

MORNING GLANCE



41,520	▼ -159	▼ -0.38%
78 mn	YTD -6.9%	1 Year -11.51%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,622.25	91.40	0.52% ▲
DSE 30	2,406.11	59.76	2.55% ▲
SHANGHAI	3,128.77	13.17	0.42% ▲
Hang Seng	18,813.50	247.53	1.33% ▲
Nikkei 225	27,683.50	115.85	0.42% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,236.68	45.39	0.62% ▼
DAX 30	12,803.24	61.98	0.49% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	31,019.68	197.26	0.64% ▲
S&P 500	3,899.89	26.56	0.69% ▲
NASDAQ	11,953.28	91.90	0.77% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,684.05	5.85	0.35% ▲
Oil-WTI (bbl)	85.31	0.05	0.06% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	238.00	1.00	0.42% ▲
EURO/PKR	237.49	0.81	0.34% ▲
GBP/PKR	271.06	0.47	0.17% ▼
AED/PKR	64.76	0.28	0.43% ▲

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

Market Outlook

KSE-100 on Monday opened on a positive note. However, later on, it lost the impetus and concluded the session in the red zone amid uncertain macroeconomic conditions prevailing in the country. The index made an intra-day high and low at 41,897 (217 points) and 41,505 (-175 points) respectively while closed at 41,521 by losing 159 points. Trading volume has decreased to 78mn shares as compared to 123mn shares on the previous trading day. Going forward, we expect the market to continue its downward momentum. The support for the index resides at 41,000. Breaking this level can further drag the index towards 39,800. However, the resistance for the index resides at 41,784 (50 DMA).

Key News

International

Asia shares track late Wall Street rebound with focus firmly on Fed

Asian shares edged up in early trade on Tuesday following a rebound in the final hour of New York trading as investors turned their attention to an expected hefty Federal Reserve interest rate hike this week to tackle inflation. Even more so than the Ukraine war or corporate earnings, the actions of the U.S. central bank are driving market sentiment as [see more...](#)

Oil prices steady as prospect of Fed hikes may curb fuel demand

Oil prices were little changed on Tuesday, after rising in the previous session, on concerns that interest rate hikes in the United States to tame inflation will curb economic growth and fuel demand in the world's biggest crude consumer. Brent crude futures for November settlement fell 7 cents, or 0.1%, to \$91.93 a barrel by 0136 GMT. U.S. West Texas [see more...](#)

Politics

Pakistan Court Drops Terrorism Complaint Against Imran Khan

A Pakistan court ordered police to drop investigations into a terrorism complaint against former leader Imran Khan for allegedly threatening a female judge and senior police officials during a public rally last month. A two-judge panel of the Islamabad High Court led by Chief Justice Athar Minallah handed down the order while accepting Khan's appeal [see more...](#)

Economy

NPCs: rate of return revised upward - Neutral

The State Bank of Pakistan (SBP) has increased the rate of return for investment in PKR-denominated Naya Pakistan Certificates (NPCs). The Government of Pakistan, Finance Division (External Finance Wing), has notified the revision in rate of return in PKR-denominated NPCs and also revised downward the minimum denomination of NPCs. According to a notification, the PKR denominated conventional NPCs rate has been increased up to 550 basis points (bps); [see more...](#)

MORNING GLANCE

United States Donates \$2 Million for Flood Assistance in Pakistan - Positive

The United States has contributed \$2 million in humanitarian assistance for flood response efforts of the United Nations High Commissioner for Refugees (UNHCR) in Pakistan. This funding will be channeled to areas affected by the monsoon flooding, supporting life-saving activities as well as helping to rebuild community infrastructures such as schools, hospitals, and [see more...](#)

Pakistan's Power Generation Slumps by 11.2% in First Two Months of FY23 - Negative

Pakistan's power generation has gone down by 11.2 percent to 28,203 GWh (18,954 MW) on a year-over-year (YoY) basis in the first two months of the fiscal year 2022-23 (2MFY23) against 31,758 GWh (21,343 MW) in 2MFY22. According to data published by Arif Habib Ltd., in August 2022, the power generation declined by 12.6 percent on a YoY basis to 14,053 GWh (or 18,888 [see more...](#)

OGDC says gas reserves discovered in Khyber Pakhtunkhwa - Positive

Gas reserves have been discovered in Tolanj West-02, a development well in Tal block located in Kohat Plateau, Khyber Pakhtunkhwa, said Oil & Gas Development Company Limited (OGDCL) in a notice sent on Monday to the Pakistan Stock Exchange (PSX). The Tal joint venture comprising MOL Pakistan (operator), OGDCL, Pakistan Petroleum Limited (PPL), [see more...](#)

Rupee inches close to historic low, settles at 237.91 against US dollar - Negative

Pakistan's rupee continued to sustain losses against the US dollar for the 12th successive session, settling with a depreciation of 0.45% in the inter-bank market on Monday, as expectation of a higher import bill and the greenback's global strength added to pressure on the currency. As per the State Bank of Pakistan (SBP), the rupee closed at 237.91 after declining by Rs1.07. During [see more...](#)

PSO eyes building \$500mn LNG terminal near Karachi: report - Positive

Pakistan State Oil (PSO), the state-owned importer and retailer of petroleum products, is planning to build a \$500-million liquefied natural gas (LNG) terminal, as the company seeks to diversify its portfolio, reported Bloomberg on Monday. The said LNG terminal will be located near the port city of Karachi, the nation's financial capital, and would be set up in four years, said Chief [see more...](#)

DISCOs Seek An Increase of PKR 0.219 per unit in Electricity Bills for August 2022- Negative

Based on the information provided by Central Power Purchasing Agency Guarantee Limited (CPPA-G), NEPRA is set to increase electricity prices by PKR 0.2192 per unit for the month of August 2022 due to high fuel cost adjustment (FCA). Based on the information provided by CPPA the actual fuel charges for the EX-WAPDA DISCOs for the month of August 2022 worked out [see more...](#)

TPL Insurance to increase share capital by Rs1bn - Neutral

The shareholders of TPL Insurance Limited (TPLI) have resolved to increase the authorized share capital of the company by Rs1 billion from Rs1.5bn to Rs2.5bn, company's filing on the bourse showed today. Further, it was resolved that the Memorandum of Association of the Company, be and is hereby amended, subject to any modifications as may be required by the Securities and Exchange Commission [see more...](#)

ASTL to resume production from Oct 1st - Positive

Amrelli Steels (ASTL) announced that the company will resume production from 1st October 2022, the company's filings on the stock exchange showed. On 31 August 2022, ASTL announced a temporary shutdown of its production plant because of decreased rebar demand in the country due to the monsoon season. Moreover, during the period of shutdown ASTL has sufficient stocks in hand to meet [see more...](#)

Meta Tech Health Ltd invests Rs100mn in Ensmile - Positive

In accordance with the revival business plan, Meta Tech Health Limited (Formerly Hashimi Can Company) has made an investment of Rs100 million out of the Rs300 million investment to be made by the company for the acquisition of a 33% equity stake in Ensmile (Invisible Dental Aligners), company's filing on bourse showed today. Ensmile is a 3D Technology based manufacturer principally catering to [see more...](#)

Wheat imports put big strain on forex reserves: ADB - Negative

The shortage of wheat production in the recent past, set against the domestic requirements of an ever-increasing population, has triggered price hikes, while wheat imports strained the country's foreign exchange reserves, says the Asian Development Bank (ADB). The bank in its latest report, "Asian Development Review" stated that in the wake [see more...](#)

Cotton Arrivals drop by 18.6% as of Sept 15 - Negative

Cotton arrivals in the country dropped by 18.6% to 2.18million bales as of Sept 15, due to extensive rainfall in Sindh, Punjab, and Balochistan which damaged cotton crops, data showed on Monday Punjab's cotton arrival soared to 1.076 million bales up 12.16% while Sindh's cotton arrival declined to 1.11mn down by 35.7%. Textile mills bought 908,000 bales while exporters bought. [see more...](#)

Inflation Will Reach 26% Due to Food Scarcity: Report - Negative

There is going to be another month of 25 percent upward year-on-year (YoY) CPI reading, where CPI for September 2022 is expected to clock in at 26.4 percent. While this would be lower than August 2022's readings of 27.3 percent, JS Global expects the inflation trend to remain on the higher side owing to higher food inflation and ongoing second-round [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

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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