

MORNING GLANCE



42,011	▲ 10	▲ 0.02%
94 mn	YTD -5.79%	1 Year -11.12%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,003.75	66.3	0.37% ▼
DSE 30	2,353.51	3.12	0.13% ▼
SHANGHAI	3,218.02	19.52	0.60% ▼
Hang Seng	18,888.50	41.40	0.22% ▲
Nikkei 225	27,928.50	109.88	0.39% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,277.30	108.56	1.47% ▼
DAX 30	13,028.00	160.95	1.22% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	31,135.09	30.12	0.10% ▲
S&P 500	3,946.01	13.32	0.34% ▲
NASDAQ	12,134.40	100.78	0.84% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,703.85	5.25	0.31% ▼
Oil-WTI (bbl)	88.52	0.04	0.05% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	233.50	1.50	0.65% ▲
EURO/PKR	232.90	2.5	1.06% ▼
GBP/PKR	268.36	3.47	1.28% ▼
AED/PKR	63.54	0.42	0.67% ▲

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

Market Outlook

KSE-100 on Wednesday remained volatile throughout the day and managed to close flat amid the uncertain macroeconomic situation prevailing in the country. The index made an intra-day high and low at 42,084 (83 points) and 41,913 (-89 points) respectively while closed at 42,012 by gaining 10 points. Trading volume has increased to 92mn shares as compared to 62mn shares on the previous trading day. Going forward, we expect the market to remain volatile. The support for the index resides at 41,775 (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 subdued by rate hike risks, yen steady

Asia's stockmarkets were steady but fragile on Thursday, a day after their biggest drawdown in three months as investors weighed the risk of the Federal Reserve announcing a 100 basis point interest rate hike next week to tackle sticky inflation. The Japanese yen loitered just above recent lows, riding a boost from the strongest hints yet of possible market intervention by Japanese authorities. The New Zealand [see more...](#)

Oil rises on weakening dollar, potential supply disruptions

Oil prices edged upwards in early Asian trade on Thursday, as supply concerns and a looming rail stoppage in the United States, the world's biggest crude consumer, supported markets. Brent crude futures rose 38 cents, or 0.4%, to \$94.48 a barrel by 0013 GMT, while U.S. West Texas Intermediate crude rose 46 cents, or 0.5%, to \$88.94. The dollar index slipped 0.14% on Wednesday, dialing back the previous [see more...](#)

Politics

ECP announces by-elections for 8 NA seats on Oct 16

The Election Commission of Pakistan (ECP) announced on Wednesday that by-elections for eight National Assembly seats — vacated after the acceptance of the resignations of PTI MNAs — would be held on October 16. The NA seats were vacated after speaker Raja Pervaiz Ashraf had, on July 28, accepted the resignations of PTI MNAs — nine on [see more...](#)

Economy

ADB Financing \$8.4 Billion Ongoing Projects in Pakistan - Positive

The Asian Development Bank (ADB) ongoing sovereign portfolio in Pakistan includes 48 loans and 3 grants worth \$8.42 billion, according to ADB. The ADB also supported Pakistan in COVID-19 pandemic during 2021, which included a \$500 million loan to help procure and deploy safe and effective vaccine and a \$603 million loan of which \$3 million is from the ADF for an integrated social protection program to strengthen Pakistan's flagship Ehsaas program. [see more...](#)

MORNING GLANCE

Government Raises Above Target Amount in PIB Auction at Lower Cost Despite Recent Rupee Depreciation - Neutral

The government raised PKR 235.43 billion through an auction of fixed-rate Pakistan Investment Bonds (PIBs) compared to a target of PKR 175 billion, as per data published by the State Bank of Pakistan (SBP). Cut-off yields decreased by 3 bps compared to the 3rd August PIB Auction despite recent Rupee fall. In last nine trading sessions Rupee fall by 6.7 percent as dollar [see more...](#)

FATF team visit smooth, successful: FO - Neutral

Pakistan Wednesday termed the recent onsite visit of a FATF technical team 'smooth and successful' and said it looked forward to a logical conclusion to the ongoing evaluation process. "The report of the FATF onsite team will be discussed in the ICRG (International Cooperation Review Group) and Plenary meetings, scheduled for the third week of October 2022 in Paris. Pakistan is looking forward to a logical conclusion to the ongoing [see more...](#)

THE RUPEE: PKR sustains more losses - Negative

Pakistan's rupee continued to sustain losses against the US dollar for the ninth successive session, settling with a depreciation of 1.02% in the inter-bank on Tuesday, as the dollar strengthened globally while investors remained wary of a rising import bill. As per the State Bank of Pakistan (SBP), the rupee closed at 234.32 after declining by Rs2.4. During the last nine trading sessions, the rupee has cumulatively declined by Rs15.72 or 6.7% against [see more...](#)

Extra revenue collection goal: Govt may not pass full relief on to POL consumers - Neutral

The federal government may not pass on the full relief to the end-consumers in a bid to collect additional revenue from petroleum products from September 16. According to oil companies' estimates, Pakistan State Oil (PSO) imported two cargoes of petrol at \$14 and \$21 premium which is high due to the unstable exchange rate. Recently, an additional cargo has arrived. If [see more...](#)

Lucky to install 25.3MW captive solar power project in Karachi at estimated cost of Rs3bn - Positive

Lucky Cement Limited, one of Pakistan's biggest cement manufacturers, announced entering into an arrangement with Orient Energy Systems (Private) Limited, an engineering company, for the supply and installation of 25.3 MW captive solar power project at its Karachi plant. In a notice sent to the Pakistan Stock Exchange (PSX) on Wednesday, the cement manufacturer [see more...](#)

DG Khan Cement to invest Rs900m in Hyundai - Positive

The DG Khan Cement Company (DGKCC) on Tuesday notified the Pakistan Stock Exchange (PSX) that it plans to invest Rs900 million into Hyundai Nishat Pakistan for equity. "All shareholders are going to put in money. We want to decrease the company's debt and improve our debt-equity ratio because of the high interest rates," CEO Hyundai Nishat Hassan Mansha told Profit. "The amounts (by other shareholders) will depend on their [see more...](#)

36 LNG spot cargoes: PLL seeks exemption from PPRA rules - Neutral

Fearing extreme volatility in the international market during the upcoming years, Pakistan LNG Limited (PLL) has sought exemption from PPRA rules for procurement of approximately 36 LNG spot cargoes for the period from January to December 2023, well-informed sources told Business Recorder. PLL is mandated by the government to import LNG to meet [see more...](#)

Hyundai announces price hike for sedans - Neutral

Hyundai Nishat has increased the prices of all of its Sedans, apart from the Elantra 1.5. The new prices will come into effect from October 1 and will be the second price increase announced by Hyundai in FY23 so far. As seen in the chart, the new prices shall be applicable on the Elantra 2.0 and all variants of the Sonata whereas the old prices will remain applicable on all full payment orders till September 30 [see more...](#)

600MW projects offered: Govt unveils solar PV projects policy - Neutral

The government Wednesday unveiled its policy on fast-track development of solar PV projects at an investors' conference to offer projects of 600 MW. The salient features of the policy are: (i) single stage, two-envelope bidding; (ii) straight line tariff; (iii) 70 percent indexation of tariff; (iv) benchmark tariff by Nepra; (v) guaranteed purchase of power; (vi) land [see more...](#)

Fuel charges adjustment being deferred, not waived, clarifies govt - Negative

Minister for Power Engineer Khurram Dastgir Khan has clarified that the fuel charges adjustment (FCA) for consumers having up to 300 units has not been waived but deferred, which will be collected from October to March. Addressing a news conference in Islamabad on Wednesday, he said that the government is trying to give relief to consumers who [see more...](#)

KE's monopoly over power supply in city to end by 2023, says energy minister - Neutral

The Sindh government will end the monopoly of Karachi's sole power provider K-Electric (KE) by 2023. The announcement to this effect was made by Sindh Energy Minister Imtiaz Ahmed Shaikh as he addressed a press conference on Tuesday. He said that if there were more than one electricity supply companies in Karachi, better facilities would be [see more...](#)

Inflation in the country is at its peak, admits PM Shehbaz - Negative

Prime Minister Shehbaz Sharif on Wednesday admitted that without any shadow of a doubt, inflation in the country is at its peak. Addressing the Lawyers Convention in Islamabad, he said that the first phase of the housing scheme has been completed today and the long-standing demand of the lawyers has been fulfilled, while the allotment letters [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