











MORNING GLANCE









42,137	▼ -89	▼ -0.21%
85 mn	YTD -5.51%	1 Year -7.39%

ASIA	Value	Pts	Chg. (%)
 NIFTY 50	17,563.95	-	-
 DSE 30	2,271.01	6.43	0.28% ▼
 SHANGHAI	3,049.44	14.39	0.47% ▲
 Hang Seng	16,289.50	9.28	0.06% ▲
 Nikkei 225	26,964.50	42.46	0.16% ▼

EUROPE	Value	Pts	Chg. (%)
 FTSE 100	6,943.91	18.92	0.27% ▲
 DAX 30	12,767.41	26.00	0.20% ▲

USA	Value	Pts	Chg. (%)
 DOW JONES	30,333.59	90.22	0.30% ▼
 S&P 500	3,665.78	29.38	0.80% ▼
 NASDAQ	11,046.71	56.67	0.51% ▼

Commodities	Value	Chg.	Chg. (%)
 Gold (t oz.)	1,630.25	6.55	0.40% ▼
 Oil-WTI (bbl)	84.84	0.33	0.39% ▲

Currencies	Value	Chg.	Chg. (%)
 USD/PKR	221.35	-	-
 EURO/PKR	216.49	1.17	0.54% ▼
 GBP/PKR	248.26	1.81	0.72% ▼
 AED/PKR	60.22	-	-

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

Market Outlook

KSE-100 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 macroeconomic uncertainties. The index made an intra-day high and low at 42,422 (196 points) and 42,097 (-129 points) respectively while closed at 42,137 by losing 89 points. Trading volume has increased to 85mn shares as compared to 66mn shares on the previous trading day. Going forward, we expect the market to remain volatile ahead of FATF meeting and political unrest. The support for the index resides at 42,083(50 DMA). Breaking this level can further drag the index towards 41,500. Contrarily, the resistance for the index resides at 42,800.

Key News

International

Asian shares lower, yields rise on aggressive rate hike jitters

Asian shares tracked Wall Street lower on Friday while Treasury yields scaled 14-year highs as the prospect of aggressive interest rate hikes from the Federal Reserve and recession risks soured investor sentiment. MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.55% but above the two-and-a-half year low it touched on Thursday. Australia's resources-heavy [see more...](#)

Oil Slips on Recession Fears, Eyes Positive Week as Supply Tightens

Oil prices fell on Friday after a warning on economic growth from the Federal Reserve, but were still set to end the week higher on positive signals from China and on the prospect of tightening supply in the coming months. London-traded Brent Oil Futures, the global benchmark, fell 0.3% to \$92.45 a barrel, while West Texas Intermediate crude futures [see more...](#)

Politics

PTI assails ECP as Toshakhana case verdict due today

The Election Commission of Pakistan (ECP) is all set to announce on Friday (today) its verdict in the Toshakhana case against former prime minister Imran Khan. Meanwhile, on the eve of the much-awaited decision, the Pakistan Tehreek-i-Insaf (PTI) continued its tirade against the ECP and its alleged partiality. [see more...](#)

Economy

FATF likely to remove Pakistan from grey list today - Neutral

The Financial Action Task Force (FATF) is expected to decide about the likely removal of Pakistan from its grey list today (Friday). Minister of State for Foreign Affairs Hina Rabbani Khar is in Paris to attend the crucial FATF first plenary under the two-year Singapore Presidency of T Raja Kumar from 20-21 October 2022. Delegates representing 206 members of the Global Network and observer organisations, including [see more...](#)

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\$1.5bn ADB loan for Pakistan to be finalised today - Positive

The Asian Development Bank (ADB) is all set to approve a \$1.5 billion program loan for Pakistan on Friday (today) under Building Resilience with Active Countercyclical Expenditure (BRACE) programme. The ADB's Board is scheduled to hold a meeting on Friday (today) in Manila for considering the approval of \$1.5 billion program loan for Pakistan. With the approval of this loan, it is expected that it will be disbursed next week, [see more...](#)

FDI drops 47pc to \$253.4m in July-Sept - Negative

Pakistan's foreign direct investment (FDI) fell 47.1 percent to \$253.4 million in the first quarter of the current fiscal year, driven by weak inflows especially from China, UK, and USA, the central bank's data showed. In September, FDI stood at \$83.9 million, compared with \$249.7 million recorded in the same month of last fiscal year. [see more...](#)

Pakistan's trade deficit in services improves by 26% YoY in 1QFY23 - Positive

Pakistan's trade deficit in services narrowed by 26.22% YoY to \$647 million in the first quarter of the fiscal year 2022-23, from a deficit of \$877mn recorded in the same period last fiscal year. Similarly, the deficit has shrunk by 24% MoM and 14.85% YoY to stand at \$172m in September 2022, compared to \$227mn in August 2022 and \$202mn in the same month last year. Details made available by the State Bank of Pakistan (SBP) revealed that the exports of services during September 2022 [see more...](#)

Pakistan forex reserves inch up to \$13.250 billion - Positive

Pakistan's foreign exchange reserves slightly rose by \$4 million to \$13.250 billion during the week ended October 14, the central bank reported on Thursday. However, the foreign reserves held by the State Bank of Pakistan remained flat standing at \$7.597 billion. That compared with \$7.596 billion in the previous week. "During the week ended [see more...](#)

Govt drafts oil refining policy to seek \$15bn from China, Saudi Arabia - Neutral

Government has devised draft oil refining policy 2022 to attract up to \$15 billion in investment from Saudi Arabia and China for setting up a new refinery mainly, The News leant on Thursday. "The work on the finalisation of the refining policy gained pace in the last few days and draft has been devised with the likely chances of giving it final touches in next week, when [see more...](#)

CPHGC seeks govt's help for cut in API 4 index - Neutral

China Power Hub Generation Company (Pvt) Ltd (CPHGC) has sought government's help for reduction in API 4 index for imported coal price in international market and diversion from imported coal to local spot market coal. In a letter to Nepra chairman, the company's CEO gave reference of different letters wherein it was stated that the company has to procure minimum off take [see more...](#)

1.88mn new electricity consumers added to CPPA, KE systems in FY22 - Positive

As many as 1.88 million new electricity consumers have been added to the Central Power Purchasing Agency (CPPA) and K-Electric Systems during the last fiscal year 2021-22. Out of the total, 1.66mn consumers have been added to the CPPA while 220,000 consumers in K-Electric systems during [see more...](#)

PSMC announces shutdown of automobile plant - Negative

Pak Suzuki Motors Company (PSMC) board of directors has decided to shut down the automobile plant for the period extending from 24TH Oct-22 to 26th Oct-22, the company's filings on the stock exchange showed on Thursday. "Restrictions by the State Bank of Pakistan (SBP) had adversely impacted the clearance of import consignment which resultantly affected the inventory levels", the report added. Since August, PSMC the largest car manufacturer by sales volume has suffered non- [see more...](#)

Bestway Cement lights up its kiln at Mianwali plant - Positive

Bestway Cement Limited, Pakistan's 2nd largest cement manufacturer with an annual production capacity of 10.8 million tonnes, achieved another milestone. On Thursday, the company lit up its Kiln with 7,200 tonnes per day clinker capacity at its Greenfield Mianwali plant. A simple ceremony was held at the plant premises [see more...](#)

PSMA seeks export of surplus sugar to make room for new stock - Neutral

Sugar Mills Association (PSMA) has reiterated their claim that ample stocks of sugar is lying in their godowns and if the coming crushing season starts without the export of surplus stock then the mills will be unable to hold the new stock of sugar. The claim was submitted by the general body meeting of the association during a recently [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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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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