



41,839	▲ 84	▲ 0.20%
62 mn	YTD -6.18%	1 Year -6.25%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,486.95	-	-
DSE 30	2,277.34	30.72	1.33% ▼
SHANGHAI	3,068.11	12.85	0.42% ▼
Hang Seng	16,724.50	190.08	1.12% ▼
Nikkei 225	27,303.50	147.36	0.54% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	6,936.74	16.50	0.24% ▲
DAX 30	12,765.61	116.58	0.92% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	30,523.80	337.98	1.12% ▲
S&P 500	3,719.98	42.03	1.14% ▲
NASDAQ	11,147.74	85.20	0.77% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,655.30	0.5	0.03% ▼
Oil-WTI (bbl)	82.95	0.88	1.07% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	220.25	1.00	0.46% ▲
EURO/PKR	217.28	3.66	1.71% ▲
GBP/PKR	249.98	3.20	1.30% ▲
AED/PKR	59.93	0.28	0.47% ▲

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

Market Outlook

KSE-100 on Tuesday remained range bound throughout the day and concluded the session in the green zone amid macroeconomic uncertainties. The index made an intra-day high and low at 42,007 (252 points) and 41,755 (0 points) respectively while closed at 41,839 by gaining 84 points. Trading volume has increased to 62mn shares as compared to 51mn 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 41,000. Breaking this level can further drag the index towards 40,500. Contrarily, the resistance for the index resides at 42,091(50 DMA).

Key News

International

Asia stocks rise as relief rally builds after UK U-turn

Asia stocks nudged higher on Tuesday as the dramatic U-turn in British fiscal policy brightened investor sentiment, while the U.S. dollar took a breather at its lowest levels in more than a week as a revival in risk-taking lowered its appeal. Britain's new finance minister Jeremy Hunt abandoned most of Prime Minister Liz Truss' economic plan that had led to a political maelstrom fuelled by market turmoil, [see more...](#)

Oil Prices Rise as Strong U.S. Demand Offsets SPR Sales Plan

Oil prices rose on Wednesday, recovering from recent losses as signs of a bigger-than-expected draw in U.S. crude inventories offset concerns over plans by the White House to increase supply in the near-term. Data from the American Petroleum Institute showed that U.S. crude inventories unexpectedly fell by 1.3 million barrels in the week to October 14. Data from the Energy Information [see more...](#)

Politics

President Alvi seeks SC's opinion on new Reko Diq deal

President Dr Arif Alvi has asked the Supreme Court whether a new deal on the Reko Diq gold and copper mining project in Balochistan was legally safe under the Constitution of Pakistan and international arbitration. In a voluminous reference submitted to the court on Tuesday, the president also asked the apex court whether the proposed Foreign [see more...](#)

Economy

Pakistan receives only \$88m assistance against \$816m flash appeal - Neutral

In response to the UN-Pakistan joint flash appeal of \$816 million, Pakistan has received only \$88 million support in cash and kind despite securing commitments of \$111 million. Top official sources confirmed to The News the government is going to launch a detailed report of Post Disaster and Need Assessments (PDNA) amounting to \$32 billion with expectations that the international donors would make generous contributions in donors [see more...](#)

MORNING GLANCE

RMB account, rescheduling of loans likely - Neutral

The government is reportedly finalising drafts of over a dozen pacts including rescheduling of Chinese loans, opening of accounting in RMB and cyber security, to be signed during the maiden visit of Prime Minister Shahbaz Sharif to China next month, well informed sources told Business Recorder. Some of the Agreements/ Memorandum of Understandings (MoUs) to be signed are: (i) (10,000MWp solar projects; [see more...](#)

Trade deficit shrinks by 30.16% YoY in September: PBS - Positive

Pakistan's merchandise trade deficit for the month of September 2022 clocked in at \$2.9 billion compared to a deficit of \$3.58bn in the preceding month, down by 19.17% MoM, while on yearly basis, the deficit plunged by 30.16% YoY from \$4.154bn in the same period last year, latest data issued by Pakistan Bureau of Statistics showed today. The decline in trade deficit is due to the falling imports as the import bill for the month of [see more...](#)

ML-1 revised cost raised by 45pc - Neutral

Just ahead of Prime Minister Shehbaz Sharif's upcoming visit to China, Islamabad is all set to approve the revised cost of stalled project Mainline-1 up-gradation of rail link and provision of its security with a whopping escalated cost of 45 percent. The revised cost of ML-1 up-gradation and establishment of dry port at Havelian has now been estimated at Rs1,970.2 billion. The government also proposed provision of security for the project of Mainline-1 with estimated cost of Rs35.99 billion. [see more...](#)

5th successive decline: rupee settles at 219.71 against US dollar - Negative

Pakistan's rupee registered a decline for the fifth straight session against the US dollar, and depreciated 0.37% in the inter-bank market on Tuesday. As per the State Bank of Pakistan (SBP), the rupee closed at 219.71 after depreciating Re0.82 or 0.37%. The rupee has cumulatively [see more...](#)

Petroleum group imports grow 5.94pc in 1Q - Neutral

Petroleum group imports witnessed a growth of 5.94 percent during the first quarter (July-September) of the current fiscal year 2022-23 and remained \$4.865 billion compared to \$4.592 billion during the same period of last fiscal year, says Pakistan Bureau of Statistics (PBS). The data of exports and imports released by the PBS revealed that petroleum group imports registered 16.19 percent negative [see more...](#)

Expansion of advanced power metering project okayed - Neutral

The Federal Cabinet meeting has in-principle gave approval to extend the project of installation of advanced meters from the federal capital to other parts of the country, besides installation of advanced meters on transformers to reduce line losses in the power sector. The meeting of the federal cabinet presided over [see more...](#)

Honda unveils date for HR-V's launch - Positive

Honda Atlas Cars Pakistan (HACPL) has finally unveiled the release date of their upcoming HR-V across their social media accounts. The company has touted October 21, 2022 as the launch date for the vehicle. "Yes, In sha'Allah" said Amir Nazir, General Manager Sales and Marketing at HACPL, when asked by Profit if the HR-V would be released on the touted date. The HR-V is set to be released in a total of three [see more...](#)

Sazgar Starts Booking Electric Rickshaws With 100 KM Range - Positive

Pakistan's one of the most renowned 3-wheeler manufacturers, Sazgar, has opened bookings for its fully electric rickshaw, eVe, which has a 100 km range on a single charge. As per the company's claims, eVe will save its user around Rs. 226,800 per year on fuel and Rs. 66,000 on maintenance. According to the details, it features dual daytime running lamps (DRLs) and ambient [see more...](#)

Auto makers took Rs271bn in advance from consumers, PAC told - Neutral

The Public Accounts Committee (PAC) was informed on Tuesday that car manufacturers have received more than Rs217.6 billion payment in advance from customers. MNA Noor Alam Khan chaired the PAC meeting where Federal Board of Revenue (FBR) and State Bank of [see more...](#)

Textile exports rise 3.7pc in Q1; drop 3pc in September - Positive

Pakistan's textiles exports increased 3.7 percent to \$4.58 billion in the first quarter ended September 30, 2022, whereas the month's exports declined 3 percent to \$4.42 billion, official data showed on Tuesday. Pakistan Bureau of Statistics (PBS) data showed that from July to August 2022, the cumulative exports of knitwear [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
BUY	Greater than 15%
HOLD	Between -5% to 15%
SELL	Less than and equal to -5%

Sector Rating	Sector Outlook
Overweight	Positive
Market Weight	Neutral
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