

# MORNING GLANCE



40,966

▼ -255

▼ -0.62%

113 mn

YTD -8.14%

1 Year -11.96%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,718.35	97.9	0.55% ▼
DSE 30	2,401.76	4.35	0.18% ▼
SHANGHAI	3,115.68	1.49	0.05% ▼
Hang Seng	18,070.00	374.62	2.03% ▼
Nikkei 225	27,015.50	297.63	1.09% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,237.64	44.98	0.63% ▲
DAX 30	12,767.15	96.32	0.76% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	30,183.78	522.45	1.70% ▼
S&P 500	3,789.93	66	1.71% ▼
NASDAQ	11,637.79	213.75	1.80% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,666.30	9.4	0.56% ▼
Oil-WTI (bbl)	83.42	0.48	0.58% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	240.00	1.25	0.52% ▲
EURO/PKR	239.06	0.25	0.10% ▼
GBP/PKR	272.98	0.18	0.07% ▲
AED/PKR	65.30	0.34	0.52% ▲

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

## Market Outlook

KSE-100 on Wednesday opened on a positive note. However, later on, it lost the impetus and concluded the session in the red zone amid macroeconomic uncertainties prevailing in the country. The benchmark KSE-100 index made an intra-day high and low at 41,358 (137 points) and 40,872 (-349 points) respectively while closed at 40,966 by losing 255 points. Trading volume has increased to 113mn shares as compared to 86mn shares on the previous trading day. Going forward, we expect the market to continue its downward momentum. The support for the index resides at 39,800. Breaking this level can further drag the index towards 38,100. However, the resistance for the index resides at 41,000.

## Key News

### International

#### Asia stocks follow Wall St down as Fed fights inflation

Asian stock markets followed Wall Street lower on Thursday after the Federal Reserve delivered another big interest rate hike to cool galloping inflation and raised its outlook for more. Shanghai, Tokyo, Hong Kong and Sydney declined. Oil prices gained. Wall Street's benchmark S&P 500 index fell 1.7% on Wednesday to its lowest level in two months after the Fed raised its benchmark lending rate by 0.75 percentage [see more...](#)

#### Oil Slips Below \$90 as Rising Interest Rates Dim Demand Prospects

Oil prices extended losses on Thursday after the U.S. Federal Reserve struck a more hawkish tone than expected, raising concerns that heightened interest rates and inflation will weigh on crude demand in the coming months. Crude prices sank in choppy trade on Wednesday after the Fed hiked interest rates by 75 basis points, as expected. But [see more...](#)

### Politics

#### Imran to launch 'Haqeeqi Azadi' movement on Saturday

Former prime minister and PTI Chairman Imran Khan on Wednesday said that PTI's movement for "Haqeeqi Azaadi" (actual freedom) will begin on Saturday (September 24) as he called on supporters to get ready for his call. Since his ouster from the top office, Imran has consistently demanded that a date for "fair and free" snap elections be provided, otherwise, he would take to the streets against the incumbent [see more...](#)

### Economy

#### Pakistan likely to receive \$1.5bn from ADB: Aisha Ghous Pasha - Positive

Minister of State for Finance and Revenue Dr Aisha Ghous Pasha on Wednesday informed the Senate Standing Committee on Finance that Pakistan is expected to receive \$1.5 billion from Asian Development Bank (ADB) and \$500 million from Asian Infrastructure Investment Bank (AIIB). The statement comes when Pakistan is experiencing its worst humanitarian crisis in a decade, spurred by extreme [see more...](#)

## MORNING GLANCE

### Last phase of G20 DSSI: Pakistan, Japan agree on \$160m debt deferral - **Positive**

The governments of Japan and Pakistan have agreed on debt deferral amounting to around \$160 million, as the last phase of “the G20 Debt Service Suspension Initiative (DSSI)”. Prior to this, both governments agreed on the first debt deferral amounting to \$370 million on April 27, 2021 and the second debt deferral amounting to \$200 million on October 22, 2021, under the [see more...](#)

### Biden urges world community to help flood-hit Pakistan - **Neutral**

US President Joe Biden on Wednesday made a fervent call during his speech to the UN General Assembly for extending help to Pakistan where floods have caused huge devastation. “Pakistan is still under water, needs help,” the US president told the 193-member Assembly in its high-level debate, when he dealt with the adverse impacts of climate change. The iconic hall of the General Assembly was packed-to-capacity with world leaders, [see more...](#)

### PM, WB President discuss ongoing engagement to strengthen Pakistan's different sectors - **Neutral**

President of the World Bank David R. Malpass has stressed that Pakistan should be prioritized for reconstruction through the collective support of the international community. He was talking to Prime Minister Shehbaz Sharif in New York on the sideline of the 77th session of the United Nations General Assembly. The President expressed sympathy and condolence over the [see more...](#)

### THE RUPEE: PKR declines for 14th consecutive session - **Negative**

The rupee's woeful fall continued as it neared its all-time low against the US dollar, depreciating for the 14th successive session to settle at 239.65 on Wednesday, driven by expectations of a rising import bill and a strong USD on the international front. As per the State Bank of Pakistan (SBP), the rupee closed at 239.65 after declining by Re0.74 or 0.31%. In less than two months, the rupee has undergone a complete U-turn, approaching its [see more...](#)

### Jul-Aug CAD shrinks 19pc YoY - **Positive**

The country's current account deficit shrank by 19 percent during the first two months of this fiscal year (FY23) due to lower import bill and increase in exports. The State Bank of Pakistan (SBP) Wednesday night reported that cumulatively the country recorded a current account deficit amounting to \$1.92 billion in Jul-Aug of FY23 compared to \$2.374 billion in the same period of last fiscal year, depicting a decline of \$ 456 million. [see more...](#)

### Banned items that landed till Aug 18<sup>th</sup>: ECC takes step to clear consignments stuck at ports - **Neutral**

The Economic Coordination Committee (ECC) of the Cabinet Wednesday directed that the consignments of previously banned items that landed in Pakistan till 18th August 2022 may be released at the rate of surcharge to clear consignments stuck at ports. Federal Minister for Finance and Revenue Miftah Ismail presided over the ECC meeting virtually on Wednesday [see more...](#)

### Headline inflation revised up to 18.0pc: ADB forecasts economy to slow down to 3.5pc - **Negative**

Pakistan's economy is forecast to slow to 3.5 percent in the fiscal year 2023 (ending 30 June 2023) from 4.5 percent (projected in April 2022) amid devastating floods, policy tightening, and critical efforts to tackle sizable fiscal and external imbalances. The forecast for headline inflation revised up to 18.0 percent from the earlier 8.5 percent [see more...](#)

### Plant may be available for 10 more years: Kapco steps up efforts for renewal of its PPA - **Positive**

Kot Addu Power Company (Kapco) has expedited its efforts for renewal of its Power Purchase Agreement (PPA), saying that the plant can be available for another 10 years. In a letter to Secretary Power Division, Rashid Langrial, Chief Executive, Kapco, Aftab Mahmood Butt, has cited an earlier letter of June 13, 2022, titled Power Purchase Agreement of Kapco [see more...](#)

### Import restrictions on CKD auto parts: car assemblers operating 'just 5-9 days per month' - **Negative**

Restrictions on the import of completely-knocked down (CKD) auto parts have left the industry “cutting production by 21-25 days and operating just 5-9 days per month.” In a letter written to the Ministry of Industries and Production on Wednesday, the Pakistan Auto Manufacturers Association (PAMA) argued that automobile companies were [see more...](#)

### Cut-Off Yields on T-Bills Increase by Up To 15 BPS - **Neutral**

The cut-off yields on Treasury Bills (T-Bills) were up by up to 15 basis points (bps) in the auction of the paper held on Wednesday. According to the data released by the State Bank of Pakistan (SBP), the government raised Rs. 1,399 billion against an initial target of Rs. 1,500 billion and maturity of Rs. 1,968 billion in the auction. Official data indicates that the cut-off yields for the three-month T-Bills remained [see more...](#)

### Import through KP, Balochistan: Customs value of mineral coal set at \$83/MT - **Neutral**

Directorate of Customs Valuation, Quetta, has determined the customs value of mineral coal imported through KPK and Balochistan at USD 83 per metric ton. According to the details, the customs value determination was made under the valuation advice issued by the director of customs valuation, Karachi. However, due to the recent rise in the prices [see more...](#)

### OGDCL Denies Foul Play in Awarding \$85 Million Uch Compression Project - **Neutral**

Oil and Gas Development Company Ltd. (OGDCL) has denied the rumors of awarding \$85 million Uch Compression Project (UCP) to a firm in illicit manner. In a press release, the company stated that its ex-General Manager (GM) Imran Shoukat has concocted a story to malign its present management. Oil and Gas Development Company Ltd. [see more...](#)

# DISCLAIMER

This report has been prepared by Abbasi & Company (Private) Limited and is provided for information purposes only. Under no circumstances, this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Abbasi & Company (Private) Limited and or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Abbasi & Company (Private) Limited accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. In particular, the report takes no account of the investment objectives, financial situation and needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Abbasi & Company (Private) Limited Research Department and do not necessarily reflect those of the company or its directors. Abbasi & Company (Private) Limited as a firm may have business relationships, including investment-banking relationships, with the companies referred to in this report. Abbasi & Company (Private) Limited does not act as a market maker in the securities of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives do not have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company at the time of issuance of this report. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives are not currently serving or have served in the past three years as a director or officer of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives have not received compensation from the subject company in the previous 12 months. The subject company currently is not, or during the 12-month period preceding the date of publication or distribution of this report, was not, a client of Abbasi & Company (Private) Limited. We have not managed or co-managed a public offering or any take-over, buyback or delisting offer of securities for the subject company in the past 12 months and/or received compensation for corporate advisory services, brokerage services or underwriting services from the subject company in the past 12 months. Abbasi & Company (Private) Limited does not expect to receive or intend to seek compensation for corporate advisory services or underwriting services from the subject company in the next 3 months

All rights reserved by Abbasi & Company (Private) Limited. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Abbasi & Company (Private) Limited. Action could be taken for unauthorized reproduction, distribution or publication

## VALIDITY OF THE PUBLICATION OR REPORT

The information in this publication or report is, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report. The information may be subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the company, jurisdiction or financial instruments referred to in this report. The valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report and were based upon several estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein is not to be relied upon as a representation and/or warranty by Abbasi & Company (Private) Limited and/or its other associated and affiliated companies, that:

- I. Such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- II. There is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein

## 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

## RATINGS CRITERIA

Abbasi & Company (Private) Limited employs a three-tier ratings system to rate a stock and sector, as mentioned below, which is based upon the level of expected return for a specific stock and outlook of sector. The rating is based on the following with stated time horizon

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.

## RESEARCH DISSEMINATION POLICY

Abbasi & Company (Private) Limited endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as email, fax mail etc. Nevertheless, all clients may not receive the material at the same time

## OTHER DISCLOSURES

The research analyst is primarily involved in the preparation of this report, certifies that:

- I. The views expressed in this report accurately reflect his/her personal views about the subject company/stock /sector and economy
- II. No part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report

The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

### PREPARED BY

Muhammad Salman

Phone: (+92) 42 38302028

Ext: 116

Email: salman@abbasiandcompany.com

### RESEARCH DEPARTMENT

6 - Shadman, Lahore

Phone: (+92) 42 38302028; Ext: 116, 117

Email: research@abbasiandcompany.com

web: www.abbasiandcompany.com

### HEAD OFFICE

6 - Shadman, Lahore

Phone: (+92) 42 38302028

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com