

MORNING GLANCE



42,347	▲ 134	▲ 0.32%
65 mn	YTD -5.04%	1 Year -7.58%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,730.75	154.45	0.88% ▲
DSE 30	2,277.65	6.64	0.29% ▲
SHANGHAI	2,977.55	0.01	-
Hang Seng	15,180.69	1030.43	6.36% ▼
Nikkei 225	27,229.50	254.60	0.94% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,013.99	44.26	0.64% ▲
DAX 30	12,931.45	200.55	1.58% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	31,499.62	417.06	1.34% ▲
S&P 500	3,797.34	44.59	1.19% ▲
NASDAQ	11,430.26	119.93	1.06% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,658.20	4.10	0.25% ▲
Oil-WTI (bbl)	84.89	0.31	0.37% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	221.00	0.35	0.16% ▼
EURO/PKR	217.69	1.53	0.71% ▲
GBP/PKR	251.27	3.72	1.50% ▲
AED/PKR	60.13	0.09	0.15% ▼

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

Market Outlook

KSE-100 on Monday remained positive throughout the day and concluded the session in the green zone amid the removal of Pakistan from the FATF grey list. The index made an intra-day high and low at 42,672 (459 points) and 42,213 (0 points) respectively while closed at 42,347 by gaining 134 points. Trading volume has decreased to 65mn shares as compared to 93mn shares on the previous trading day. Going forward, we expect the market to continue its upward momentum. The resistance for the index resides at 42,800. Breaking this level can further push the index towards 43,205 (200 DMA). Contrarily, the support for the index resides at 42,046 (50 DMA).

Key News

International

Hong Kong markets volatile after plunging to start the week; other Asian markets rise

Hong Kong stocks were volatile while mainland China markets continued to slide Tuesday, while other major Asian markets rose after Wall Street's second straight positive session. The Hang Seng index in Hong Kong lost as much as 1.54% and was last up 0.18%, while Hang Seng Tech was more than 1% higher. The Hang Seng index and Chinese tech stocks in [see more...](#)

Oil prices edge higher as U.S. dollar eases

Oil prices edged higher on Tuesday, reversing some of the previous session's losses, as the U.S. dollar eased, while weaker U.S. business activity data lowered expectations for more aggressive interest rate hikes in the world's biggest economy. International benchmark Brent crude futures gained 12 cents to \$93.38 per barrel by 0008 GMT, while U.S. West Texas Intermediate crude futures rose 22 cents [see more...](#)

Politics

Imran Khan can still contest elections: IHC

The Islamabad High Court (IHC) said on Monday that former prime minister Imran Khan has not been barred from contesting elections following the Election Commission of Pakistan (ECP) verdict in the Toshakhana reference against him, it was reported. IHC Chief Justice Athar Minallah took up the Pakistan Tehreek-e-Insaf chairman's petition today. Imran's lawyer, Barrister Ali Zafar told the court that [see more...](#)

Economy

BRACE programme: \$1.5bn loan agreement signed with ADB - Positive

Prime Minister Shehbaz Sharif has expressed gratitude to the Asia Development Bank (ADB) Board for approving US\$ 1.5 billion for budget support for Pakistan under the BRACE programme. This was stated by the Finance Ministry and the Prime Minister's Office. The prime minister witnessed the signing ceremony of the loan agreement of \$1.5 billion under the Building Resilience with Active Countercyclical [see more...](#)

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Countercyclical support facility loans: Project risks identified by ADB - **Positive**

The Asian Development Bank (ADB) has identified several risks to “Countercyclical Support Facility Loans For Islamic Republic of Pakistan: Building Resilience with Active Countercyclical Expenditures Programme” worth \$1.5 billion including prolonged economic slowdown and political tensions and compounded crises, including the recent floods, strain government [see more...](#)

Interest Rate on ADB Loan Likely to be Over 3% - **Neutral**

The regular loan of \$1.25 billion approved by the Asian Development Bank (ADB) for Pakistan will have a 7-year term, including a grace period of 3 years. The interest rate would be determined in accordance with ADB’s Flexible Loan Product plus 75 basis points and a commitment charge of 0.15 percent per year, official documents revealed. This will likely take the total interest rate to over 3 percent. ADB recently approved \$1.5 billion [see more...](#)

Open market sees massive shortage of USD - **Negative**

Consumers were left running from pillar to post as the open market ran massively short of US dollars on Monday with transactions happening only through “connections”, as some currency dealers Business Recorder spoke to put it, raising questions on the mechanisms put in place to ensure availability at a time when the rupee is largely stable in the inter-bank market. “There is a shortage of US dollars in the open market,” [see more...](#)

FBR Crosses Rs. 2 Trillion Tax Collection in Record Time - **Neutral**

The Federal Board of Revenue (FBR) has crossed the revenue collection figure of Rs. 2 trillion during the first four months (July-October 24) of the current fiscal year 2022-2023 (FY23). According to details, FBR has achieved yet another milestone by crossing the revenue collection figure of Rs. 2 trillion, a month earlier than last year. FBR Chairman Asim Ahmad appreciated the performance of team FBR and expressed optimism about achieving the [see more...](#)

KE given Rs12.7/unit tariff hike - **Negative**

National Electric Power Regulatory Authority (Nepa) has approved Quarterly Tariff Adjustment (QTA) of Rs12.70 per unit for KE for fourth quarter of FY 2021-22. According to Nepa decision K-Electric initially requested a quarterly adjustment for the quarter 4th quarter FY 2021-22 of Rs.14.852/kWh; however, subsequently revised its request to Rs. 14.533/kWh. On August 31, 2022, public hearing was held by the regulator to reach [see more...](#)

KAPCO requests NEPRA to grant provisional tariff approval - **Neutral**

Kot Addu Power Company Limited (PSX: KAPCO) on Monday requested NEPRA to approve a provisional tariff for the interim period for, inter alia meeting technical, operational, and dispatch requirements of the power purchaser and the system, the company’s filing on PSX showed today. To recall, the company’s Power Purchase Agreement (PPA) [see more...](#)

FCCL increases authorized share capital to Rs50bn - **Neutral**

The shareholders of Fauji Cement Company Limited (FCCL) on Monday resolved to increase the authorized share capital of the company from Rs25 billion to Rs50bn by the creation of 2.5bn shares of Rs10 each, the company's filing on the bourse showed on Monday. The new shares will rank pari passu in all respects with the existing ordinary shares in the capital of the company. The shareholders further resolved to [see more...](#)

SECP Allows Money Market Collective Investment Schemes to Invest in Short Term Sukuk - **Neutral**

In order to broaden the scope of investment avenues for open-end money market collective investment schemes (CISs), the Securities and Exchange Commission of Pakistan (SECP) has allowed the money market CISs to take exposure in short-term corporate Sukuk along with commercial papers. However, the cumulative exposure of money market [see more...](#)

Public debt at Rs49.2 trillion: Dar - **Negative**

Federal Minister for Finance and Revenue Muhammad Ishaq Dar has said that the outstanding public debt of Pakistan was Rs49.2 trillion at the end of June 2022. In a written reply to a question of a member of the National Assembly during the question hour session on Monday, the minister said that there is Rs31.04 trillion domestic debt and external debt Rs18.16 trillion. In reply to another question, the minister said [see more...](#)

Habib Metro Bank Posts Highest-Ever Profit of Over Rs. 10 Billion in 9-Month Period - **Positive**

Habib Metro Bank has reported the highest-ever profit of over Rs. 10 billion in the three quarters of 2022. According to the financial statement, the bank’s profit surged to Rs. 10.25 billion during the period of January to September 2022 as compared to Rs. 9.90 billion reported in a similar period of the last calendar year, showing a modest growth of 3.3 [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

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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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