

# MORNING GLANCE



50,365	▲ 934	▲ 1.89%
249 mn	YTD 23.4%	1 Year 19.28%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,624.70	46.4	0.24% ▼
DSE 30	2,139.23	0.98	0.05% ▲
SHANGHAI	2,996.33	9.06	0.30% ▼
Hang Seng	17,224.00	30	0.17% ▼
Nikkei 225	31,365.50	65.12	0.21% ▼

  

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,499.53	88.47	1.17% ▼
DAX 30	15,045.23	49.68	0.33% ▼

  

USA	Value	Pts	Chg. (%)
DOW JONES	33,414.17	250.91	0.75% ▼
S&P 500	4,278.00	36.6	0.85% ▼
NASDAQ	14,783.13	126.13	0.85% ▼

  

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,989.95	9.45	0.48% ▲
Oil-WTI (bbl)	89.45	1.08	1.22% ▲

  

Currencies	Value	Chg.	Chg. (%)
USD/PKR	278.81	1.48	0.53% ▼
EURO/PKR	293.76	2.73	0.92% ▼
GBP/PKR	337.85	4.09	1.20% ▼
AED/PKR	75.91	0.4	0.52% ▼

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

## Market Outlook

The stock market on Thursday remained positive throughout the day and concluded the session in the green zone amid Pakistan's trade deficit for the month of September clocked in at \$1.518 billion compared to a deficit of \$2.856 billion from the same month previous year. The Benchmark KSE-100 index made an intra-day high and low at 50,399.92 (968 points) and 49,436.92 (5.45 points) respectively while closed at 50,365.15 by gaining 933.68 points. Trading volume increased to 249mn shares as compared to 157mn shares on the previous trading day. Going forward, the support for the index resides at 50,000. Breaking this level would further drag the index towards 49,600. Contrarily, the resistance for the index resides at 50,700.

## Key News

### International

#### Asian stocks slump as Fed jitters, M.east fears rattle risk appetite

Asian stocks extended steep losses on Friday as a rout in global bond markets continued to decimate risk appetite, while traders remained on edge over any more escalation in the Israel-Hamas war. Regional markets were spooked by a sharp sell-off in global bonds this week, which reached a fever pitch on Thursday after comments from Federal [see more...](#)

#### Oil prices surge on SPR refill plans, Middle East fears persist

Oil prices rose sharply in Asian trade on Friday, extending a strong run of gains after the U.S. government outlined plans to begin refiling the country's strategic oil reserve, while concerns over supply disruptions in the Middle East also lent support. The Department of Energy (DOE) announced offers totaling 6 million barrels to be delivered between December this year [see more...](#)

### Politics

#### Nawaz granted protective bail till 24<sup>th</sup>

The Islamabad High Court (IHC), Thursday, granted protective bail to Pakistan Muslim League Nawaz (PML-N) Quaid Nawaz Sharif till October 24 in Al-Azizia and Avenfield references of the National Accountability Bureau (NAB). A division bench comprising Chief Justice of IHC Justice Aamer Farooq and Justice Miangul Hassan Aurangzeb, on [see more...](#)

### Economy

#### Sept CA deficit shrinks to stand at \$8m – Positive

The country's current account deficit declined to \$8.0 million in September 2023 as compared to the current account deficit of \$360 million in the same month in 2022. The country's current account deficit was \$164 million in August 2023. During the first three months of current fiscal year FY24 (from July 2023 to September 2023), the country's current [see more...](#)

## MORNING GLANCE

### Nothing can undermine Pak-China strategic ties: Kakar – Neutral

Terming the Pak-China partnership made in “heaven”, Caretaker Prime Minister Anwaar-ul-Haq Kakar has said Pakistan blindly trusted China and that nothing would be allowed to undermine their bilateral strategic partnership. In his opening remarks while meeting with President Xi Jinping Thursday, Kakar said Pakistan firmly supported the ‘One China’ policy and would show it through its actions, not [see more...](#)

### Forex reserves rise by \$67m – Positive

The total liquid foreign reserves held by the State Bank of Pakistan (SBP) increased by \$ 67 million to \$ 7.714 billion during the week ended on October 13, 2023. According to SBP data, the total liquid foreign reserves held by the country stood at \$ 12.912 billion as of October 13, 2023. Net foreign reserves held by commercial banks stood at \$ 5.198 billion during the week ended on October 13, 2023. [see more...](#)

### PKR stages recovery – Positive

After back-to-back losses, the Pakistani rupee staged a recovery against the US dollar, as it appreciated 0.53% in the inter-bank market on Thursday. As per the State Bank of Pakistan (SBP), the rupee settled at 278.81 after an increase of Rs1.48 in the inter-bank market. On Wednesday, the rupee sustained significant losses, as the currency depreciated 1.16% to settle at 280.29. Globally, the US dollar held the yen near a two-week [see more...](#)

### E&P companies; Petroleum Division fails to recover billions of rupees – Negative

The Petroleum Division has failed to recover billions of rupees from exploration and production companies in the oil and gas sector on account of royalty, training fund, and social welfare on 40 wells. The Prime Minister Secretariat as well as the Public Accounts Committee (PAC) directed repeatedly to the Petroleum Division for recovery pending against a number of E&P [see more...](#)

### KE inks deal to double national grid supply – Positive

K-Electric (KE) has reached an agreement with the federal government for an almost 100 per cent boost in supply from the national grid, the power utility said on Thursday. The announcement comes amid stiff opposition from Karachi-based business leaders who have objected to KE’s push for a higher quarterly tariff. They have also raised concerns over KE’s six-year power acquisition plan, which [see more...](#)

### Negative adjustment of Rs357m in QTA; Nepra puts its decision on KE’s request on hold – Neutral

The National Electric Power Regulatory Authority (Nepra) on Thursday decided to hold decision on K-Electric’s request of negative adjustment of Rs 357 million in QTA to make it part of its new tariff which is under consideration. The Regulator further stated that the power utility company should be provided electricity from the National Grid if surplus [see more...](#)

### Pak Suzuki Motors decides to delist from PSX – Neutral

The board of directors of Pak Suzuki Motor Company (PSMC) has resolved to delist the Company from Pakistan Stock Exchange (PSX). In the Board Meeting held on Thursday, the Company has decided to delist the Company from PSX under rule 5.14 of voluntary delisting rules of the Rule Book for which the Company shall submit a formal application to the PSX and for which [see more...](#)

### Cement maker to hold second share buyback – Positive

Maple Leaf Cement Factory Ltd announced on Thursday its second share buyback of up to 100 million shares constituting about 9.3 per cent of the total shareholding. The size of the transaction should hover around Rs3.5 billion at the prevailing share price of Rs34.93 apiece. The purpose of the exercise is to cancel the bought-back shares, reducing the outstanding shareholding available in the open market. [see more...](#)

### Food exports rise 18pc in July-Sept – Positive

Pakistan’s food exports grew more than 18 per cent in the first quarter of fiscal year 2023-24 to \$1.28 billion, according to data released by the Pakistan Bureau of Statistics (PBS). The surge in food products exports can be attributed to the unprecedented rupee depreciation. In addition, persistent disruptions in the supply chain and higher prices in the international market have led [see more...](#)

### FBR, Nadra agree to exchange taxpayers’ data – Neutral

The Federal Board of Revenue (FBR) and the National Database and Registration Authority (Nadra) have agreed to expand collaboration and exchange data to determine the actual income of existing taxpayers, register new taxpayers, and finalise tax profiles of non-filers. It is learnt that the FBR has also decided to get rid of redundant employees in the Pakistan Revenue Automation [see more...](#)

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## DEFINITION OF TERMS

<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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