

MORNING GLANCE



51,177	▲ 149	▲ 0.29%
216 mn	YTD 25.39%	1 Year 23.2%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,122.15	159.6	0.83% ▼
DSE 30	2,138.56	2.33	0.11% ▲
SHANGHAI	2,964.67	9.45	0.32% ▼
Hang Seng	16,964.00	110	0.64% ▼
Nikkei 225	30,625.00	644.92	2.06% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,414.34	24.64	0.33% ▲
DAX 30	14,892.18	12.24	0.08% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	33,035.93	105.45	0.32% ▼
S&P 500	4,186.77	60.91	1.43% ▼
NASDAQ	14,381.64	364.21	2.47% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,995.85	0.95	0.05% ▲
Oil-WTI (bbl)	85.28	0.11	0.13% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	279.88	0.45	0.16% ▲
EURO/PKR	296.56	0.88	0.30% ▼
GBP/PKR	339.99	2.54	0.74% ▼
AED/PKR	76.20	0.13	0.17% ▲

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

Market Outlook

The stock market on Wednesday remained positive throughout the day and concluded the session in the green zone amid profit repatriation from Pakistan rises massively by 266% YoY. The Benchmark KSE-100 index made an intra-day high and low at 51,483.84 (456 points) and 51,023.31 (-4 points) respectively while closed at 51,177.13 by gaining 149 points. Trading volume increased to 216mn shares as compared to 146mn shares on the previous trading day. Going forward, the resistance for the index resides at 51,500. Breaking this level would further push the index towards 51,700. Contrarily, the support for the index resides at 51,000.

Key News

International

Asian stocks slide amid US Treasury yield concerns

Asian stocks opened with losses as concerns mounted over mixed corporate earnings and rising US Treasury yields. The Nikkei 225 fell by 1.89%, while the broader Topix index dropped by 1.15%. South Korea's KOSPI and Australia's S&P ASX 200 also saw declines of 1.80% and 1.01%, respectively. Wall Street's performance the previous night, with Dow Jones, S&P, and Nasdaq declines, contributed to [see more...](#)

Oil prices flat before US GDP data, Middle East concerns persist

Oil prices moved little in Asian trade on Thursday as markets hunkered down before key U.S. economic data due later in the day, while focus also remained on any more developments in the Israel-Hamas war. Crude markets logged volatile swings this week, as traders struggled to gauge whether the war would spill over into the Middle East region and disrupt [see more...](#)

Politics

Not sure of polls in January: Alvi

President Dr Arif Alvi has said he does not believe that general election will take place in January next year but, at the same time, he called for transparent election when they are conducted. In an interview with Hamid Mir in Geo News programme Capital Talk, Alvi said: "I don't believe the elections [will take place in the last week of January]. I think that the supreme judiciary has taken notice [see more...](#)

Economy

Pakistan poised to secure \$710m from IMF after meeting key economic targets – Neutral

Pakistan is likely to secure \$710 million from the International Monetary Fund (IMF) since it has met almost all the fiscal and monetary targets agreed with the global lender that is scheduled to review its financial performance early next month, Arab News reported on Wednesday, quoting economic experts. [see more...](#)

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Govt closes Q1 with budget deficit of 0.9pc of GDP – **Negative**

The government has closed the first quarter of the current fiscal year (July-Sept 2023-24) with a budget deficit of 0.9 percent of the GDP or Rs962.801 billion, according to the Finance Ministry. According to consolidated data of fiscal operation uploaded by the Finance Ministry, Wednesday, for the first quarter of the current fiscal year showed total expenditure of Rs3.648 trillion against the total revenue of Rs2.685 trillion. [see more...](#)

Foreign investors; Q1 profit repatriation up 267pc to \$213m YoY – **Neutral**

Repatriation of profit and dividends by foreign investors posted a healthy growth of 267 percent during the first quarter of this fiscal year (FY24) as restrictions on outflow of foreign exchange eased. The State Bank of Pakistan (SBP) on Wednesday reported that foreign investors repatriated \$213 million on account of profit and dividend in July-September [see more...](#)

Hundreds of uplift projects face the axe – **Negative**

The federal government has decided to scrape or shelve hundreds of development projects/schemes including non-starter projects and elimination of subsidy on urea and BISP funding on the basis of 50:50 percent between centre and provinces, well-informed sources in Finance Ministry told Business Recorder. To convey a clear message of federal government to provinces, Secretary Finance convened a meeting of Provincial [see more...](#)

ME crisis puts rupee under pressure – **Neutral**

The escalating war in the Middle East has changed forex market sentiments as investment inflows dried up creating dollar shortages in banks resultantly the greenback started to appreciate amid strong demand, especially from importers. Bankers dealing in the currency market said the importers were unable to find dollars even at a rate higher than quoted in the banking market. [see more...](#)

Prices of POL products likely to rise - **Negative**

Prices of petroleum products with expected to rise with effect from November 1, 2023 due to a surge in the international oil prices due to the ongoing conflict in the Middle East. Though neither Israel nor Gaza produce any oil yet fears of oil-rich regional countries being drawn into the conflict is rising with each passing day. Since October 16, 2023 international prices for petrol and high speed diesel (HSD) have increased by \$3 [see more...](#)

K-Electric receives highest federal subsidy of Rs169bn – **Positive**

The privately-run K-Electric company has been getting the highest Rs169 billion in subsidy from the federal government as compared to the state-run Power Distribution Companies (Discos), as per the Ministry of Energy (Power Division) statistics. The net required subsidy of K-Electric is Rs169 billion and is being fulfilled by the federal government [see more...](#)

Industrial consumers; Three options tailored for 'winter package' – **Neutral**

Power Division has tailored three options for country-wide four months (November 2023 to February 29, 2024) subsidy neutral Winter Package for industrial electricity consumers on incremental consumption, which may have some financial impact on other consumers, well informed sources told Business Recorder. In option 1, a relief from [see more...](#)

Drive against power theft; 19,415 arrested, Rs14bn recovered, PM told – **Positive**

The caretaker government has maintained that it recovered Rs14 billion on account of electricity theft since the beginning of the campaign till September 30, 2023. Caretaker Prime Minister Anwaar ul Haq Kakar, was informed about this during a meeting presided over by him on Wednesday to review progress made so far against electricity theft in the [see more...](#)

Auto manufacturing units: Ministry decides to re-validate licences – **Negative**

In this connection, a high-level meeting was held at the Engineering Development Board (EDB), here on Wednesday to discuss and review the performance of set targets for the local auto industry of the country. According to reliable sources, while discussing the decisions of the previous meeting held in September 2023, the stakeholders [see more...](#)

PSO now provides fuel to PIA after advance payment – **Negative**

PIA has defaulted on payment of Rs26.8 billion of Pakistan State Oil, which is why the state-owned oil marketing company cannot afford to provide more fuel to the national flag carrier as a free lunch, and it has decided to provide fuel to the airline on advance payment for revenue-generating routes only, not for all. [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

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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