

MORNING GLANCE



47,671	▼ -80	▼ -0.17%
92 mn	YTD 16.8%	1 Year 10.78%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,265.80	120.9	0.62% ▼
DSE 30	2,130.50	0.08	-
SHANGHAI	3,136.98	72.91	2.38% ▲
Hang Seng	18,289.00	336.50	1.87% ▲
Nikkei 225	32,172.50	545.00	1.72% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,338.58	4.95	0.07% ▲
DAX 30	15,631.82	10.33	0.07% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	34,346.90	247.48	0.73% ▲
S&P 500	4,405.71	29.40	0.67% ▲
NASDAQ	14,941.83	125.39	0.85% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,943.55	3.65	0.19% ▲
Oil-WTI (bbl)	79.78	0.05	0.06% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	301.00	0.78	0.26% ▲
EURO/PKR	324.81	1.35	0.41% ▼
GBP/PKR	378.87	2.66	0.70% ▼
AED/PKR	81.74	-	-

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

Market Outlook

The stock market on Friday remained volatile and concluded the session in the red zone amid rupee settles at new low against US dollar at 301. The KSE-100 index made an intra-day high and low at 47,835.55 (103 points) and 47,570.65 (-180 points) respectively while closed at 47,671.21 by losing 80 points. Trading volume decreased to 92mn shares as compared to 168mn shares on the previous trading day. Going forward, we expect the market to remain volatile. The index currently has a resistance around 48,000. 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 rise after Jackson Hole symposium; yen weakens
Asian stocks advanced, following US equities with modest gains Monday after Jerome Powell said the Federal Reserve would "proceed carefully" on whether to raise interest rates again, while signaling policy will remain tighter for longer. Shares opened higher in Japan, South Korea and Australia. The moves followed the S&P 500's 0. percent advance Friday, when it capped its best week since July. [see more...](#)

Oil ticks higher after China moves to support flagging economy

Oil prices ticked higher on Monday, along with equity markets, after China took steps to support its flagging economy, though investors remained worried about the pace of growth as well as further U.S. interest rate hikes that could dampen fuel demand. Brent rose 22 cents, or 0.3%, to \$84.70 a barrel by 0049 GMT while U.S. West Texas [see more...](#)

Politics

West cautions Pakistan against delaying polls

Key Western countries have conveyed to Pakistan that any delay in the parliamentary elections beyond a certain timeframe would trigger serious consequences for the country, including the potential downgrading of ties. Diplomatic sources told The Express Tribune on Sunday that the United States and the European Union [see more...](#)

Economy

Economy and development: Blome says US to help caretakers pursue agenda – Neutral

Caretaker Prime Minister Anwaar-ul-Haq Kakar on Friday reaffirmed the government's desire to further strengthening bilateral cooperation with the United States in the key areas including trade and investment, energy, security, and climate change. He was talking to the US Ambassador to Pakistan Donald Blome who called on him here. [see more...](#)

MORNING GLANCE

In debut talk with IMF, Shamshad vows policy upkeep - Neutral

Caretaker Finance Minister Shamshad Akhtar had an introductory virtual engagement with the staff mission of the International Monetary Fund (IMF) and is reported to have promised steadfast implementation of the policy actions committed under the \$3bn Standby Arrangement during the tenure of the caretaker government to ensure economic stability. Informed sources said the two sides had an informal update [see more...](#)

FO explains country's approach to BRICS bloc - Neutral

The Foreign Office on Friday said Pakistan has not made any formal request to join BRICS and it will examine the latest developments and make a determination about its future engagement with the group of the world developing economies. Speaking at her weekly media briefing in response to the queries, Foreign Office spokesperson Mumtaz Zahra Baloch said that Pakistan has said [see more...](#)

SBP says it can't impose ban on import of any item – Neutral

State Bank of Pakistan (SBP) has stated that it cannot impose a ban on import of any item as it falls under the domain of Ministry of Commerce (MOC). While in a brief submitted to the last meeting of the Senate Finance Committee on opening of LCs by SBP to import EV cars, the SBP told the committee recently on June 23, 2023, SBP has withdrawn its advisory related to prioritising essential imports, as per commitment [see more...](#)

Grey market, IMF blamed as rupee goes into free fall - Neutral

As the rupee's alarming descent against the US dollar continues unabated, experts and stakeholders point fingers at the powerful grip of the grey market and the International Monetary Fund's (IMF) "significant interference" in the country's banking and currency sectors. Some said it was unprecedented that the IMF had allegedly got deeply involved in the country's financial framework, interacting at granular levels [see more...](#)

No immediate end to external account woes: Dollar outflows to outpace inflows till December – Negative

Pakistan's external woes are going to multiply mainly because the dollar outflows will outpace the dollar inflows till the end of December 2023. Despite signing a \$3 billion Standby Arrangement (SBA) programme with the IMF, Pakistan's external vulnerabilities are going to persist mainly because of shrinking dollar inflows in the form of loans amid increased debt servicing as well [see more...](#)

Rupee to continue downward trend, analysts expect off-cycle rate hike – Negative

Rupee is likely to continue its downward trajectory against dollar in the coming week, with some analysts expecting an interest rate hike by the central bank in an off-cycle review to prevent further depreciation. Over the course of this week's five sessions, the rupee plummeted by 1.3 percent. It closed at 297.13 per dollar on Monday but lost more value, [see more...](#)

Govt borrowings rise at a rapid clip – Negative

The government's borrowing from banks stood at Rs2.037 trillion from July 1 to Aug 11, significantly higher than Rs255 billion in the comparable period last year, the central bank data showed, while credit to the private sector continues to paint a grim picture. On top of that, the government borrowed Rs2.073bn in the auction held on Aug 23, which is not included in the State Bank data released earlier this week. [see more...](#)

Citizens hit with additional Rs2.2tr burden: PTI – Neutral

During the previous fiscal year, Pakistan accumulated approximately Rs7,000 billion in tax revenue. However, following consecutive tariff hikes, the government is now seeking an additional Rs2,200 billion in petrol and electricity tariffs alone. This concerning revelation was brought to light by Muzamil Aslam, the spokesperson for the PTI on economic matters, in a [see more...](#)

Rupee crisis costs refinery Rs750m on crude import - Negative

Pakistan's oil industry is feeling the pinch of a plunging rupee that has made crude imports more costly and forced one refinery to book a hefty loss on a recent shipment, industry officials told The News on Friday. One of the refineries, which imported 72,000 tons of crude oil in July, suffered a loss of Rs750 million due to the currency depreciation, [see more...](#)

MPCL gets exploration licence in Chagai – Positive

The Directorate General Mines and Minerals Balochistan has granted an Exploration License (EL-186) and allotted an area of 501 sq. km to Mari Petroleum Company Limited (MPCL) for mineral exploration near Dalbandin, district Chagai, Balochistan. "This is in line with the MPCL's strategy to diversify into near core areas and its commitment to contributing to the growth of the mineral mining [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

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

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 Umair Javed

Phone: (+92) 42 38302028

Ext: 117

Email: umairjaved@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