



|        |            |                |
|--------|------------|----------------|
| 41,860 | ▲ 1        | ▲ 0.00%        |
| 52 mn  | YTD -6.13% | 1 Year -10.78% |

| ASIA       | Value     | Pts    | Chg. (%) |
|------------|-----------|--------|----------|
| NIFTY 50   | 17,655.60 | 10.2   | 0.06% ▼  |
| DSE 30     | 2,285.80  | 19.86  | 0.86% ▼  |
| SHANGHAI   | 3,249.83  | 6.38   | 0.20% ▲  |
| Hang Seng  | 18,962.00 | 240.73 | 1.25% ▼  |
| Nikkei 225 | 27,356.50 | 270.01 | 0.98% ▼  |

| EUROPE   | Value     | Pts    | Chg. (%) |
|----------|-----------|--------|----------|
| FTSE 100 | 7,300.44  | 13.01  | 0.18% ▲  |
| DAX 30   | 12,871.44 | 110.66 | 0.87% ▲  |

| USA       | Value     | Pts    | Chg. (%) |
|-----------|-----------|--------|----------|
| DOW JONES | 31,145.30 | 173.14 | 0.55% ▼  |
| S&P 500   | 3,908.19  | 16.07  | 0.41% ▼  |
| NASDAQ    | 12,011.31 | 87.13  | 0.72% ▼  |

| Commodities   | Value    | Chg. | Chg. (%) |
|---------------|----------|------|----------|
| Gold (t oz.)  | 1,707.35 | 5.55 | 0.32% ▼  |
| Oil-WTI (bbl) | 85.66    | 1.22 | 1.40% ▼  |

| Currencies | Value  | Chg. | Chg. (%) |
|------------|--------|------|----------|
| USD/PKR    | 220.50 | 2.00 | 0.92% ▲  |
| EURO/PKR   | 219.65 | 2.04 | 0.94% ▲  |
| GBP/PKR    | 255.42 | 3.24 | 1.28% ▲  |
| AED/PKR    | 59.99  | 0.81 | 1.37% ▲  |

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

## Market Outlook

KSE-100 on Tuesday remained volatile throughout the day and managed to close flat amid the uncertain macroeconomic situation prevailing in the country. The index made an intra-day high and low at 41,927 (68 points) and 41,684 (-175 points) respectively while closed at 41,860 by gaining 1 point. Trading volume has decreased to 52mn shares as compared to 64mn shares on the previous trading day. Going forward, we expect the market to remain volatile. Whereas the level of 41,770 (50 DMA) is crucial for the market as it needs to sustain it to rebound. Contrarily, the resistance for the index resides at 42,800.

## Key News

### International

#### Asian stocks, currencies fall as strong data fans hawkish Fed bets

Asian stocks fell on Wednesday as investors failed to find any cheer in strong U.S. economic data and instead considered what it might mean for a hawkish Federal Reserve, with a surging dollar weighing heavily on regional currencies. Tracking Wall Street's losses, MSCI's broadest index of Asia-Pacific shares outside Japan dipped 1.5% in early [see more...](#)

#### Oil Extends Losses as Demand Fears Outweigh OPEC+ Cut

Oil prices fell further on Wednesday, erasing all of the week's gains as concerns over sluggish crude demand outweighed what was seen as a nominal supply cut by the OPEC+. London-traded Brent oil futures fell 0.5% to \$92.39 a barrel, while U.S. West Texas Intermediate crude oil futures sank 0.5% to \$86.41 a barrel by 20:29 ET (00:29 GMT). Both [see more...](#)

### Politics

#### Legal fallout of Imran's controversial remarks on COAS selection

The skies above former prime minister Imran Khan's Banigala residence were seeming to be a bit clear a few weeks ago. However, the legal storm clouds on Monday stretched from Rawalpindi to Islamabad to superior courts, propelling him into heavy legal and political weather. Legal experts say Imran's controversial remarks about the selection of [see more...](#)

### Economy

#### Damage From Pakistan Floods Is 'Far Greater' Than \$10 Billion - Negative

The damage from the floods in Pakistan will be "far greater" than \$10 billion, according to the planning minister, after millions lost their homes and livelihoods while key roads and bridges have been washed away. As officials are still tallying the cost of heavy flooding that has claimed more than 1,300 lives, the latest assessment shows the damage will be worse than the initial forecast. The final value will take six to [see more...](#)

## MORNING GLANCE

### UN preparing for worse to come in Pakistan floods - Neutral

The United Nations warned on Tuesday the humanitarian situation in flood-ravaged Pakistan was expected to get worse, a day after establishing an air bridge to deliver aid to victims. More than 33 million people in Pakistan have been affected by the flooding, brought on by record monsoon rains amplified by climate change. The floods have caused at least 1,300 deaths and washed away homes, businesses, roads and bridges. The [see more...](#)

### Japan to provide \$7m emergency grant - Positive

The government of Japan's emergency relief goods, tents and plastic sheets were handed over to National Disaster Management Authority (NDMA) at the Jinnah International Airport Karachi, said a statement issued on Tuesday. The relief aid was delivered by Chief Representative of Japan International Cooperation Agency (JICA) Pakistan Kinoshita Yasumitsu in the presence of Odagiri Toshio Consul-General of Japan in view of a request made [see more...](#)

### Pakistan's Debt Surpass PKR 50 Trillion Mark - Negative

As per data released by State Bank of Pakistan, the central Government debt increased by PKR 2,720 billion to PKR 50,503 billion as of July 2022. The main reason for increase in central Government debt is increase in external debt due to rupee devaluation as currency depreciated from an average of 204.37 in June 2022 to 239.71 in July 2022. Pakistan made mark-up payment of PKR 3,182 billion during the fiscal year 2021-22 [see more...](#)

### PKR falls by Rs1.56 in interbank market - Negative

The rupee extended its losses for the second consecutive session this week, falling by Rs1.56 against the dollar in the interbank market on Tuesday. Data shared by the State Bank of Pakistan showed the local currency closed at Rs221.42 per dollar after depreciating 0.7 per cent. Separately, the PKR was being traded at Rs232 per dollar in the open market around 4pm, according to the Forex Association of Pakistan (FAP). FAP Chairman Malik [see more...](#)

### Inflows from Overseas Pakistanis in Roshan Digital Account Crossed \$5 Billion - Positive

The inflow of remittances under the Roshan Digital Account (RDA) rose to US \$5.008 billion as of 5th September 2022 more than two third of IMF loan amount for South Asian Nation, according to the latest data released by the State Bank of Pakistan. "Today marks yet another historic day in Roshan Digital Account as the total deposits have crossed \$5bn. We thank our Overseas [see more...](#)

### SBP Ask Exchange Companies to Seek Approval before Exporting Dollar - Neutral

SBP has decided that effective September 7, 2022, Exchange Companies shall seek prior approval from SBP for such export of USD currency notes and the Intended date should not be beyond two days from the date of request submission. State Bank of Pakistan allowed Exchange Companies on August 15, 2022 to export USD currency notes on consignment basis [see more...](#)

### ICA, APTMA to enhance cooperation for cotton - Positive

All Pakistan Textile Mills Association (APTMA) and the International Cotton Association (ICA) on Tuesday agreed to enhance cooperation on the cotton needs of the textile industry in Pakistan. The ICA President Mr Alex Hsu said the visit of the Association's delegation was taking place under its outreach to Pakistan initiative. He was accompanied by Mr. Bill Kingdon, Managing Director, and Mr. Carl Peltzer. [see more...](#)

### NSS witnesses Rs359bn outflows during FY22 - Negative

The cumulative outflows from the National Savings Schemes (NSS) in FY22 were recorded at Rs358.8 billion, mainly due to the restrictions imposed on financial institutions to invest in these schemes, Central bank data showed on Tuesday. Moreover, registration requirements for prize bonds of higher denominations and strict implementation of anti-money laundering laws and know-your-customer (KYC) [see more...](#)

### PSMC Further Extends Automobile Plant Shutdown - Negative

In the backdrop of the continued shortage of CKD raw materials, the management of Pak Suzuki Motor Company Limited (PSMC) has decided to further extend the shutdown period of the automobile plant from September 12, 2022, to September 16, 2022, the company's filing on PSX showed today. In a previous notice dated September 02, 2022, [see more...](#)

### Pakistan Internet Connectivity to Go Ultra Fast as Country Connected with France via Submarine Cable - Positive

Pakistan and East Africa Connecting Europe (PEACE) Cable International Network Co. Ltd has completed the construction of a submarine cable infrastructure providing connectivity from Karachi to Marseille, France. The Pakistan-Egypt segment connects Karachi and Zafarana, Egypt, total length of which is 5,800 KM said a news release issued by the [see more...](#)

### PIA May Become Part of Qatar Airways in Investment Package Worth \$5 Billion - Neutral

Pakistan is likely to receive an unusual package from Qatar, under which Pakistan International Airlines (PIA) could become a part of Qatar Airways in an overall investment package that could reach \$5 billion. Well-informed sources in the Ministry of Finance have told ProPakistani that Pakistan and Qatar will sign an agreement on the airports of [see more...](#)

### Pakistan Stock Exchange Launches PSX Dividend 20 Index - Neutral

In a major step forward toward facilitating the investors, stakeholders, and market participants, Pakistan Stock Exchange (PSX) has launched its first fundamental index, PSX Dividend 20 Index. This index is designed to track the performance of the top 20 dividend-paying companies at PSX whereby the companies are ranked and weighted [see more...](#)

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## DEFINITION OF TERMS

|             |                           |             |                         |             |                         |
|-------------|---------------------------|-------------|-------------------------|-------------|-------------------------|
| <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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