

MORNING GLANCE



49,493	▲ 721	▲ 1.48%
370 mn	YTD 21.26%	1 Year 17.6%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,714.30	36.75	0.19% ▼
DSE 30	2,141.54	0.15	0.01% ▲
SHANGHAI	3,075.80	12.29	0.40% ▼
Hang Seng	17,758.00	1	0.01% ▼
Nikkei 225	31,718.50	571	1.77% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,599.60	45.18	0.59% ▼
DAX 30	15,186.66	238.37	1.55% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	33,670.29	39.15	0.12% ▲
S&P 500	4,327.78	21.83	0.50% ▼
NASDAQ	14,995.12	188.99	1.24% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,933.15	8.35	0.43% ▼
Oil-WTI (bbl)	86.48	0.13	0.15% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	277.62	0.96	0.34% ▼
EURO/PKR	293.08	2.86	0.97% ▼
GBP/PKR	339.20	3.43	1.00% ▼
AED/PKR	75.58	0.26	0.34% ▼

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

Market Outlook

The stock market on Friday Surged over 700 points and concluded the session in the green zone amid rupee continuous appreciation against the USD & positive corporate results that created bullish sentiment throughout the day. The Benchmark KSE-100 index made an intra-day high and low at 49,520.37 (749 points) and 48,767.59 (-4 points) respectively while closed at 49,493.47 by gaining 722 points. Trading volume increased to 370mn shares as compared to 223mn shares on the previous trading day. Going forward, we expect the market to remain positive if it breaks the crucial level of resistance at 49,500. Breaking this level would further push the index towards 50,000. Contrarily, the support for the index resides at 48,900.

Key News

International

Asian stocks weak as Middle East tensions persist, Nikkei tumbles

Most Asian stocks retreated on Monday as concerns over the Israel-Hamas war kept risk sentiment weak, with Japan's Nikkei index leading losses amid jitters before key inflation data this week. Markets remained on edge over a spillover in the Israel-Hamas conflict into the broader Middle East region, as Israel prepared for a ground assault on the Gaza strip. But U.S. Secretary of State Antony Blinken said [see more...](#)

Oil prices fall as investors assess impact of Israel-Hamas war

Oil prices fell on Monday, partly reversing Friday's rally as investors wait to see if the Israel-Hamas conflict draws in other countries, which could drive up prices and deal a fresh blow to the global economy. Brent futures slid 34 cents, or 0.4%, to \$90.55 per barrel and U.S. West Texas Intermediate (WTI) crude dropped 41 cents, or 0.5%, to \$87.28 a [see more...](#)

Politics

All registered parties can take part in general elections: caretaker PM

"Every political party registered with the ECP is entitled to file [nomination papers] for its candidate," the caretaker PM said, while talking to media person about the caretaker government's mandate to ensure a level playing field for all political parties. When asked about the possible return of former prime minister Nawaz Sharif, PM [see more...](#)

Economy

IMF countries to boost funding by year-end – Neutral

International Monetary Fund countries agreed on Saturday to a "meaningful increase" in the fund's lending resources by year-end as IMF Managing Director Kristalina Georgieva warned the Israel-Gaza conflict was [see more...](#)

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ML-1 project with; Revised agreement likely to be signed with China – Neutral

Pakistan is all set to sign a revised agreement on the ML-1 project with China under the China-Pakistan Economic Corridor (CPEC) during the prime minister of Pakistan's upcoming visit to China starting from October 17, senior Pakistan Railways (PR) officials said. The officials said that in this connection a high-level meeting of Pakistan Railways presided over by [see more...](#)

Pakistan set to meet key IMF targets: SBP – Positive

The State Bank of Pakistan (SBP) has met an end-September deadline for a forward book target agreed with the International Monetary Fund and is well-positioned to meet other targets related to net international reserves and net domestic assets, the central bank said on Friday. The IMF is expected to review the country's \$3 billion ongoing loan programme next month. Pakistan secured \$1.2 billion from the Washington [see more...](#)

AIB and World Bank approve \$600m for Rise-II – Positive

According to the cost and financing plan, AIB will provide \$250m for Rise-II, while the World Bank will contribute \$350m through the International Development Association (IDA). The objectives of the second programme are to strengthen Pakistan's macroeconomic management, fostering sustained and inclusive growth by mitigating the socioeconomic effects of the Covid-19 pandemic and other shocks. [see more...](#)

Pakistan, China likely to ink more highway deals – Positive

The agreements will be signed under the China-Pakistan Economic Corridor (CPEC). PM Kakar is visiting China to attend 'Third Belt and Road Forum (BRF) for International Cooperation', being held in Beijing from Oct 17 to 18. "The prime minister will attend the opening ceremony of the BRF and address the high-level forum entitled 'Connectivity in an Open Global Economy,'" the PM office said in a post on X on Saturday. [see more...](#)

Capacity issues hinder uplift projects in flood-hit areas; Foreign states, donors ready to finance \$7.4bn – Positive

Many development projects could not be initiated in flood-affected areas due to capacity issues of the provinces, whereas, foreign countries and international donor agencies are ready to finance \$ 7.4 billion as pledged under the Geneva Donor conference. A senior official of Planning Ministry said in an informal chat with a group of journalists on Friday [see more...](#)

Pakistan flood relief; \$400m WB loan not in jeopardy, says ministry – Neutral

The Ministry of Planning Development & Special Initiatives of Pakistan has issued a statement that the World Bank loan amounting to US\$400 million for flood relief is not in jeopardy and that pledges made by donors exceed the requirement. The PDSI has clarified that as per the financing agreement agreed in the 4RF (Rehabilitation and [see more...](#)

ML-1 'off track' despite slashed cost – Neutral

The implementation of the Main Line-1 (ML-1) railway project, stretching from Karachi to Peshawar over 1,726 kilometres, remains subject to IMF approval and the finance ministry's ability to provide sovereign guarantees for a \$6.67 billion loan from China, even though the project's budget has been cut by 32 per cent. Meanwhile, time is running out for authorities in Islamabad and Quetta to secure a \$400 million [see more...](#)

Govt moves to reduce cash reliance further – Neutral

Pakistan will introduce the next generation of the Raast-supported digital public infrastructure (DPI) project, reducing reliance on cash and driving financial inclusion in the country, with the help of the Bill and Melinda Gates (BMG) Foundation. In this regard, the finance ministry signed a memorandum of understanding (MoU) with the BMG Foundation in Marrakesh on Friday on the sidelines of the annual meetings. [see more...](#)

Pakistan fails to realise CPEC potential – Negative

Fawad, who was Pakistan's focal person on CPEC affairs during the peak of the multibillion-dollar initiative, gave a candid but soul-searching speech at the KTrade event. The event was arranged to look back at first 10 years of CPEC. "We failed to realise even one-fifth of the potential offered by the Belt and Road Initiative (BRI) and CPEC from 2013-18 and there was nothing after 2018," admitted Fawad. He went on to [see more...](#)

Pakistan's total public debt, liabilities: Govt wants to limit foreign debt to 40pc – Neutral

The caretaker government has envisaged restricting the escalating share of foreign debt at a maximum of 40 per cent out of total outstanding public debt and liabilities that had already peaked at Rs77 trillion. The total external debt and liabilities stood at \$124 billion till the end of the last financial year on June 30, 2023. The debt servicing 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

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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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