



## Market Outlook

The stock market on Tuesday remained volatile throughout the day and concluded the session in green zone amid profit taking by the investors as they are anticipating a correction in the market. The Benchmark KSE-100 index made an intra-day high and low at 56,873.98 (350.4 points) and 56,118.17 (142.35 points) respectively while closed at 56,665.93 by gaining 142 points. Trading volume decreased to 255mn shares as compared to 299mn shares on the previous trading day. Going forward, the All-time high for the index resides at 56,665. Breaking this level would further push the index towards 56,800. Contrarily, the support for the index resides at 56,500.

## Key News

### International

#### Asia markets strengthen ahead of Biden-Xi talks

Asia-Pacific markets rose on Tuesday as investors look ahead to highly anticipated talks between the U.S. and China as well as more economic data. U.S. President Joe Biden and China's President Xi Jinping's will meet in-person in San Francisco later in the day, for the first time in about a year. Japan's Nikkei 225 closed 0.34% higher at 32,695.93, while the Topix ended 0.37% higher at 2,345.29. [see more...](#)

#### Oil Steady With Differing Views From IEA, OPEC Clouding Outlook

Oil steadied after a short-lived relief rally as the market digested differing views on the supply and demand outlook, while an industry report pointed to an expansion in US stockpiles. Global benchmark Brent traded above \$82 a barrel, while West Texas Intermediate was close to \$78. The International Energy Agency said global oil [see more...](#)

### Politics

#### PMLN campaign under way: Nawaz reaches out to politicians in Balochistan

Over 30 prominent politicians of Balochistan announced joining the Pakistan Muslim League-Nawaz during former Prime Minister Nawaz Sharif and his team's visit to the provincial capital on Tuesday. Former Balochistan chief minister Jam Kamal, federal ministers Sardar Fateh Mohammad Hosni, Mujibur Rahman Mohammad [see more...](#)

### Economy

#### UAE assures IMF mission on Pakistan's external financing gap – Neutral

The United Arab Emirates (UAE) — a time-tested friend of Pakistan — once again came to rescue the cash-strapped nation amid a difficult time as it assured the International Monetary Fund (IMF) mission on the country's external financing gap. [see more...](#)

56,665	▲ 141	▲ 0.25%
255 mn	YTD 38.83%	1 Year 32.24%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,443.55	82	0.42% ▼
DSE 30	2,118.30	-	-
SHANGHAI	3,073.43	17.36	0.57% ▲
Hang Seng	17,887.00	462.00	2.65% ▲
Nikkei 225	33,465.00	769.07	2.35% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,440.47	14.64	0.20% ▲
DAX 30	15,614.43	269.43	1.76% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	34,827.70	489.83	1.43% ▲
S&P 500	4,495.70	84.15	1.91% ▲
NASDAQ	15,812.47	329.69	2.13% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,969.50	3.00	0.15% ▲
Oil-WTI (bbl)	78.42	0.30	0.38% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	287.87	0.32	0.11% ▲
EURO/PKR	308.21	0.79	0.26% ▲
GBP/PKR	353.95	1.95	0.55% ▲
AED/PKR	78.38	0.09	0.11% ▲

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

## MORNING GLANCE

### IMF raises questions on SIFC creation – Neutral

The International Monetary Fund (IMF) has advised Pakistan against creating a group of preferred investors or distortions in the country under the Special Investment Facilitation Council (SIFC) and to ensure transparency and accountability in its business deals. Deputy Chairman Planning Commission Dr Jehanzeb Khan told economists and journalists that the visiting [see more...](#)

### Talks with Saudis on Reko Diq stake soon – Positive

Talks with Saudi Arabia on the sale of stakes in the multibillion-dollar Reko Diq gold and copper mine will begin soon, the head of the Planning Commission said on Tuesday, as a share-price evaluation of the project is now complete. Talking to the media, Dr Jehanzeb Khan stressed that the \$70 billion foreign direct investment anticipated through the Special Investment Facilitation Council (SIFC), a high-level civil-military [see more...](#)

### UK to double investment in Pakistan to tackle climate change – Neutral

The United Kingdom has announced to double its investment to tackle climate change and improve climate resilience and adaptation in Pakistan. This was stated by British High Commissioner to Pakistan Jane Marriott while addressing a reception to celebrate the birthday of King Charles III Tuesday evening at her residence here. Caretaker Foreign Minister Syed Jalil Abbas [see more...](#)

### Petrol price likely to remain unchanged – Neutral

The interim government may keep the price of petrol unchanged, and a significant decrease in other petroleum products is estimated with effect from November 16, 2023. Oil marketing companies estimated an increase of Rs 3 per litre in petrol prices, reaching Rs 286.38 per litre from the current Rs 283.38. However, it is expected that the government may adjust the increase in oil companies and dealer margin and ex-refinery [see more...](#)

### Port bottlenecks threaten oil supply chain, OCAC warns – Neutral

The oil sector has identified bottlenecks at the ports, which are impacting the already fragile supply chain of petroleum products and proposed for separate line for petrol, streamlining the berthing standard operating procedure (SOP) and improvement in the night navigation for fully loaded vessels. The Oil Companies Advisory Council (OCAC), a representative body of the oil industry, in a detailed letter to the Ministry of Energy- Petroleum [see more...](#)

### Power adjustment: Govt seeks Rs1.25 per unit hike for Q1 – Negative

The government has requested an increase of Rs1.25 per unit on account of quarterly adjustment for the first quarter of the ongoing fiscal year (July-September 2023) to recover Rs22.56 billion from the consumers. The National Electric Power Regulatory Authority (NEPRA) on Tuesday reserved its decision with regard to quarterly power [see more...](#)

### Cabinet mulls abolishing free power to Discos' officials today – Neutral

The government has decided to stop providing free electricity to officers of electricity companies and instead pay them a sum. According to sources, this summary will be presented for approval in today's (Wednesday) federal cabinet meeting. The meeting has issued a revised agenda consisting of [see more...](#)

### Import of 0.2MMTs of urea: TCP may be granted exemption from procurement rules – Neutral

The federal cabinet is likely to grant exemption from the applicability of Public Procurement Rules, 2004 to the Trading Corporation of Pakistan (TCP) for the import of 200,000 metric tonnes of urea on Wednesday (Nov 15). The cabinet meeting to be presided over by the caretaker Prime Minister, Anwar ul Haq, is expected to be submitted a proposal [see more...](#)

### Forex deals: Tax on windfall profits of banks likely – Negative

The government is likely to invoke provisions of the Finance Act, 2023, to impose tax on windfall profits/gains of banks. It is learnt that the federal cabinet in its meeting on Tuesday (Nov 14) may consider the agenda item, "Tax on windfall profits of banks earned on foreign exchange transactions during calendar years 2021 and 2022." The Revenue Division is expected to move a summary to the federal [see more...](#)

### Insurance penetration less than 1pc of GDP: regulator – Neutral

The insurance sector penetration has stagnated for years at less than one per cent of GDP, while several categories, including micro insurance, livestock insurance, and insurance against losses due to disaster and terrorism, were almost nonexistent. This was highlighted in a media engagement held by the Securities and Exchange Commission [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

<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

## 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

Haroon Abdul Razzaq

Phone: (+92) 42 38302028

Ext: 116

Email: haroon@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