

MORNING GLANCE



42,226	▲ 387	▲ 0.92%
66 mn	YTD -5.31%	1 Year -5.39%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,512.25	-	-
DSE 30	2,277.44	0.10	-
SHANGHAI	3,033.01	11.36	0.37% ▼
Hang Seng	16,109.00	402.28	2.44% ▼
Nikkei 225	26,986.00	271.38	1.00% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	6,924.99	11.75	0.17% ▼
DAX 30	12,741.41	24.2	0.19% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	30,423.81	99.99	0.33% ▼
S&P 500	3,695.16	24.82	0.67% ▼
NASDAQ	11,103.38	44.36	0.40% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,628.85	5.35	0.33% ▼
Oil-WTI (bbl)	84.81	0.29	0.34% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	221.35	1.10	0.50% ▲
EURO/PKR	217.66	0.38	0.17% ▲
GBP/PKR	250.07	0.09	0.04% ▲
AED/PKR	60.22	0.29	0.48% ▲

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

Market Outlook

KSE-100 on Wednesday showed positive momentum throughout the day and concluded the session up in the green zone amid optimism over the expected removal of Pakistan from the FATF grey list. The index made an intra-day high and low at 42,265 (426 points) and 41,839 (0 points) respectively while closed at 42,226 by gaining 387 points. Trading volume has increased to 66mn shares as compared to 62mn shares on the previous trading day. Going forward, we expect the market to continue its upward momentum. The resistance for the index resides at 42,800. Breaking this level can further drag the index towards 43,237(200DMA). Contrarily, the support for the index resides at 42,086(50 DMA).

Key News

International

Asia stocks slide as investors lose risk appetite, yields rise

Asian share markets fell on Thursday as investor fears over a looming recession crimped risk appetite, while Treasury yields rose on expectations that the Federal Reserve will remain aggressive in its interest rate hikes. Japan's yen crept close to the psychological barrier of 150 per dollar after earlier marking a fresh 32-year low of 149.93. [see more...](#)

Oil Steady as Bulls Undeterred by Biden's SPR Sales Plan

Oil prices retained recent gains on Thursday as optimism over an unexpected draw in U.S. inventories offset plans by the Biden administration to release more oil from strategic reserves, although fears of sluggish global demand and a strong dollar kept sentiment cautious. Oil bulls were encouraged by data on Wednesday that showed U.S. crude oil inventories [see more...](#)

Politics

PTI admits President Alvi's role in 'backdoor talks'

The Pakistan Tehreek-i-Insaf (PTI) openly conceded what had been an open secret thus far; that President Arif Alvi is engaged in backdoor talks with the government, even as party chief Imran Khan ramps up pressure for a 'decisive' march on the capital. PTI leader Fawad Chaudhry told Dawn that negotiations were being held with the government over the issue of elections. "President Sahib is holding the [see more...](#)

Economy

\$172m debt relief pact inked with JICA - Positive

The Government of Pakistan on Wednesday signed a debt service suspension agreement with the Japan International Cooperation Agency (JICA), amounting to deferment of payment of loans worth \$172 million, under the G-20 Debt Service Suspension Initiative (DSSI) framework. This amount, initially repayable between July and December 2021 will now be repaid over a period of six years (including one-year grace period) in semi-annual instalments. [see more...](#)

MORNING GLANCE

Pakistan seeks billions of dollars in new loans after floods - Neutral

Pakistan will ask international lenders for billions of dollars in loans after devastating floods exacerbated the nation's economic crisis, the Financial Times reported on Wednesday. "We are not asking for any kind of measure [such as] a rescheduling or a moratorium," the country's Prime Minister Shehbaz Sharif told the Financial [see more...](#)

Dar expects 'positive' results from IMF talks - Neutral

Federal Minister of Finance Ishaq Dar said on Wednesday that talks with the International Monetary Fund (IMF) are progressing well and with 'positive' results are expected soon. "During my visit, 58 meetings have been held with the IMF and the World Bank. In these meetings, a lively discussion was held with the top management," said the Pakistan Muslim League-N (PML-N) leader while speaking to the media in London. [see more...](#)

Pakistan's troubles justify slump in bond prices: JPMorgan - Neutral

Investment bank JPMorgan has called the slump in Pakistan's bonds to just a third of their face value justified, following the country's devastating floods and recent warnings by officials that some debt payments may need to be suspended. Finances were already strained before this month's floods, but the cost of repairing the damage and providing support for those affected have raised [see more...](#)

Govt raises Rs853bn via T-bills - Neutral

The government raised Rs853 billion through an auction of Market Treasury Bills (T-bills) on Wednesday, with yields inching down on shorter tenures papers. The fetched amount was lower than the pre-auction target of Rs1.1 trillion. The cut-off yield on three-month T-bills decreased by 2 basis points (bps) to 15.7198 percent, the auction [see more...](#)

Q1 FDI declines 47pc to \$253.4m YoY - Negative

Foreign Direct Investment (FDI) continued negative growth and plunged by 47 percent during the first quarter of this fiscal year (FY23). The State Bank of Pakistan (SBP) on Wednesday reported that Pakistan fetched FDI amounted to \$253.4 million during July-Sep of FY23 as against \$479.2 million in the same period of last fiscal year (FY22), depicting a decline of \$226 million. During the period [see more...](#)

Q1 C/A deficit down by 37pc - Positive

The country's current account deficit declined by 37 percent during the first quarter of this fiscal year (FY23) due to government's measures to contain the rising import bill. According to the State Bank of Pakistan (SBP), cumulatively, the country posted a current account deficit amounting to \$2.207 billion in Jul-Sep of FY23 as against to \$3.526 billion in the same period of last fiscal [see more...](#)

Jul-Aug LSMI output decreases - Negative

The Large Scale Manufacturing Industries (LSMI) output has declined by 0.4 per cent during the first two months (July-August) of the current fiscal year 2022-23 when compared with the same period of last year, says the Pakistan Bureau of Statistics (PBS). According to the Provisional Quantum Index Numbers of Large Scale Manufacturing Industries (QIM) the LSMI output increased by 0.6 per cent for August [see more...](#)

THE RUPEE: PKR weakens further - Negative

Pakistan's rupee posted a decline for the sixth consecutive session against the US dollar, and depreciated 0.53% in the inter-bank market on Wednesday. As per the State Bank of Pakistan (SBP), the rupee closed at 220.88 after depreciating Rs1.17. The rupee has cumulatively depreciated Rs3.09 or 1.4 % in the last six sessions. On Tuesday, rupee had registered a decline for the fifth straight session against the US dollar, and closed at 219.71 after depreciating Re0.82 or 0.37%. [see more...](#)

Vehicles' parts, accessories - Negative

The Federal Board of Revenue (FBR) has imposed/ revised additional customs duty on the import of a wide range of components and accessories used in the manufacturing of vehicles. The FBR has amended SRO 693(1)/2006 through an SRO1930 (1)/2022 issued here on Wednesday. According to the revised [see more...](#)

Auto financing declines for third straight month in September - Negative

Bank lending to consumers buying cars fell for the third consecutive month in September, indicating a slowdown in overall demand on account of higher interest rates and rising vehicle costs. Auto loans dropped 0.7 percent month-on-month to Rs350 billion in September, according to figures issued by the State Bank of Pakistan on Wednesday. [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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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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