











MORNING GLANCE









47,750	▲ 331	▲ 0.70%
168 mn	YTD 16.99%	1 Year 10.18%

ASIA	Value	Pts	Chg. (%)
 NIFTY 50	19,386.70	57.3	0.29% ▼
 DSE 30	2,130.42	5.34	0.25% ▼
 SHANGHAI	3,072.26	9.98	0.32% ▼
 Hang Seng	18,053.50	154.5	0.85% ▼
 Nikkei 225	31,656.50	618.5	1.92% ▼

EUROPE	Value	Pts	Chg. (%)
 FTSE 100	7,333.63	13.10	0.18% ▲
 DAX 30	15,621.49	106.92	0.68% ▼

USA	Value	Pts	Chg. (%)
 DOW JONES	34,099.42	373.56	1.08% ▼
 S&P 500	4,376.31	59.7	1.35% ▼
 NASDAQ	14,816.44	331.61	2.19% ▼

Commodities	Value	Chg.	Chg. (%)
 Gold (t oz.)	1,942.00	5.1	0.26% ▼
 Oil-WTI (bbl)	79.23	0.18	0.23% ▲

Currencies	Value	Chg.	Chg. (%)
 USD/PKR	300.22	0.58	0.19% ▲
 EURO/PKR	326.16	1.86	0.57% ▲
 GBP/PKR	381.53	0.12	0.03% ▼
 AED/PKR	81.74	0.33	0.41% ▲

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

Market Outlook

The stock market on Wednesday remained highly volatile and concluded the session in the red zone amid rupee settles at new low against US dollar. The KSE-100 index made an intra-day high and low at 47,994.18 (576 points) and 47,463.68 (45 points) respectively while closed at 47,750 by gaining 331 points. Trading volume increased to 168mn shares as compared to 96mn shares on the previous trading day. Going forward, we expect the market to remain volatile. The index currently has a resistance around 47,900. Breaking this level can further push it towards 48,700. However, the current support of the index resides at 47,000.

Key News

International

Asia stocks echo Wall Street decline before Jerome Powell's speech at the Jackson Hole symposium

Asian stocks opened weaker after a selloff on Wall Street while Treasury yields stabilized after further upward pressure as traders await Jerome Powell's speech for clues on the interest-rate outlook Equity markets in Japan and Australia and Hong Kong stock futures all declined. US futures edged higher after the S&P 500 almost wiped out its weekly [see more...](#)

Oil prices flat as dollar surges ahead of Powell speech

Oil prices moved little in Asian trade on Friday, coming under pressure from a stronger dollar as traders hunkered down ahead of more cues on U.S. monetary policy from the Federal Reserve Chairman. While prices saw some stability in the prior session, they were still headed for a second consecutive week in red as concerns over slowing Chinese demand and increased U.S. supply also weighed. [see more...](#)

Politics

President moves law ministry for advice on ECP letter on fixing election date

President Arif Alvi on Thursday approached the Ministry of Law and Justice, via a letter, to seek its input on the Election Commission of Pakistan's (ECP) response regarding a meeting with him to fix the polls' date. In a statement on X, formerly known as Twitter, the President House [see more...](#)

Economy

Disaster looms amid drop in rupee, reserves, remittances – Negative

The rudderless ship of economy is heading towards a disaster owing to the persistent drubbing of the rupee against the dollar in the wake of dwindling foreign exchange reserves and remittances, and possibility of a sharp rise in inflationary pressures. Now such depreciation of the exchange rate will result in an increase in the POL prices and [see more...](#)

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Forex reserves fall \$131m – Negative

The country's total liquid foreign exchange reserves fell by \$131 million during the last week due to external debt servicing. According to weekly report issued by the State Bank of Pakistan (SBP) on Thursday, total liquid foreign reserves held by the country stood at \$13.248 billion as of Aug 18, 2023 compared to \$13.379 billion as of August 11, 2023. During the week under review, SBP's reserves decreased by \$125 million to \$7.931 billion [see more...](#)

A beleaguered rupee declines 0.19pc – Negative

The Pakistani rupee registered a new record low as it dropped below the 300 level for the first time against the US dollar in the inter-bank market on Thursday. At close, the rupee settled at 300.22, a decrease of Re0.58 or 0.19%, as per the State Bank of Pakistan (SBP). On Wednesday, the rupee had fallen to the then record low against the US dollar, as it settled at 299.64. The currency has come under renewed pressure [see more...](#)

Failure to notify gas tariff...: Pakistan may face IMF wrath in next review – Negative

Pakistan may face annoyance of the International Monetary Fund (IMF) in the next review under the \$3 billion Stand-By Arrangement (SBA) loan over its failure to notify an increase in gas tariff, which was determined by the Oil and Gas Regulatory Authority (Ogra) on June 2, 2023. The next review of the SBA loan of \$3 billion for the next tranche of \$1 billion is due in [see more...](#)

Gas supply in Sindh to be halted for 48 hours – Negative

The Sui Southern Gas Company (SSGC) has announced that it will halt the gas supply to all industries and power plants in Sindh province for 48 hours from Saturday 08:00 am PST, August 26, 2023, the latest notification issued by the SSGC showed. The decision was taken due to a gas shortage in the SSGCL system, which resulted in low pressure and reduced availability of gas. Gas will be supplied as per the approved priority order, which [see more...](#)

K-Electric shareholders dispute: Cayman Islands court holds its order – Neutral

The Grand Court of the Cayman Islands has stayed its order that directed the shareholders of K-Electric Limited (PSX: KEL) to resolve their dispute in the Cayman Islands or England rather than in Pakistan. The stay order was issued pending a further hearing on October 10, 2023, KEL's notified on the local bourse today. Moreover, the Cayman Islands Court has ruled that any [see more...](#)

Surplus power generation; Consumers to pay over Rs124bn capacity charges – Negative

Consumers will pay capacity charges of over Rs124 billion for the surplus power generation during the last quarter of fiscal year 2022-23 in the coming months. The XWDISCOs are seeking approval of the regulator for the recovery of capacity charges as well as others from the consumers. As per official figures, the Lahore Electric Supply Company (LESCO) [see more...](#)

Indus Motor Company shuts plant for 13 days – Negative

A significant participant in Pakistan's automotive market, Indus Motor Company Limited, has temporarily closed its production facility for 13 days as a result of considerable supply chain disruptions and low demand for vehicles. Previously, Indus Motors experienced a shutdown of its production plant for two weeks at the end of July and early August due to similar challenges with raw material [see more...](#)

Fertilizer offtake rises by 32.6% YoY in July'23 – Positive

The country's overall nutrient offtake increased by 32.6% YoY to 411,000 tons during July 2023, the latest monthly report of fertilizer offtake issued by the National Fertilizer Development Company (NDFC) showed. Among the nutrients, nitrogen and potash offtake increased by 31.2, 39.2, and 58% YoY respectively. During Kharif 2023, cumulative nutrient offtake (April-July) was 1,442,000 tons, which increased [see more...](#)

FBR to introduce Track and Trace System at ginning factories – Neutral

Federal Board of Revenue (FBR) will introduce a Track and Trace System at ginning factories in Pakistan to promote transparent cotton trade. Malik Amjed Zubair Tiwana, Chairman of the Federal Board of Revenue (FBR), met with Dr Gohar Ejaz, Caretaker Federal Minister for Commerce, Industries, and Production. During the meeting, [see more...](#)

Highest ever tax collection likely from cigarette sector in FY24 – Neutral

The government is bound to collect highest ever over Rs220 billion through the Federal Excise Duty imposed on sale of cigarettes in the country, according to Capital Calling, a network of academic researchers and professionals. The network had made this projection about tax collection when the former prime minister Shahbaz Sharif took the [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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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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