

MORNING GLANCE



42,085	▼ -75	▼ -0.18%
104 mn	YTD -5.63%	1 Year -5.16%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,314.65	17.15	0.10% ▼
DSE 30	2,361.57	18.53	0.79% ▲
SHANGHAI	3,006.42	17.97	0.59% ▼
Hang Seng	17,306.00	434.05	2.45% ▼
Nikkei 225	27,116.11	195.19	0.71% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	6,991.09	6.18	0.09% ▼
DAX 30	12,273.00	197.78	1.59% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	29,296.79	630.15	2.11% ▼
S&P 500	3,639.66	104.86	2.80% ▼
NASDAQ	11,039.47	446.04	3.88% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,699.40	9.9	0.58% ▼
Oil-WTI (bbl)	92.16	0.48	0.52% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	220.25	2	0.90% ▼
EURO/PKR	215.76	4.47	2.03% ▼
GBP/PKR	245.86	5.83	2.32% ▼
AED/PKR	59.92	0.56	0.93% ▼

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

Market Outlook

KSE-100 on Friday remained positive for the majority part of the day. However, later on, it lost the impetus and concluded the session in the red zone owing to Moody's downgrading Pakistan's credit rating and maintaining its negative outlook. The index made an intra-day high and low at 42,389 (229 points) and 41,992 (-168 points) respectively while closed at 42,085 by losing 75 points. Trading volume has decreased to 104mn shares as compared to 161mn shares on the previous trading day. Going forward, we expect the market to remain volatile ahead of MPC meeting in which we expect the SBP to keep the policy rate unchanged. The resistance for the index resides at 42,800. Breaking this level can push the index towards 43,321 (200 DMA). Contrarily, the support for the index resides at 41,917 (50 DMA).

Key News

International

Chinese Stocks Open Red After Week-Long Holiday, Yuan Edges Up

Chinese stock markets resumed trade after a week-long holiday on softer footing following a surprise contraction in service sector activity, while the yuan inched higher in anticipation of more supportive measures by the Chinese government. The bluechip Shanghai Shenzhen CSI 300 index fell 0.5%, while the Shanghai Composite index shed [see more...](#)

Oil takes a breather, eases off 5-week highs

Oil prices slipped on Monday, easing off five-week highs, as the market took profits following strong gains last week on expectations of tighter supplies following OPEC+ cuts and ahead of the European Union embargo on Russian oil. Brent crude futures fell 81 cents, or 0.8%, to \$97.11 a barrel by 0131 GMT while West Texas Intermediate crude was at \$91.88 a barrel, down 76 cents, or 0.8%. Both contracts touched [see more...](#)

Politics

Constitutional change in Punjab possible: PM

Prime Minister Shehbaz Sharif said on Saturday that if change took place in Punjab it would be done in a constitutional manner. He expressed these views in response to a question after the hearing of money laundering case against him and his son Hamza Shehbaz. The PM, talking to media persons, said PMLN supremo Nawaz Sharif did not ask for any NRO [see more...](#)

Economy

Emergency operations in flood-hit areas: WB says allocating \$2bn from existing financed projects - Positive

Finance Minister Ishaq Dar, Saturday, briefed the World Bank (WB) about the economic challenges being faced by the country, as well as, the devastations caused by the recent floods. The finance minister held a meeting with Najy Benhassine, Country Director, World Bank and his team and stated that the present government is cognizant of [see more...](#)

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Germany announces €10m aid for flood victims - **Positive**

German Foreign Minister Annalena Baerbock has announced €10m financial aid for the flood victims in Pakistan. FM Bilawal Bhutto Zardari and his German counterpart Annalena Baerbock held a joint press conference. Baerbock said that flood-affected people have been living under the sky. She added that Pakistan faced massive destruction due to floods and the country was becoming the most affected nation due to climate change. [see more...](#)

Rs2 trillion wiped off public debt - **Positive**

Nearly 9% appreciation of the local currency against the greenback in August has reduced Pakistan's external public debt by about Rs2 trillion, reported the State Bank of Pakistan (SBP) in a debt bulletin on Friday, which will strengthen the hands of proponents of the stronger rupee. The central government's external debt was recorded at Rs17.4 trillion by the end of August, a reduction of Rs1.96 trillion compared to the preceding month, reported [see more...](#)

Pakistan will not seek Paris Club debt restructuring, says minister - **Neutral**

Pakistan will not seek debt restructuring from Paris Club creditor nations, the country's finance minister Ishaq Dar said on Sunday as he sought to restore market confidence after a credit rating downgrade. The new rating from Moody's raised concerns that Pakistan could default on its foreign debt as contends with economic turmoil and a balance of payments crisis. "We [see more...](#)

Moderately hawkish SBP to keep rupee supported in near-term - **Neutral**

The rupee is expected to continue its recent advances against the dollar, which have helped it gain almost 4 percent this week, traders and analysts said. On Monday, however, all eyes will be on Pakistan's central bank to see if it keeps interest rates at their current levels. Despite the central bank's foreign exchange reserves being declining and Moody's downgrading the [see more...](#)

Dar faces uphill task to unlock \$1b WB loans - **Neutral**

Pakistan on Saturday assured the World Bank to timely implement prior actions for over \$1 billion budget support loans amid the country's inability to create consensus among all the domestic stakeholders and narrowing political space to take difficult steps. The assurance has been given by Finance Minister Ishaq Dar two days before his departure to Washington, where he is expected to participate in a high-profile conference on the sidelines of [see more...](#)

SBP likely to leave rate on hold - **Neutral**

Pakistan's central bank is scheduled to announce its key policy rate for the next seven weeks on upcoming Monday. A majority of pundits have developed consensus that the bank will leave the rate unchanged at 15% in order to wait for the stabilisation of economy. However, a significant section of market participants did not rule out a reduction of 25-50 basis points, considering a fall in inflation reading to 23.2% in September compared to [see more...](#)

Investment in new LNG terminals at risk - **Negative**

Some government high-ups are allegedly exercising their influence to clear the way for a liquefied natural gas (LNG) terminal to enhance its capacity, a move that may spark some controversy. Engro Elengy Terminal Private Limited (EETPL) is making efforts to replace its existing Floating Storage and Re-gasification Unit (FSRU), which handles LNG imports, with a bigger one to enhance its handling capacity to 900 [see more...](#)

Higher food prices fuel weekly inflation - **Negative**

The inflation, measured by the Sensitive Price Index (SPI), slightly rose 0.29 per cent week-on-week for the period ended on Oct 6 due to an increase in food prices, showed data released by the Pakistan Bureau of Statistics (PBS) on Friday. On a year-on-year basis, the SPI posted an increase of 29.44pc largely driven by food and the highest-ever energy prices. Before this, the highest ever year-on-year increase in [see more...](#)

Floods expose fragility of telecom infrastructure: report - **Negative**

The recent floods starting in the month of August have exposed the fragility of Pakistan's telecommunications infrastructure and the weaknesses of broader structural environment within which mobile networks operate, according to a report by Islamabad-based research house Tabadlab. The report, authored Naeha Rashid, Maira [see more...](#)

Rupee best performing currency - **Positive**

Pakistan's volatile rupee became the "world's best performing currency" in the week ended on Friday, as it made the largest gain of 3.9% over five working days to Rs219.92 to a dollar on expectation of significant foreign currency inflows. "The rupee remained the best performing currency on a weekon-week basis," announced Arif Habib Limited Head of Research Tahir Abbas in a brief review of currency movements. Friday [see more...](#)

Tech firm to migrate from GEM to PSX's main board - **Positive**

Technology firm Supernet Ltd told shareholders on Friday it's decided to migrate to the main board of the Pakistan Stock Exchange (PSX) from the Growth Enterprise Market (GEM) board, which is a separate PSX counter reserved for smaller and riskier companies. Only three firms are currently listed on the GEM board that the PSX rolled out last year to help start-ups and growing entities raise capital from institutional [see more...](#)

Tractor firm targets African, Asian markets - **Positive**

One of Pakistan's biggest tractor manufacturers is planning to enter the markets of East African and Central Asian countries as it has sufficient modern technology to capture the export markets. "If we talk about the export sector, the tractor industry is not that strong but its technology partners have helped pave the way for exports by providing access to three overseas markets," said an executive of the tractor [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

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- 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

PREPARED BY

Muhammad Salman

Phone: (+92) 42 38302028

Ext: 116

Email: salman@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