

MORNING GLANCE



40,927

▼ -38

▼ -0.09%

104 mn

YTD -8.23%

1 Year -11.04%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,629.80	88.55	0.50% ▼
DSE 30	2,365.69	9.14	0.38% ▼
SHANGHAI	3,108.45	0.45	0.01% ▼
Hang Seng	18,093.00	54.95	0.30% ▼
Nikkei 225	27,153.83	159.3	0.58% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,159.52	78.12	1.08% ▼
DAX 30	12,531.63	235.52	1.84% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	30,076.68	107.1	0.35% ▼
S&P 500	3,757.99	31.94	0.84% ▼
NASDAQ	11,501.65	136.14	1.17% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,679.95	1.15	0.07% ▼
Oil-WTI (bbl)	83.59	0.10	0.12% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	239.75	0.25	0.10% ▼
EURO/PKR	235.69	3.37	1.41% ▼
GBP/PKR	269.58	3.4	1.25% ▼
AED/PKR	65.23	0.07	0.11% ▼

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

Market Outlook

KSE-100 on Thursday remained under immense selling pressure for the majority part of the day ahead of the hearing of contempt case against Imran Khan. However, later on, it recovered around all of its intra-day losses and managed to close flat amid IHC's decision of deferring contempt proceedings as Imran Khan apologised for threatening judge. The index made an intra-day high and low at 40,987 (21 points) and 40,418 (-548 points) respectively while closed at 40,928 by losing 38 points. Trading volume has decreased to 104mn shares as compared to 113mn 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

Bonds lead losses as rate hikes hit; yen in focus

Asian stocks limped toward a fourth straight weekly decline on Friday and bonds nursed big losses as investors scrambled to catch up with the U.S. Federal Reserve's interest rate outlook, while currency markets were on edge at the end of a wild week. Fed members' projections for aggressive hikes and persistently high rates over the next year or so has [see more...](#)

Oil Heads for 4th Week of Losses as Fed Jitters Offset Tightening Supply

Oil prices rose slightly on Friday, but were set to lose for a fourth straight week as concerns over headwinds from rising interest rates outweighed expectations that crude supply will tighten due to the Russia-Ukraine conflict. Concerns over rising interest rates across the globe, particularly after a hike by the Federal Reserve this week, dented crude prices [see more...](#)

Politics

'Won't happen again': Imran Khan dodges contempt indictment after month-late apology to judge

The Islamabad High Court (IHC) on Thursday deferred contempt proceedings against PTI chief Imran Khan after he expressed the willingness to apologise to Additional District and Sessions Judge Zeba Chaudhry. The IHC had initiated contempt proceedings against Imran over his diatribe [see more...](#)

Economy

World Bank to provide \$850 Million for Pakistan's Flood Relief Efforts - Positive

World Bank repurposing US\$ 850 million immediately to help Pakistan with its flood relief efforts, says President of the World Bank Group. Prime Minister Shehbaz Sharif met Mr. David R. Malpass, President of the World Bank Group on the sidelines of the 77th UN General Assembly Session in New York. They discussed World Bank's ongoing [see more...](#)

MORNING GLANCE

ADB Approves \$100 Million to Improve Secondary Healthcare in KPK - Positive

The Asian Development Bank (ADB) has approved a \$100 million results-based loan to help strengthen the quality of secondary health care in Khyber Pakhtunkhwa province in Pakistan. The program will help improve the delivery of health services at secondary hospitals by modernizing infrastructure and equipment; ensuring clinical protocols, standards, and [see more...](#)

Pakistan Large Scale Manufacturing Decline 1.4% in July 2022 - Negative

Pakistan overall Large Scale Manufacturing Sector has decline by 1.4 percent during the month of July 2022, according to data published by Pakistan Bureau of Statistics on Thursday. However, Manufacturing fall 16.5 percent during the month of July when compared with the previous month. The main contributors towards overall growth of -1.4 percent are, Garments (4.4 [see more...](#)

Pakistan Central Bank Reserves Decline \$278 Million - Negative

SBP foreign exchange reserves for the week ending September 16, 2022, were decreased by USD 278 million to USD 8,346 million as per data released by the Central Bank. Central Bank reserves decline on external debt and other payments, says SBP in a statement. Pakistan's Finance Minister Miftah Ismail has stated while speaking to business community few days ago that there is still much pressure on the dollar which will not allow us for [see more...](#)

Pakistan's FDI Declined 12% in August 2022 - Negative

Foreign direct investment (FDI) during first two months of this fiscal year witnessed a net inflow of USD 169 million, compared to a net inflow of USD 229.5 million during the same period last year, State Bank of Pakistan revealed today. During the month of August 2022, net FDI decreased by 12 percent year on year to USD 110.7 million. During August 2022, net inflow from China was witnessed at USD 28.1 million followed by USD 12.8 million from UAE. [see more...](#)

Pakistan's Current Account Deficit Shrinks to \$0.7 Billion in August 2022 - Positive

Pakistan's Current Account Deficit (CAD) fell to \$0.7bn in Aug compared to \$1.2bn in July 2022, revealed by State Bank of Pakistan on Thursday. Cumulatively, Jul-Aug FY23 CAD declined by \$0.5bn to \$1.9bn compared to the same period last year mainly due to increase in exports by \$0.5bn and contraction in imports by \$0.2bn. Encouragingly, traded deficit narrowed by 4 [see more...](#)

Pakistan's GDP May Fall to 2% in FY23 - Negative

The country's GDP growth rate is likely to go down to 2 percent during the current fiscal year (FY23), against the earlier estimates of 2.3 percent, as the government expects flood damage and reconstruction efforts to cost \$30 billion. This was revealed by Secretary Ministry for Planning, Development, and Special Initiatives Syed Zafar Ali Shah while talking to a selected group of journalists on Thursday. He said that as per preliminary [see more...](#)

Rupee Halts Sharp Decline Against Dollar After US Interest Rate Hike - Positive

The Pakistani Rupee (PKR) slid against the US Dollar (USD) and posted losses during intraday trade today. It depreciated by 0.03 percent against the USD and closed at Rs. 239.71 after losing six paisas in the interbank market today. The local unit quoted an intra-day low of Rs. 239.625 against the USD during today's open market session. The local unit was largely [see more...](#)

IT, ITeS export remittances surge by 14pc in Aug - Positive

The IT and IT-enabled Services (ITeS) export remittances comprising computer services and call center services increased by 14 percent on a month-on-month (MoM) basis in August 2022 and remained \$ 227 million compared to \$ 199 million in July 2022, says the State Bank of Pakistan (SBP). On a year-on-year (YoY) basis, the sector exports remittances increased by 1.3 percent compared to \$ 224 million in [see more...](#)

Pioneer Cement Report Hefty Loss in last Quarter - Negative

Pioneer Cement Limited reported loss of PKR 577 million in the last quarter on booking of deferred tax of PKR 1,994 million, according to company's filing to the exchange. Share price of the company drop 6.22 percent or PKR 4.1 to PKR 61.85 after the announcement. For the full year company reported profit of PKR 1,050 million compared to PKR 1,970 million in the previous year. Pioneer Cement Limited [see more...](#)

Govt Increases Adjustable Duty on Tobacco Industry to Curtail Illicit Trade - Neutral

In a bid to enhance revenue from the tobacco sector, the government has increased the adjustable federal excise duty (FED) on unmanufactured tobacco from Rs. 10 per kg to Rs. 390 per kg, applicable at the Green Leaf Threshing (GLT) stage. As per the details, the adjustable excise is applicable to and payable by the cigarette manufacturers. The objective [see more...](#)

Pakistan missing out on tax revenue, investment due to tyre smuggling: GTYR official - Negative

Smuggled tyres to the tune of Rs300 billion enter Pakistan every year that deal a massive blow of Rs50 billion to the national exchequer and dampen investment in the sector, said an official of Ghandhara Tyre and Rubber Company Limited (GTR). Speaking to journalists, he said the demand of tyres in Pakistan was close to 14 million units (excluding [see more...](#)

Cash-strapped PSO's receivables hit Rs583.2bn mark - Negative

Faced with serious financial constraints, Pakistan State Oil (PSO) has repeatedly approached the federal government for getting Rs583 billion receivables cleared against Sui Northern Gas Pipelines Limited (SNGPL), GENCOs and Pakistan International Airlines (PIA). The receivables of PSO stood at Rs583.2 billion as on September 21, 2022. The delay in [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:

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- 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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