

MORNING GLANCE



41,948

▲ 123

▲ 0.29%

96 mn

YTD -5.94%

1 Year -9.59%

ASIA	Value	Pts	Chg. (%)
 NIFTY 50	17,833.35	34.60	0.19% ▲
 DSE 30	2,376.17	22.59	0.96% ▲
 SHANGHAI	3,262.05	26.47	0.82% ▲
 Hang Seng	19,362.25	507.63	2.69% ▲
 Nikkei 225	28,554.00	339.25	1.20% ▲

EUROPE	Value	Pts	Chg. (%)
 FTSE 100	7,351.07	89.01	1.23% ▲
 DAX 30	13,088.21	183.89	1.43% ▲

USA	Value	Pts	Chg. (%)
 DOW JONES	32,151.71	377.19	1.19% ▲
 S&P 500	4,067.36	61.18	1.53% ▲
 NASDAQ	12,588.29	267.10	2.17% ▲

Commodities	Value	Chg.	Chg. (%)
 Gold (t oz.)	1,727.60	1	0.06% ▼
 Oil-WTI (bbl)	85.36	1.43	1.65% ▼

Currencies	Value	Chg.	Chg. (%)
 USD/PKR	227.50	2.50	1.11% ▲
 EURO/PKR	228.90	4.07	1.81% ▲
 GBP/PKR	263.46	4.58	1.77% ▲
 AED/PKR	61.90	0.68	1.11% ▲

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

Market Outlook

KSE-100 on Friday witnessed a technical rebound from its key support level and concluded the session in the green zone. The index made an intra-day high and low at 42,100 (275 points) and 41,816 (-9 points) respectively while closed at 41,948 by gaining 123 points. Trading volume has increased to 96mn shares as compared to 63mn shares on the previous trading day. Going forward, we expect the market to remain volatile amid macroeconomic uncertainties. The support for the index resides at 41,755 (50 DMA). Breaking this level can further drag the index towards 41,100. However, the resistance for the index resides at 42,800.

Key News

International

Asia stocks edge up, dollar restrained before CPI

Asian share markets made cautious gains on Monday on hopes a key reading on U.S. inflation will show some cooling, while the U.S. dollar was restrained by the risk of higher European interest rates and Japanese intervention. Holidays in China and South Korea made for slow trading, while traders were unsure about what implications Ukraine's surprising success against Russian forces might have. MSCI's [see more...](#)

Oil prices slide as China COVID curbs, possible rate hikes weigh on demand outlook

Oil prices slipped during Asian trade on Monday as the prospect of further interest rate hikes in the United States and Europe to quell inflation and the imposition of strict COVID-19 restrictions in China overshadowed the global demand outlook. Brent crude futures dropped 78 cents, or 0.9%, to \$86.01 a barrel by 0040 GMT, after settling 4.1% higher on Friday. U.S. West Texas Intermediate crude was at [see more...](#)

Politics

ECP likely to announce new dates for by-polls soon

The Election Commission of Pakistan (ECP) may announce new dates for by-polls in 13 national and provincial assembly constituencies tomorrow (Monday). Informed sources told Dawn on Saturday that a meeting of the ECP has been called on September 12 to review the flood situation in the country and possibly decide new dates for the polls which were postponed on Sept 8. The devastation caused by floods [see more...](#)

Economy

US extends further \$20m assistance - Positive

The United States on Friday announced an additional \$20 million in humanitarian assistance to support the people affected by severe flooding in Pakistan, making the country as the leading contributor so far with a total of \$50.1 million pledged. The announcement was made by the USAID Administrator, Samantha Power, along with US Ambassador to Pakistan Donald Blome at a news conference. In a tweet, the US Embassy here stated: "The United States is [see more...](#)

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Guterres to take up 'debt swaps' with IMF, WB - Neutral

UN Secretary General António Guterres on Saturday said his organisation would strongly advocate for 'debt swaps' with the International Monetary Fund (IMF) and World Bank through which developing countries including Pakistan -- instead of paying back loans to foreign creditors -- would be able to use that money to invest in climate resilience, investments in sustainable infrastructure, and green transition of their economies. [see more...](#)

UN's CERF allocates \$7m - Positive

The United Nations' Central Emergency Relief Fund (CERF) has allocated \$7 million to help boost flood support in Pakistan. According to a statement of the UN media office, the \$7 million disbursement from the UN's Central Emergency Relief Fund (CERF), announced on Friday, will bolster response to the devastating monsoon floods in Pakistan, the worst in more than a decade. The funding will help prevent waterborne diseases [see more...](#)

GHG cut targets: External support remains low: IMF - Neutral

External support has so far remained below the levels needed to meet Pakistan's greenhouse gas (GHG) reduction targets, as the country has received about \$5½ billion for climate projects during 2016–19, of which \$3.4 billion were directed to mitigation, said the International Monetary Fund (IMF) country report about Pakistan. Recently, the report added, Pakistan has also tapped private sources, issuing a green bond in 2021, whose [see more...](#)

Country in severe liquidity crunch - Negative

Pakistan is reeling under a severe dollar liquidity crunch while the recent flash floods have aggravated the macroeconomic fundamentals despite resumption of the IMF programme after a pause of seven months. Pakistan has not yet made any fresh request to the IMF for the provision of a Rapid Financing Instrument (RFI) or Natural Calamity Response-related funding facility on the expectations of a lukewarm response from [see more...](#)

\$1b loan approval becomes harder - Negative

Pakistan's financial woes may not ease soon as the World Bank has indicated that it may club the approval of two policy loans valuing at over \$1 billion, which will require simultaneous implementation of many tough conditions, including withdrawal of subsidies and reopening of energy contracts. The Washington-based lender wants to club the approval of \$450 million second Resilient Institutions for Sustainable Economy (RISE-II) budget [see more...](#)

Miftah estimates losses at \$18.5bn - Negative

The Federal Minister for Finance & Revenue Miftah Ismail Saturday directed the Chairman FBR and Governor State Bank of Pakistan to look into the suggestions presented by the LCCI and create conducive environment for the businesses. He has asked the top men to hold meetings with the LCCI representatives. He was speaking at a meeting at the Lahore Chamber of Commerce & Industry. LCCI President Mian Nauman Kabir presented the [see more...](#)

Friendly nations find trade deficit off-putting: Miftah - Negative

Finance Minister Miftah Ismail disclosed on Saturday that "none of the friendly countries is ready to financially support Pakistan" because it "has an imbalanced economy", caused mainly by a huge difference between imports and exports. He said the government, in a bid to bridge the gap between exports and imports, had taxed those manufacturing [see more...](#)

Yields on bonds spike in global markets - Negative

Yields on Pakistan's international bonds and Sukuk have spiked in global markets, indicating the risk of default on international payments has increased in the wake of monetary policy tightening and economic slowdown across the world. The yield soared 778 basis points to a five-week high of nearly 40% on the Third Pakistan International Sukuk Co Ltd worth \$1 billion. The five-year Sukuk is maturing [see more...](#)

Dollar still under pressure, not in favour of opening LCs: Miftah - Negative

Federal Finance Minister Miftah Ismail has admitted that there is still much pressure on the dollar, saying he is not in favour of opening LCs for imports. He was speaking to members of the Lahore Chamber of Commerce and Industry, here Saturday. He said that things were getting better, adding that the country could have been bankrupted had the [see more...](#)

We may see another July like movement in PKR to USD. - Negative

We may be seeing a remake of July when Rupee crashed from 210 to 230 in a matter of days. The only difference is that then it was the interbank market that led the rally and this time it is the open market. Last time, analysts thought SBP didn't take any significant interventionary action to bring order to a chaotic market, and this time, it seems we may go the [see more...](#)

Pakistan to pay Rs50b to CPEC IPPs - Positive

Pakistan has promised to make payments of Rs50 billion to four China-Pakistan Economic Corridor (CPEC) power plants early next week to save them from default and send a positive signal across the border ahead of a visit by Prime Minister Shehbaz Sharif. The decision was made on Friday in a meeting attended by Pakistani and Chinese stakeholders. Finance Minister Miftah Ismail presided over the meeting, [see more...](#)

July exports to nine regional states post 9pc growth - Positive

Pakistan's exports to nine regional countries posted a paltry growth of 8.57 per cent in the first month of 2022-23 from a year ago, the latest data released by the State Bank of Pakistan showed. The country's exports to Afghanistan, China, Bangladesh, Sri Lanka, India, Iran, Nepal, Bhutan and the Maldives account for a small amount of \$306.274 million — just 13.58pc of Pakistan's total global exports 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

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- II. Dividend Discount Model
- III. Relative Valuation Model
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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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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