

MORNING GLANCE



41,602	▲ 63	▲ 0.15%
89 mn	YTD -6.71%	1 Year -9.15%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,736.95	80.60	0.46% ▲
DSE 30	2,249.16	5.43	0.24% ▲
SHANGHAI	2,958.25	24.65	0.83% ▼
Hang Seng	15,146.00	281.94	1.83% ▼
Nikkei 225	27,209.00	136.24	0.50% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,073.69	17.62	0.25% ▲
DAX 30	13,211.23	15.42	0.12% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	32,033.28	194.17	0.61% ▲
S&P 500	3,807.30	23.3	0.61% ▼
NASDAQ	11,191.63	214.27	1.88% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,667.70	2.10	0.13% ▲
Oil-WTI (bbl)	87.98	1.1	1.23% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	221.20	0.70	0.32% ▲
EURO/PKR	222.73	3.33	1.52% ▲
GBP/PKR	257.05	4.70	1.86% ▲
AED/PKR	60.18	0.19	0.32% ▲

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

Market Outlook

KSE-100 on Thursday remained volatile throughout the day and concluded the session in the green zone amid the disbursement of \$1.5bn by the Asian Development Bank. The index made an intra-day high and low at 41,712 (172 points) and 41,319 (-221 points) respectively while closed at 41,603 by gaining 63 points. Trading volume has decreased to 89mn shares as compared to 107mn shares on the previous trading day. Going forward, we expect the market to remain volatile amid political uncertainty prevailing in the country. The support for the index resides at 41,000. Breaking this level can further drag the index towards 39,800. Contrarily, the resistance for the index resides at 41,940 (50 DMA).

Key News

International

Asian shares slip, yen steady ahead of Bank of Japan meeting

Asian equities edged lower on Friday as investors grappled with mixed earnings reports, while the Japanese yen held firm ahead of the Bank of Japan's policy review. MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.32%, set to snap a three-day winning streak. The index is down nearly 3% for the month and 30% [see more...](#)

Oil Retreats From \$95, Eyes Weekly Gains on U.S. Optimism

Oil prices fell from a recent peak on Friday, but were set to rise for a second consecutive week as a swathe of positive U.S. data helped ease fears over an economic slowdown, while the prospect of tightening supply also helped buoy prices. London-traded Brent oil futures fell 0.2% to \$94.44 a barrel, while West Texas Intermediate crude futures fell 0.8% to \$88.37 a barrel by 21:25 ET (01:25 GMT). Brent futures were set to add about 1.2% this week, while WTI futures [see more...](#)

Politics

Imran, PTI leaders to be probed in Arshad's killing case: Sana

A day after Pakistan Tehreek-i-Insaf (PTI) leader Faisal Vaw-da's claim that journalist Arshad Sharif's murder was pre-planned in Pak-istan, Interior Minister Rana Sanaullah on Thursday said PTI chief Imran Khan and other party leaders, including Mr Vawda, will also be investigated in the killing case. [see more...](#)

Economy

Pakistan, China agree to execute \$10bn ML-1 project - Positive

Just ahead of Prime Minister Shehbaz Sharif's upcoming visit to China, the Joint Coordination Committee (JCC) of Pakistan and China on Thursday agreed to execute the much-awaited Mainline-1 (ML-1) project at an estimated cost of \$10 billion as well as undertaking business-to-business deals under the China Pakistan Economic [see more...](#)

MORNING GLANCE

US announces additional \$30m aid for flood victims in Pakistan - Neutral

The United States has announced an additional \$30 million in aid for flood victims in Pakistan, according to a press release issued by the US Embassy in Islamabad on Thursday. The press release said that total funding from the US for the flood response, food security, disaster preparedness and capacity-building efforts in the [see more...](#)

Foreign investors - Neutral

The repatriation of profit and dividend by foreign investors declined sharply by 88 percent during the first quarter of this fiscal year (FY23), mainly due to economic slowdown. The State Bank of Pakistan (SBP) on Thursday reported that repatriation of profit and dividend contracted to \$ 58.1 million during July-Sept of FY23 compared to \$477.7 million in the same period of last fiscal year, depicting a decrease of \$419.6 million. [see more...](#)

SBP-held forex reserves fall \$157mn to stand at \$7.44bn, ADB's loan to be reflected next week - Neutral

Foreign exchange reserves held by the State Bank of Pakistan (SBP) decreased \$157 million on a weekly basis, clocking in \$7.44 billion as of October 21, 2022, according to data released on Thursday. Net foreign reserves held by commercial banks amounted to \$5.72 billion, taking the country's total reserves' position to \$13.16 billion. [see more...](#)

OGDCL discovers oil reserves in Punjab - Positive

Oil and Gas Development Company Limited (OGDCL), the largest oil and gas exploration company in Pakistan, on Thursday announced the discovery of oil reserves from its exploratory well in Punjab. In a notice sent to the Pakistan Stock Exchange (PSX), the company announced that OGDCL "being operator of Toot Mining Lease with 100% working interest has made oil discovery from Lokhart Formation at Toot Deep-I [see more...](#)

Chinese firm mulls \$4.5bn investment in refinery project - Positive

Chinese company East Sea Group Limited has planned to invest \$4.5 billion to build a refinery plant with an annual refining capacity of 8 million tonnes at Gwadar, its CEO Fang Yulong said in a think tank session of Pakistan China Joint Chamber of Commerce and Industry (PCJCCI) on Thursday. "We will build an international Gwadar petroleum storage and transportation trading [see more...](#)

Saudi investment of \$12bn : Govt seeks fresh petroleum policy to facilitate investment - Neutral

The government has directed the relevant authorities to approve a fresh petroleum policy in a bid to materialise the upcoming potential investment of \$10 to \$12 billion from the Kingdom of Saudi Arabia for the construction of a petrochemical complex in Gwadar. Now the KSA will be involved in the China Pakistan Economic Corridor [see more...](#)

MPCL threatens to suspend gas supply to power sector from Nov - Negative

Mari Petroleum Company Limited (MPCL) has threatened to suspend gas supply to power sector from November 1, 2022, if Central Power Generation Company Limited (CPGCL) (Genco-II) TPS Guddu fails to pay outstanding dues, well informed sources told Business Recorder. In a letter to Chief Executive Officer (CEO), CPPA-G, [see more...](#)

IMC registers huge decline in sales, profits in Q1 FY2023 - Negative

Indus Motor Company Limited (IMC), announced its financial results for the first quarter ended September 30, 2022, witnessing a massive decline in profit after tax by 76 percent to Rs 1.30 billion, as against Rs 5.42 billion achieved in the corresponding quarter last year. The decline in net profit was mainly due to lower CKD [see more...](#)

DAP makers agree to slash price: Dar - Negative

The fertilizer manufacturers have agreed to consider significant reduction in price of DAP, said Finance Minister Ishaq Dar following a meeting with a delegation of Fauji Fertilizer Bin Qasim (FFBL) Thursday. The Finance Minister presided over a meeting with DAP manufacturers on fertilizers and requested them to reconsider the price of DAP fertilizer as the government wanted to [see more...](#)

ECC okays concessionary RLNG tariff for five export-oriented sectors - Positive

The Economic Coordination Committee (ECC) of the cabinet on Thursday approved the continuation of concessionary RLNG tariff of \$9 per MMBTU for five export-oriented sectors for the current fiscal year 2022-23. The ECC also granted approval to the Ministry of Interior to surrender Rs1 billion funds allocated for the Rawat-Faizabad Metro Bus [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 Salman

Phone: (+92) 42 38302028

Ext: 116

Email: salman@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