

MORNING GLANCE



45,650

▲ 59

▲ 0.13%

61 mn

YTD 11.84%

1 Year 8.66%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	20,103.10	33.10	0.16% ▲
DSE 30	2,137.60	3.63	0.17% ▲
SHANGHAI	3,130.96	4.41	0.14% ▲
Hang Seng	18,289.50	236.50	1.31% ▲
Nikkei 225	33,612.50	400.00	1.20% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,673.08	147.09	1.95% ▲
DAX 30	15,805.29	151.26	0.97% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	34,907.11	331.58	0.96% ▲
S&P 500	4,505.10	37.66	0.84% ▲
NASDAQ	15,473.89	125.37	0.82% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,936.65	3.85	0.20% ▲
Oil-WTI (bbl)	90.92	0.76	0.84% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	297.96	0.86	0.29% ▼
EURO/PKR	319.89	1.08	0.34% ▼
GBP/PKR	372.12	0.48	0.13% ▼
AED/PKR	81.12	0.23	0.28% ▼

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



Market Outlook

The stock market on Thursday remained volatile throughout the day and concluded the session in the green zone as investors awaited the outcome of the Monetary Policy Committee meeting. The Benchmark KSE-100 index made an intra-day high and low at 45,776.96 (186 points) and 45,581.48 (-9 points) respectively while closed at 45,650.05 by gaining 59 points. Trading volume increased to 61mn shares as compared to 47mn shares on the previous trading day. Going forward, we expect the market to remain positive as the MPC has decided to keep the interest rate unchanged. The support for the index resides at 45,300. Breaking this level would further drag the index towards 44,500. Contrarily, the resistance for the index resides at 46,000..



Key News

International

Asia Stocks Rally as Markets Ready for China Data: Markets Wrap

Stocks in Asia advanced following better-than-expected Chinese economic data and after the central bank took further measures to support the struggling economy. production and retail sales data beat estimates, adding to evidence Shares in mainland China swung to a gain after industrial [see more...](#)

Oil prices rise to 10 month-high on China reserve ratio cut

Oil prices rose to their highest level in 10 months on Friday, after China cut banks' cash reserve requirements to boost its economic recovery, and on expectations that major global interest rate hike cycles were nearing their end. Brent crude rose 46 cents, or 0.5%, to \$94.16 as of 0027 GMT, [see more...](#)

Politics

President proposes elections be held on Nov 6, 2023

President Dr Arif Alvi, Wednesday, wrote another letter to Chief Election Commissioner (CEC) Sikandar Sultan Raja and said that under Article 48 (5), the general election to the National Assembly should be held on November 6, 2023 (Monday), within 90 days after the dissolution of the National Assembly. According to the letter, whereas Article 48 [see more...](#)

Economy

Policy rate kept unchanged – Positive

As against the market expectations, the Monetary Policy Committee (MPC) of the State Bank of Pakistan has maintained the key policy rate at 22 percent as the inflation is projected to remain on the downward trajectory in the future. [see more...](#)

MORNING GLANCE

Jul-Aug CAD declines 54pc to \$935m YoY – Neutral

The country's current account deficit sharply declined by 54 percent during the first two months of this fiscal year (FY24) as goods import constricted. According to State Bank of Pakistan (SBP), Pakistan posted a current account deficit of \$935 million in July-Aug of FY24 as compared to a deficit of \$2.035 billion during the same month of last fiscal year (FY23), depicting a massive decline of \$ 1.1 billion. The country's current account [see more...](#)

Jul-Aug FDI up 16pc to \$234m YoY – Neutral

After a long gap, some improvement has been witnessed on the foreign investment front as the Foreign Direct Investment (FDI) in the country rose by 16 percent during the first two months of this fiscal year (FY24). FDI into Pakistan is on decline for the past many months. It sharply declined by 25 percent to \$ 1.456 billion in the last fiscal year (FY23). However, now once again FDI is presenting an improved picture and posted an increase of [see more...](#)

SBP forex reserves fall by \$140 million to \$7.6 billion – Negative

Pakistan's foreign exchange reserves held by the central bank fell by \$140 million to \$7.638 billion in the week ending September 8, the State Bank of Pakistan (SBP) said on Thursday. The total reserves of the country dropped by \$48 million to \$13.079 billion. However, the reserves of commercial banks increased by \$93 million to \$5.440 billion. The forex reserves are enough to cover 1.70 months of import payments. The SBP attributed [see more...](#)

NPCs: RoR again revised upward to attract more investment – Neutral

The federal government has revised the rate of return on the conventional Naya Pakistan Certificates (NPCs) upward to attract more investment. This is the second increase in the rate of return of the NPC during this calendar year as previously, the rate was revised upward in January. Following the directives of the federal government, the State Bank of Pakistan (SBP) on [see more...](#)

PKR further improves – Positive

The Pakistani rupee continued to improve against the US dollar, appreciating for the seventh consecutive session to settle at 297.96 in the inter-bank market on Thursday. At close, the rupee was up Re0.86 or 0.29%, as per the State Bank of Pakistan (SBP). Cumulatively, the rupee has appreciated over 3% in the last seven sessions after it hit a record low of 307.1 last week. On Wednesday, the rupee had appreciated 0.36% to settle at 298.82. [see more...](#)

Summary seeking up to 50pc raise in gas sale prices re-submitted – Neutral

Petroleum Division has re-submitted a summary for upto 50 percent raise in gas sale prices to the interim cabinet in-line with the demand of the International Monetary Fund (IMF), an official of Petroleum Division told Business Recorder on condition of anonymity. "It is most likely that the interim cabinet will approve the sale price of gas for 12 [see more...](#)

24 spot cargoes; PLL seeks exemption from PPRA conditions – Neutral

Pakistan LNG Ltd (PLL) has sought exemption from applicability of PPRA conditions to procure approximately 24 cargoes during the period of one year, ie, January-December 2024, sources close to the Minister Energy told Business Recorder. Pakistan LNG Ltd is mandated by the government of Pakistan to import LNG to meet the natural. [see more...](#)

Gross margins for refineries jump to record high of \$17/barrel in Sept – Positive

Gross refining margins (GRMs) of local refineries have gone up massively to around \$17 per barrel in the month of September this calendar year, a brokerage house report said on Thursday. GRMs, a key factor for refineries' earnings have reached a record level, with most refineries in Pakistan earning an average \$17 per [see more...](#)

RfP for solar PV project; PPIB seeks revision in indexation, adjustment formula – Neutral

The Private Power Infrastructure Board (PPIB) has sought revision in indexation/adjustment formula, taking into account the one-time adjustment of 20 percent of the bid tariff at Commercial Operation Date (COD) for exchange rate variation, well-informed sources told Business Recorder. The PPIB, in a letter to the National Electric [see more...](#)

PIA privatization; PM directs minister to oversee process – Neutral

Caretaker Prime Minister Anwaarul Haq Kakar directed ALL RELEVANT STAKEHOLDERS to find an immediate solution to the privatisation of Pakistan International Airlines (PIA). According to the Prime Minister's Office, the caretaker premier, on Thursday, chaired a meeting on matters related to the PIA. He was briefed on the progress 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

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

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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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