

# MORNING GLANCE



41,948	▼ -138	▼ -0.33%
88 mn	YTD -5.94%	1 Year -2.95%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,185.70	171.35	1.01% ▲
DSE 30	2,308.06	8.06	0.35% ▼
SHANGHAI	3,069.13	2.85	0.09% ▼
Hang Seng	16,374.00	213.69	1.29% ▼
Nikkei 225	26,769.00	321.76	1.19% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	6,858.79	8.52	0.12% ▲
DAX 30	12,437.81	82.23	0.67% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	29,634.83	403.89	1.34% ▼
S&P 500	3,583.07	86.84	2.37% ▼
NASDAQ	10,692.06	341.52	3.10% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,655.20	6.30	0.38% ▲
Oil-WTI (bbl)	85.08	0.43	0.51% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	218.75	0.25	0.11% ▲
EURO/PKR	213.92	1.97	0.93% ▲
GBP/PKR	247.64	5.50	2.27% ▲
AED/PKR	59.52	0.07	0.12% ▲

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

## Market Outlook

KSE-100 on Friday opened on a positive note. However, later on, it lost the impetus and concluded the session in the red zone amid macroeconomic uncertainties. The index made an intra-day high and low at 42,237 (151 points) and 41,897 (-188 points) respectively while closed at 41,948 by losing 137 points. Trading volume has increased to 88mn shares as compared to 87mn shares on the previous trading day. Going forward, we expect the market to remain volatile amid political and macroeconomic unrest. The support for the index resides at 41,600. Breaking this level can further drag the index towards 41,100. Contrarily, the resistance for the index resides at 42,350.

## Key News

### International

#### Asia shares slip, testing times for UK bonds

Asian share markets slipped on Monday following another drubbing for Wall Street as investors brace for a further drastic tightening in global financial conditions, with all the risks of recession that brings. Concerns about financial stability added to the corrosive mix with all eyes on UK bonds now that the Bank of England's (BoE's) emergency buying spree is over. [see more...](#)

#### Oil Rises as OPEC+ Members Voice Support For Supply Cut

Oil prices rose on Monday, recovering some of last week's losses as more OPEC+ members expressed support for a recent production cut of over 2 million barrels per day, despite increased opposition from the United States. Several members of the Organization of Petroleum Exporting Countries and its allies, including Saudi Arabia, the United Arab Emirates, Iraq and Kuwait expressed support [see more...](#)

### Politics

#### By-polls: PTI recaptures 6 NA seats and adds 2 more in Punjab, according to unconfirmed and unofficial results

The PTI recaptured six of its eight National Assembly seats and grabbed another two in Punjab Assembly in by-polls held on Sunday, according to unconfirmed and unofficial results. Despite claiming a lion's share of the seats, the party also lost two of the NA seats — NA-157 Multan-IV and NA-237 Malir-II — that it had won in 2018. [see more...](#)

### Economy

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### Floods: Finally, IMF MD feels some empathy - **Positive**

Finance Minister Ishaq Dar participated in IMF Managing Director's high level meeting with MENAP Finance Ministers & Governors in Washington. According to a press release issued by Finance Division on Sunday, Managing Director (MD) IMF highlighted challenges facing regional economies including from Climate Change events citing Pakistan's damaging floods. She expressed her deep sympathies with Pakistan and assured Fund's full support. Finance Minister thanked MD IMF for her [see more...](#)

### Saudi Fund for Development team due today - **Neutral**

A high level delegation of Saudi Fund for Development (SFD) is reaching Islamabad on Monday (today) on a six-day official visit to finalise agreements with Pakistani authorities, well informed sources told Business Recorder. The delegation to be headed by Dr. Saud A Alshammari, General Director of Asia Operations will be composed [see more...](#)

### Pakistan suffered climate-induced losses worth \$29bn: World Bank - **Negative**

Weather- and climate-related disasters have affected over 75 million Pakistanis in the past three decades, with estimated economic losses of over \$29 billion, or roughly \$1 billion a year, latest World Bank report estimated. The projected temperature extremes will progressively amplify the negative impacts on human health, livelihoods, and ecosystems that Pakistan is already experiencing, said the report titled [see more...](#)

### Floods spike Pakistan poverty rate: WB - **Negative**

The World Bank says the national poverty rate in Pakistan could increase by 2.5 to 4.0 percentage points as a direct consequence of the floods, with adverse human development effects in disaster-affected areas. The size and duration of shocks will vary across locations and households, depending on the intensity of the flooding as well as the quality of relief and reconstruction efforts, the World Bank says in its latest 'Macro Poverty [see more...](#)

### Private sector borrowings halve in 1QFY23 - **Negative**

Private sector being the major economic player has so far been reluctant to participate with full potential as its borrowings from banks halved year-on-year in the first quarter of the current fiscal year. The latest data of the State Bank of Pakistan (SBP) showed that the net bank advances to the private sector plunged to Rs84 billion during July-September [see more...](#)

### Tariff for zero-rated sectors - **Negative**

The government's decision to provide electricity to five export-oriented sectors at Rs 19.99/ kWh for the remaining three quarters of the current fiscal year (2022-23), may become a stumbling block in ninth review of International Monetary Fund (IMF). This was the crux of background interaction with some government officials who are extensively dealing with the issue of five zero rated sectors. [see more...](#)

### \$730m loans face the axe - **Negative**

The World Bank has identified at least nine troubled projects that may face loan cancellation of over \$730 million, including concessionary financing of \$400 million, which underscores serious problems in their design and execution. Out of the concessionary loans of \$400 million, the World Bank has highlighted that the lending of \$320 million can [see more...](#)

### IMF censures 'untargeted' subsidy schemes - **Negative**

The International Monetary Fund (IMF) has urged Pakistan to move from an untargeted subsidy that is a waste of resources and proved to be very regressive, and to dedicate those resources to those who need it. Jihad Azour, Director of Middle East and Central Asia Department, IMF, addressing a press briefing, said that the Fund will be fielding a mission in November after the annual meetings to Pakistan, in order to start with the authorities preparing for the next [see more...](#)

### Gas sector circular debt bloats to Rs1.5 trillion - **Negative**

The gas sector circular debt has ballooned to a staggering Rs1.5 trillion, making the sector virtually unsustainable, primarily owing to the rapid fall in indigenous gas production, failure to fully recover the gas price, diversion of costly LNG to the domestic sector in the winter, and under-utilisation of LNG infrastructure, The News has learnt. This all has been unfolded in the latest presentation [see more...](#)

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### **Historic decline in cotton output feared - Negative**

A high-powered Federal Committee on Agriculture (FCA) was informed on Thursday that cotton production is estimated at 6.3 million bales from an area of 2.1 million hectares, reflecting a decrease of 43.08% in production over the past year. The FCA meeting for Rabi Season (2022-23) was held under the Chairmanship of the Federal Minister [see more...](#)

### **Court Approved Merger of Ghani Chemical into GTECH with Ghani Chemical as a Surviving Entity - Positive**

The Honorable Lahore High Court, Lahore in its order dated October 11, 2022 has approved the Merger Scheme of Compromises, Arrangement and Reconstruction ('The Scheme') under Companies Act amongst G3 Technologies Limited with and into Ghani Chemical Industries Limited, according to company filing to the exchange [see more...](#)

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<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

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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

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

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The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

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