

MORNING GLANCE



42,007






▼ -148



▼ -0.35%




113 mn



YTD -5.81%





1 Year -4.16%

ASIA	Value	Pts	Chg. (%)
 NIFTY 50	17,123.60	140.05	0.82% ▲
 DSE 30	2,310.05	4.08	0.18% ▼
 SHANGHAI	3,013.28	12.23	0.40% ▼
 Hang Seng	16,477.00	224.03	1.34% ▼
 Nikkei 225	26,273.50	123.33	0.47% ▼

EUROPE	Value	Pts	Chg. (%)
 FTSE 100	6,826.15	59.08	0.86% ▼
 DAX 30	12,172.26	47.99	0.39% ▼

USA	Value	Pts	Chg. (%)
 DOW JONES	29,210.85	28.34	0.10% ▼
 S&P 500	3,577.03	11.81	0.33% ▼
 NASDAQ	10,785.62	5.73	0.05% ▼

Commodities	Value	Chg.	Chg. (%)
 Gold (t oz.)	1,676.50	1	0.06% ▼
 Oil-WTI (bbl)	87.19	0.08	0.09% ▼

Currencies	Value	Chg.	Chg. (%)
 USD/PKR	218.50	1.00	0.46% ▲
 EURO/PKR	212.35	1.87	0.89% ▲
 GBP/PKR	240.61	1.28	0.53% ▲
 AED/PKR	59.45	0.27	0.46% ▲

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

Market Outlook

KSE-100 on Wednesday remained volatile throughout the day concluded the session in the red zone amid macroeconomic uncertainties. The index made an intra-day high and low at 42,195 (40 points) and 41,950 (-204 points) respectively while closed at 42,007 by losing 148 points. Trading volume has decreased to 113mn shares as compared to 151mn shares on the previous trading day. Going forward, we expect the market to remain volatile. The support for the index resides at 41,750. Breaking this level can further drag the index towards 41,100. Contrarily, the resistance for the index resides at 42,350.

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. The [see more...](#)

Oil Hovers Around Weekly Lows as U.S. CPI Inflation Looms

Oil prices moved little on Thursday, keeping to their weekly lows as markets hunkered down before key U.S. inflation data due later in the day, while a worsening outlook for crude demand kept sentiment muted. London-traded Brent oil futures rose 0.1% to \$92.65 a barrel, while U.S. West Texas Intermediate futures rose 0.1% to \$87.32 a barrel by 21 [see more...](#)

Politics

Orders came from 'elsewhere' while I was PM, says Imran

LAHORE / ISLAMABAD: Former prime minister Imran Khan on Wednesday said that during his three-and-half-year tenure, decision-making powers did not lie with him, even though he was in charge of running the affairs of the country. The statement by the PTI chief, acknowledging his helplessness despite being at the helm of the affairs, came during a conversation with media persons in [see more...](#)

Economy

IMF projects decline in govt gross debt - Positive

The International Monetary Fund (IMF) has projected a decline in the government gross debt for Pakistan from 77.8 percent of Gross Domestic Product (GDP) in 2022 to 71.1 percent in 2023. However, the fiscal year 2022-23 projections for Pakistan are based on information available as of the end of August 2022 and do not include the impact of the recent floods. According to the IMF report, "Fiscal Monitor, Helping People Bounce Back," the net debt for Pakistan is projected to decline from 71.5 per cent of the GDP in 2022 to 66.1 per cent in 2023. [see more...](#)

MORNING GLANCE

Pakistan's civil govt 'primary interlocutor' in bilateral ties: US - Neutral

The United States Department of State Spokesperson Ned Price on Tuesday said that the civilian government of Pakistan is the "primary interlocutor" in bilateral ties between Islamabad and Washington as he answered questions related to the country and the army chief's recent visit. [see more...](#)

Govt will borrow over Rs7trn during Q2FY23 - Negative

In the absence of sufficient foreign inflows, the federal government has enhanced its reliance on borrowing from the domestic banking system to finance the fiscal deficit. According to the State Bank of Pakistan (SBP), the federal government will borrow over Rs7 trillion from the banking sector during the second quarter (Oct-Dec) of the current fiscal year (FY23). Analysts said that the government is facing a serious financial crunch due to higher current and development expenditures followed by [see more...](#)

PIBs' yields fall - Neutral

Pakistan Investment Bonds (PIBs) yields dropped on Wednesday as investors expect that the interest rates would remain steady in the coming months. The yield on five-year paper decreased by 30 basis points (bps) to 13.0900 percent, while bids for a 10-year paper got rejected. Moreover, bids were not received for 15, 20, and 30 years PIBs, according to the auction result issued by the State Bank of Pakistan. [see more...](#)

THE RUPEE: PKR's winning streak ends - Neutral

Pakistan's rupee finally ended its 13-session appreciation run against the US dollar, and registered a marginal decline of 0.04% in the inter-bank market on Wednesday. As per the State Bank of Pakistan (SBP), the rupee closed at 217.88 after depreciating Re0.09 or 0.04%. In the last fourteen trading sessions, the rupee has cumulatively appreciated Rs21.82 or 10%. On Tuesday, the rupee had gained against the US dollar for the 13 [see more...](#)

PSO wins arbitration case against Gunvor - Positive

Pakistan State Oil (PSO) has won an arbitration case against global LNG trader Gunvor Group Limited pertaining to excess payments for natural gas shipments. The London Court of International Arbitration gave a verdict in favour of Pakistan's PSO which had reduced payments to Gunvor due to overcharged shipments. The company was awarded \$14.6 million and other costs as per contract on October 8 for the case initiated by Gunvor [see more...](#)

SECP enhances sales load limit for AMCs - Neutral

In order to encourage third-party distribution and increase competition in the non-banking financial sector, the Securities and Exchange Commission of Pakistan (SECP) has enhanced sales load limit for Asset Management Companies (AMCs). The SECP has issued Circular 9 of 2022 here on Wednesday. This relaxation has been made for AMCs selling through a third-party online distribution channel/portal. The limit [see more...](#)

Gas, condensate discovered in Sanghar - Positive

Pakistan Petroleum Limited (PPL) has announced a gas and condensate discovery from exploration well Shahpur Chakar North X-1, in Block 2568-18 (Gambat South), located in District Sanghar, Sindh Province. Block 2568-18 (Gambat South) EL is operated by Pakistan Petroleum Limited (PPL) with 65 percent working interest (WI) along with its Joint [see more...](#)

'KES shares deal' - Neutral

Securities and Exchange Commission (SECP) has reportedly sought explanation from Karachi Electric (KE) on purported deal of sale of shares of KES to Sheryar Chishiti, who owns M/s Daewoo in Pakistan. Background interaction with senior officials in Power Division, SECP and KE indicate that they are not aware of the deal of KES stakes through British court, but strong rumours have already been circulating in the market. Last month, Attorney General Office [see more...](#)

Govt to provide Rs55b relief to consumers in electricity bills - Positive

Federal Minister for Power Khurram Dastgir has said a relief of 55 billion rupees has been provided to consumers in electricity bills on the special directives of Prime Minister Shehbaz Sharif. He said this while talking to Speaker National Assembly Raja Pervaiz Ashraf in Islamabad on Wednesday, Radio Pakistan reported. [see more...](#)

Car sales plunge 51pc in September - Negative

Passenger car sales hit various bumps in the road to plunge by a massive 51 percent in September 2022, compared to the same month last year, data showed on Wednesday, driven drastically down by surging vehicle prices, big-ticket bank financing, and production hiccups. According to data released by Pakistan Automotive Manufacturers Association (PAMA), the number of car sales by [see more...](#)

Curbs on CKD imports; Govt may lose around Rs327bn in revenue, says IMC CEO - Negative

The government is expected to lose around Rs. 327 billion or \$1.5 billion in revenue during the ongoing financial year (2022-23), following the restrictions on CKD imports that shrunk the production volume up to 50 percent. Talking to the media, Ali Asghar Jamali, CEO, Indus Motor Company (IMC) denied laying off any employee due to a significant [see more...](#)

Supply of power to 5 export-oriented sectors - Positive

The Federal Government is to arrange Rs100 billion from federal budget to ensure supply of electricity to five export-oriented sectors at Rs 19.90 per unit during the financial year 2022-23. Talking to Business Recorder, after addressing an event of Pakistan Single Window, Minister for Commerce, Syed Naveed Qamar said that since Pakistan is in IMF program, the required amount will [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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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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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