



42,155	▼ -56	▼ -0.13%
151 mn	YTD -5.47%	1 Year -3.82%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	16,983.55	257.45	1.49% ▼
DSE 30	2,314.13	47.44	2.01% ▼
SHANGHAI	2,957.87	21.92	0.74% ▼
Hang Seng	16,528.00	304.36	1.81% ▼
Nikkei 225	26,396.50	4.75	0.02% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	6,885.23	74.08	1.06% ▼
DAX 30	12,220.25	52.69	0.43% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	29,239.19	36.31	0.12% ▲
S&P 500	3,588.84	23.55	0.65% ▼
NASDAQ	10,791.35	135.62	1.24% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,670.40	15.6	0.93% ▼
Oil-WTI (bbl)	88.53	0.82	0.92% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	217.50	1	0.46% ▼
EURO/PKR	210.48	2.13	1.00% ▼
GBP/PKR	239.33	2.59	1.07% ▼
AED/PKR	59.18	0.27	0.45% ▼

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 owing to Moody's downgrading long-term deposit ratings and foreign currency counterparty risk ratings (CRRs) of 5 Pakistani banks. The index made an intra-day high and low at 42,411 (199 points) and 42,053 (-158 points) respectively while closed at 42,155 by losing 56 points. Trading volume has increased to 151mn shares as compared to 139mn shares on the previous trading day. Going forward, we expect the market to remain volatile. The resistance for the index resides at 42,800. Breaking this level can push the index towards 43,302 (200 DMA). Contrarily, the support for the index resides at 41,996 (50 DMA).

## Key News

### International

#### Asian stocks stall amid global volatility

Asian stocks stayed at two-year lows on Wednesday, after a strengthening U.S. dollar, instability in the U.K. bond market, and forthcoming U.S. inflation data spelled a wild session on Wall Street and further volatility for investors. In Japan, confidence among manufacturers fell for a second straight month, according to a Reuters poll, sending the dollar/yen above 146 for the first time since 1998. [see more...](#)

#### Oil prices extend decline on recession fears, China COVID curbs

Oil prices fell for a third straight session on Wednesday as investors fretted about a hit to fuel demand from growing risks of a global recession and tightening COVID-19 curbs in China. Brent crude futures fell 51 cents, or 0.5%, to \$93.78 a barrel by 0033 GMT. U.S. West Texas Intermediate crude was at \$88.66 a barrel, down 69 cents, or 0.8%. [see more...](#)

### Politics

#### PTI wants Zardari gone, PML-N wishes same for Tarin

In what appears to be a tit-for-tat move, the ruling PML-N on Tuesday decided to submit a reference against PTI Senator and former finance minister Shaukat Tarin for allegedly 'working against the country's integrity and national security'. The announcement came hours after PTI member Zulfiqar Bukhari submitted a disqualification [see more...](#)

### Economy

#### Dar leaves for US to hold meetings with IMF, World Bank - Neutral

Federal Minister for Finance and Revenue Ishaq Dar left for the United States on Tuesday for talks with the International Monetary Fund (IMF) and World Bank (WB). Dar will hold meetings with the IMF and the World Bank attend and the annual gathering of the Bretton Woods Institutions, reported Aaj News. The finance minister is expected to make a formal request to the IMF and the WB to revise the economic [see more...](#)

## MORNING GLANCE

### 13th straight gain: Rupee continues to appreciate against US dollar - **Positive**

Pakistan's rupee continued to gain against the US dollar for the 13th successive session, and appreciated nearly 0.1% in the inter-bank market on Tuesday. As per the State Bank of Pakistan (SBP), the rupee closed at 217.79 after appreciating Re0.18 or 0.08%. In the last thirteen trading sessions, the rupee has cumulatively appreciated Rs21.91 or 10.1%. [see more...](#)

### Germany scales up its support to flood-hit people - **Positive**

The Federal Republic of Germany has scaled up its support for the flood-hit Pakistan by another € 10 million and the total assistance now stands over € 60 million. The German Consul General in Karachi Dr Rüdiger Lotz while talking to media during his visit to the flood affectees in Tando Jan Mohammad, Mirpur Khas district, vowed to accelerate the assistance for Pakistan saying the problem is not over, as large part of fertile land is still [see more...](#)

### Pakistan urgently needs debt relief: UN - **Neutral**

Cascading global crises have left 54 countries — home to more than half of the world's poorest people — in dire need of debt relief, the UN said Tuesday. In a new report, the United Nations Development Programme warned that dozens of developing nations were facing a rapidly deepening debt crisis and that “the risks of inaction are dire”. UNDP said without immediate relief, at least 54 countries would see rising poverty levels, and [see more...](#)

### Unemployment, inflation to rise: IMF - **Negative**

Without incorporating the impact of recent floods, the International Monetary Fund (IMF) has kept Pakistan's GDP growth projection at 3.5 percent for the current fiscal year 2022-23 against 6 percent growth achieved in the last financial year. The World Economic Outlook (WEO) released by the IMF on Tuesday explained the 2022 projections for Pakistan are based on information available as of the end of August and do [see more...](#)

### Q1 remittances fall over 6pc YoY - **Negative**

Workers' remittances fell over 6 percent during the first quarter (July-Sept) of this fiscal year due to weakened inflows from major corridors. The State Bank of Pakistan (SBP) on Tuesday reported that, cumulatively, Pakistan received home remittance inflows amounting to \$7.685 billion during July-Sept of FY23 compared to \$8.198 billion during the same period of FY22, depicting a decrease of \$513 million. [see more...](#)

### European thirst for LNG puts Pakistan, Bangladesh in dark - **Negative**

European countries have already bought more liquefied natural gas (LNG) in 2022 than in any year previously. The surge in demand followed Russia's invasion of Ukraine, with various European governments rushing to end their dependence on Russian energy as quickly as possible. In the nine months from January to September, European nations' demand for LNG [see more...](#)

### KE's controlling stake sale nears completion abroad, unbeknown to Pakistan - **Neutral**

The sale of a large part of the controlling stake in Karachi Electric (KE) held by KES Power outside Pakistan appears to be in advanced stages, awaiting approval from a Cayman Islands court, but the government of Pakistan is not aware of the deal as it kept completely secret, according to trusted inside information. [see more...](#)

### Suzuki announces plant shutdown again - **Negative**

Pak-Suzuki Motor Company (PSMC) has notified the Pakistan Stock Exchange (PSX) that it will shut down its automobile plant from October 19 to October 21. The company has attributed its decision to prevailing administrative oversight by the State Bank of Pakistan (SBP) on the import of completely-knocked-down (CKD) kits. PSCM's motorcycle plant will, however, remain operational. [see more...](#)

### Moody's cuts five Pakistani banks' long-term deposit ratings - **Negative**

Moody's Investors Service has downgraded the long-term deposit ratings of five Pakistani commercial banks — Allied Bank Limited (ABL), Habib Bank Ltd, (HBL), MCB Bank Limited (MCB), National Bank of Pakistan (NBP) and United Bank Ltd (UBL) — to Caa1 from B3. The rating agency has also downgraded the five banks' long-term foreign [see more...](#)

### Car Prices Have Increased By Almost 47% Since January - **Neutral**

Pakistani carmakers have increased the prices by up to 47% in the past 9 months. The companies have attributed the hikes to the local currency depreciation, as well as the rise in shipping and raw material costs. An Engineering Development Board (EDB) official shared a report with ProPakistani on car price trends in the country from January-September [see more...](#)

### SHC Seeks Opinion of Revenue Bodies Over Sales Tax on Toll Manufacturing - **Neutral**

Sindh High Court (SHC) has directed the Federal Board of Revenue (FBR) and Sindh Revenue Board (SRB) to submit their legal viewpoint on the collection of sales tax on “toll manufacturing” in line with the decision of the National Tax Council (NTC). In this regard, the SHC has fixed the next date of hearing on 12th October 2022. Taxpayers of Sindh [see more...](#)

### Five export sectors: ECC approves continuation of regionally competitive power tariff - **Positive**

A meeting of the Economic Coordination Committee (ECC) of the Cabinet has approved the provision of electricity to five export-oriented sectors at Rs19.99 per kWh all-inclusive from October 1, 2022 to 30th June but deferred wheat support price 2022-23 approval. The meeting of the ECC presided over by Finance Minister Ishaq Dar approved 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

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