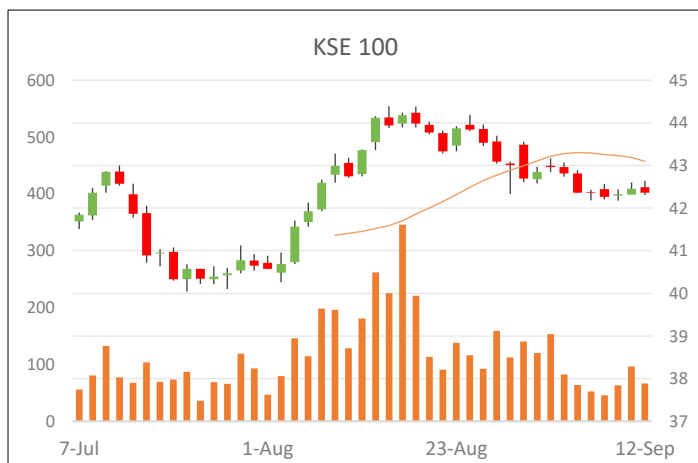


MORNING GLANCE



41,862	▼ -86	▼ -0.21%
66 mn	YTD -6.13%	1 Year -10.22%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,936.35	103.00	0.58% ▲
DSE 30	2,356.63	19.54	0.82% ▼
SHANGHAI	3,266.28	4.22	0.13% ▲
Hang Seng	19,360.00	2.25	0.01% ▼
Nikkei 225	28,624.00	81.89	0.29% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,473.03	121.96	1.66% ▲
DAX 30	13,402.27	314.06	2.40% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	32,381.34	229.63	0.71% ▲
S&P 500	4,110.41	43.05	1.06% ▲
NASDAQ	12,739.72	151.43	1.20% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,732.65	7.95	0.46% ▼
Oil-WTI (bbl)	86.92	0.86	0.98% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	230.00	2.50	1.10% ▲
EURO/PKR	232.01	3.11	1.36% ▲
GBP/PKR	267.16	3.70	1.40% ▲
AED/PKR	62.58	0.68	1.10% ▲

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

Market Outlook

KSE-100 on Monday opened on a positive note. However, later on, it lost the impetus and concluded the session in the red zone amid the adverse impact of the floods on the overall economy of Pakistan. The index made an intra-day high and low at 42,138 (190 points) and 41,813 (-135 points) respectively while closed at 41,862 by losing 86 points. Trading volume has decreased to 66mn shares as compared to 96mn 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 41,756 (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

Stocks creep higher as focus turns to U.S. inflation data

Asian stocks rose on Tuesday as traders in Korea returned from holidays in a mood to catch up on a global bounce, while other markets held steady ahead of U.S. inflation data that will offer a crucial guide to the interest rate outlook. Wall Street indexes posted a fourth straight session of gains overnight, while the U.S. dollar retreated further from milestone highs - partly on hopes that the prices data, due at 1230 GMT, [see more...](#)

Oil prices edge higher on worries over tighter supply

Oil prices edged up early on Tuesday, extending gains from the previous session as investors worried about tight supply ahead of the winter heating season in the Northern Hemisphere. Brent crude rose 5 cents to \$94.05 a barrel by 0006 GMT, while WTI crude rose 7 cents to \$87.85 a barrel. Crude prices on both sides of the Atlantic have surged more than 15% this year due to uncertainties stemming from [see more...](#)

Politics

Can talk to govt if it is ready for fresh elections, says Imran

PTI chief and former prime minister Imran Khan on Monday said that he was willing to hold a dialogue with the incumbent government if it was ready to hold fresh elections. He made these remarks in an interview with journalist Kamran Khan on Dunya News. Responding to a question regarding holding talks with the government, Imran said: "The country is [see more...](#)

Economy

Seventh successive loss: rupee depreciates to settle at 229.82 against US dollar - Negative

Pakistan's rupee continued to sustain losses against the US dollar for the seventh successive session, settling with a depreciation of 0.71% in the inter-bank on Monday as a shortage of greenback kept the local currency under pressure. As per the State Bank of Pakistan (SBP), the rupee closed at 229.82 after declining by Rs1.64. During the last seven trading sessions, the rupee has cumulatively declined by [see more...](#)

MORNING GLANCE

'International Pharma Asia' expo begins today - Neutral

The three-day 19th International Pharma Asia Exhibition will be held at Karachi Expo Center from Tuesday (today). Over 200 manufacturers of pharmaceuticals and medical goods will showcase their products at the exhibition organized by Ecommerce Gateway in cooperation with the Pakistan Pharmaceutical Manufacturers Association. Moreover, 120 delegations from around the world including China, Singapore, Germany and [see more...](#)

Tractor manufacturing: Imports of auto parts will be made easier: Miftah - Positive

Finance Minister Miftah Ismael has said the country's economy is heading in the right direction due to government's prudent economic policies. This he said during a meeting with Punjab Governor Muhammad Baligh ur Rehman, here on Monday. During the meeting, both discussed the country's economic and flood situation. The finance minister said that imports of auto [see more...](#)

OMCs raise concerns on OGRA's terms of references - Neutral

Oil Marketing Companies (OMCs) have concerns over terms of references (ToRs) to be developed by the Oil and Gas Regulatory Authority (OGRA) with the specified timeline regarding the deregulation of petroleum products, The News learnt on Monday. The deregulation of prices would provide OMCs the liberty to fix prices of petroleum products based on their cost of local procurement / imports. The rationale of deregulation of [see more...](#)

Financial close, RCO of Thar coal project - Neutral

M/s Shanghai Electric has sought extension in financial closing date and required commercial operation (RCO) date sans conditions for its 1,320 MW Thar coal project till December 31, 2022 and July 22, 2023 respectively, saying that circumstances are not in the company's control. In a letter to the Managing Director PPIB, the power company's Chief Executive Officer (CEO) Meng Donghai has explained reasons for seeking extensions. On [see more...](#)

Govt 'discreetly' changes electricity billing system - Neutral

The coalition government has discreetly made a change in the way power consumers are billed by revising the slabs based on units consumed by generating bills in accordance with the price of the units in the last slab instead of the second last slab. As a result, consumers have received unusually high electricity bills in August. According to sources, the incumbent government of Prime Minister Shehbaz Sharif has put an end to giving consumers [see more...](#)

Auto Sales May Drop Again Next Month Due to Production Issues - Negative

The inflationary pressures and import hurdles continue to pound the local auto industry. Carmakers have witnessed a decline in production, which may cause sales to plummet further in the coming months. The sales are already on a downward trajectory for the past few months due to rising prices and falling demand. The import restrictions, delivery delays, and production [see more...](#)

PSX Shift Quice Food from Default to Normal Counter - Positive

Pakistan Stock Exchange (PSX) is hereby informed to all concerned that Quice Food Industries Limited ("QUICE") has rectified the default of PSX regulation by payment of outstanding dues to the Exchange. Therefore QUICE shall be shifted to the "Normal Counter" of the Exchange with effect from September 13, 2022. QUICE has been advised to [see more...](#)

Honda Atlas Sees a Huge Decline in Sales for August 2022 - Negative

Honda Atlas Cars Limited's (HACL) sales have fallen even further compared to July. According to details, the company sold 1,809 units in August, recording a 29% Month Over Month (MOM) decline in sales. Last month, the company sold 2,537 units, surpassing Toyota Indus Motor Company (IMC), which sold 2,404 cars. Most of its sales, however, [see more...](#)

Banks' deposits surge by 15% YoY Rs22.2tr in August: SBP - Neutral

The total deposits held by scheduled banks have shown a growth of around 15% YoY to around Rs22.2 trillion in August 2022, against Rs19.8tr in the same month of last year on account of strong overseas inflows, data issued by State Bank showed today. Likewise, on a monthly basis, local banks' deposits inched up by 0.2% from Rs22.1tr in July 2022. [see more...](#)

System Limited Get SECP Approval for Issuance of 11.8 Million New Shares - Neutral

Securities and Exchange Commission of Pakistan (SECP) have approved the other than rights issue of 11,822,500 shares as requested by Systems Limited. This new issuance forms 4.25 percentage of Paid-up Capital before issue and 4.07 percentage of Paid-up Capital after issue. The objective of the issue is the acquisition of NDC Tech (Pvt.) Ltd., NDC FZC [see more...](#)

SECP proposes enhancement in scope of REITs assets - Positive

The Securities and Exchange Commission of Pakistan (SECP) has proposed to enhance the scope of the Real Estate Investment Trusts (REITs) assets in Pakistan including agriculture, healthcare, transport, power/energy, and telecommunication. According to the SECP's concept paper, "Review of Landscape and Revamping Framework- [see more...](#)

Chinese firm to invest in telecom - Positive

Hunan Sunwalk Group, China has planned to undertake a multi billion dollar investment in telecom infrastructure and fiber business in Pakistan, specifically in Tier-2 and Tier-3 cities, a statement said on Monday. Sunwalk investments shall scale up broadband proliferation in the country for digital revolution not only for business-to-business segment, but also to benefit government and enterprise businesses [see more...](#)

DISCLAIMER

This report has been prepared by Abbasi & Company (Private) Limited and is provided for information purposes only. Under no circumstances, this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Abbasi & Company (Private) Limited and or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Abbasi & Company (Private) Limited accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. In particular, the report takes no account of the investment objectives, financial situation and needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Abbasi & Company (Private) Limited Research Department and do not necessarily reflect those of the company or its directors. Abbasi & Company (Private) Limited as a firm may have business relationships, including investment-banking relationships, with the companies referred to in this report. Abbasi & Company (Private) Limited does not act as a market maker in the securities of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives do not have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company at the time of issuance of this report. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives are not currently serving or have served in the past three years as a director or officer of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives have not received compensation from the subject company in the previous 12 months. The subject company currently is not, or during the 12-month period preceding the date of publication or distribution of this report, was not, a client of Abbasi & Company (Private) Limited. We have not managed or co-managed a public offering or any take-over, buyback or delisting offer of securities for the subject company in the past 12 months and/or received compensation for corporate advisory services, brokerage services or underwriting services from the subject company in the past 12 months. Abbasi & Company (Private) Limited does not expect to receive or intend to seek compensation for corporate advisory services or underwriting services from the subject company in the next 3 months

All rights reserved by Abbasi & Company (Private) Limited. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Abbasi & Company (Private) Limited. Action could be taken for unauthorized reproduction, distribution or publication

VALIDITY OF THE PUBLICATION OR REPORT

The information in this publication or report is, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report. The information may be subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the company, jurisdiction or financial instruments referred to in this report. The valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report and were based upon several estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein is not to be relied upon as a representation and/or warranty by Abbasi & Company (Private) Limited and/or its other associated and affiliated companies, that:

- I. Such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- II. There is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein

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

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

RATINGS CRITERIA

Abbasi & Company (Private) Limited employs a three-tier ratings system to rate a stock and sector, as mentioned below, which is based upon the level of expected return for a specific stock and outlook of sector. The rating is based on the following with stated time horizon

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.

RESEARCH DISSEMINATION POLICY

Abbasi & Company (Private) Limited endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as email, fax mail etc. Nevertheless, all clients may not receive the material at the same time

OTHER DISCLOSURES

The research analyst is primarily involved in the preparation of this report, certifies that:

- I. The views expressed in this report accurately reflect his/her personal views about the subject company/stock /sector and economy
- II. No part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report

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