

web: www.abbasiandcompany.com

HEAD OFFICE

6 - Shadman, Lahore

Phone: (+92) 42 38302028

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com