

MORNING GLANCE



Market Outlook

The stock market on Thursday opened on a positive note. However, later on, it lost the impetus and reversed all of its intra-day gains while concluded the session in the red zone amid rising global oil prices and a lack of positive triggers. The KSE-100 index made an intra-day high and low at 46,469.59 (104 points) and 46,177.49 (-188 points) respectively while closed at 46,232.59 by losing 132 points. Trading volume decreased to 81mn shares as compared to 92mn shares on the previous trading day. Going forward, the resistance for the index resides at 46,791(50DMA). Breaking this level would further push the index towards 47,000. Contrarily, the support for the index resides at 46,000.

46,232	▼ -133	▼ -0.29%
81 mn	YTD 13.27%	1 Year 12.72%

Key News

International

Asian markets mixed as China's factory activity expands, US govt shutdown averts; dollar gains

Asian markets traded mixed on Monday as investors looked out to the economic data from China and Japan, while positive sentiment prevailed due to the avoidance of a US government shutdown. The legislators in the US were able to reach a temporary agreement that averted a government shutdown. The US House has passed a stopgap funding bill [see more...](#)

Oil prices climb as investor risk appetite grows

Oil prices climbed on Monday, reversing some of Friday's losses, as investors focused on a tight global supply outlook and a last-minute deal that avoided a U.S. government shutdown restored their risk appetite. Brent December crude futures rose 18 cents, or 0.2%, to \$92.38 a barrel by 0037 GMT after falling 90 cents on Friday. Brent November futures settled down 7 cents at \$95.31 a barrel at the [see more...](#)

Politics

ECP's preliminary delimitation; Fafen raises issue with population variation

Free and Fair Election Network (FAFEN) on Saturday revealed that as many as 180 constituencies of national and provincial assemblies as proposed by the Election Commission of Pakistan (ECP) do not meet the legal preferability of 10 percent variation in the population, undermining the [see more...](#)

Economy

Egypt, Pakistan on FTSE stock indexes demotion watch – Neutral

Global index provider FTSE Russell said on Thursday it will add Pakistan and Egypt to watch lists for possible demotion in its equity index suites. Both countries will be on watch lists for demotion from "secondary emerging" markets, with Pakistan looking to become a "frontier market" while Egypt could be dropped to "unclassified." [see more...](#)

ASIA		Value	Pts	Chg. (%)
	NIFTY 50	19,638.30	114.75	0.59% ▲
	DSE 30	2,140.36	1.86	0.09% ▲
	SHANGHAI	3,110.48	3.16	0.10% ▲
	Hang Seng	17,822.00	471.00	2.71% ▲
	Nikkei 225	32,249.50	388.00	1.22% ▲
EUROPE		Value	Pts	Chg. (%)
	FTSE 100	7,608.08	6.23	0.08% ▲
	DAX 30	15,386.58	63.08	0.41% ▲
USA		Value	Pts	Chg. (%)
	DOW JONES	33,507.50	158.84	0.47% ▼
	S&P 500	4,288.05	11.65	0.27% ▼
	NASDAQ	14,715.24	12.48	0.08% ▲
Commodities		Value	Chg.	Chg. (%)
	Gold (t oz.)	1,859.95	6.15	0.33% ▼
	Oil-WTI (bbl)	91.16	0.37	0.41% ▲
Currencies		Value	Chg.	Chg. (%)
	USD/PAKR	287.74	1.01	0.35% ▼
	EURO/PAKR	302.44	2.6	0.85% ▼
	GBP/PAKR	349.86	0.89	0.25% ▼
	AED/PAKR	78.34	0.27	0.34% ▼

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

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GCC, Pakistan sign FTA - Positive

The Pakistan and Gulf Cooperation Council (GCC) are said to have signed “face saving” Free Trade Agreement (FTA) as both sides have not yet agreed on zero duty on many items, well-informed sources told Business Recorder. According to an official statement, Pakistan and GCC concluded the final round of negotiations on the Pakistan-GCC FTA (PAK-GCC FTA) at Riyadh, Saudi Arabia. The final round was held from September 26-28, [see more...](#)

\$3bn deal is meant to give Pakistan policy anchor: IMF – Neutral

The IMF said on Thursday that the \$3 billion Standby Arrangement (SBA) programme for Pakistan was to provide a policy anchor for addressing domestic and external imbalances and a framework for securing financial support from other donors including fresh financing and rollovers of due debts. In a media briefing held at IMF’s headquarters in Washington D.C. on Thursday, the Fund’s spokesperson was inquired about [see more...](#)

IMF programme; Govt will deliver to secure \$700m under SBA: Shamshad – Neutral

The caretaker government will deliver on the International Monetary Fund (IMF) programme to secure US\$700 million under the SBA and on external financing requirements, the interim government is working to secure concessional funding from multilaterals (WB, ADB, IsDB) of US\$ 6.3 billion and bilateral assistance of around US\$ 10 billion from China and KSA [see more...](#)

Rs63bn more than the target; Q1 tax collection stands at Rs2.041trn – Positive

The Federal Board of Revenue (FBR) has collected Rs 2,041 billion during the first quarter of current financial year against the assigned target of Rs1,978 billion, exceeding the target by Rs63 billion. According to the data of tax collection released by the FBR on Saturday, the FBR has also put in exceptional efforts to achieve revenue target for September 2023. As against a target [see more...](#)

Inflation shows slight dip - Neutral

Amidst the relentless grip of inflation, Pakistan has witnessed a slight respite with a marginal 0.02% decrease in the weekly inflation rate recorded this week. However, the annual inflation rate remains alarmingly high at 37.33 percent. The most severely affected segment of the population falls within the monthly income bracket of Rs29,518 to Rs44,175, grappling with a staggering 39% inflation rate, according to data [see more...](#)

Cabinet panel suggests Rs1.4tr cut in expenditures – Neutral

In a bid to slash expenditures by Rs1.4 trillion, the Cabinet Committee on Economic Revival (CCER) has sought a detailed roadmap, including freezing of salaries, pensions and allowances as well as reducing officer-to-staff ratios. The caretaker government has finalised a number of recommendations under ambitious plans to implement the austerity measures under which the [see more...](#)

Rs1.9tr austerity steps being planned – Neutral

The caretaker government is considering slashing the expenditures by Rs1.9 trillion as part of an austerity measure including banning new posts, purchasing security vehicles, slashing down allocation for development, devolving the Higher Education Commission (HEC), and cost-sharing of BISP with the provinces. It has also been decided to implement the ambitious plan by making a Single Treasury [see more...](#)

Rupee may stabilise at 285/\$ - Neutral

Taking cue from a lot of happenings, the consistently strengthening Pakistani currency is projected to stabilise around the level of Rs285 to a US dollar in the inter-bank market. Any appreciation beyond that level will make imports cheaper and exports expensive, which will result in the widening of trade and current account deficits and an increase in the demand for dollars. [see more...](#)

Plan being finalized to hike gas tariff under IMF deal – Negative

The Petroleum Division is in the process of giving final touches to a summary to increase the gas tariff, which will be tabled in the ECC meeting for approval. This development comes as the first review with IMF under the \$3 billion SBA loan would start at the end of the current month, October. After ratification by the federal cabinet, the government will [see more...](#)

Cut in rates of petroleum products – Positive

Interim government on Saturday announced a reduction in the prices of petroleum products up to Rs 11 per litre for first half of October, 2023. In a late night statement, Finance Division announced a reduction of Rs 8 per litre in ex-depot price of petrol and Rs 11 per litre reduction in the price of high speed diesel (HSD) with effect from October 1 to 15. The petrol is now available at Rs 323.38 which [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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- 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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