

MORNING GLANCE



41,518	▲ 367	▲ 0.89%
125 mn	YTD -6.9%	1 Year -7.36%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,007.40	8.9	0.05% ▼
DSE 30	2,316.42	15.47	0.66% ▼
SHANGHAI	3,073.76	20.11	0.65% ▼
Hang Seng	17,501.00	359.31	2.01% ▼
Nikkei 225	26,049.50	522.37	1.97% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	6,984.59	36.36	0.52% ▼
DAX 30	12,139.68	88.24	0.72% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	29,134.99	125.82	0.43% ▼
S&P 500	3,647.29	7.75	0.21% ▼
NASDAQ	11,271.75	17.64	0.16% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,631.55	4.65	0.28% ▼
Oil-WTI (bbl)	77.59	0.91	1.16% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	234.50	1.75	0.74% ▼
EURO/PKR	226.19	5.67	2.45% ▼
GBP/PKR	253.48	1.21	0.48% ▲
AED/PKR	63.80	2.03	3.08% ▼

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

Market Outlook

KSE-100 on stock market on Tuesday remained positive throughout the day and concluded the session in the green zone amid market's positive reaction to Ishaq Dar's return as finance minister. The index made an intra-day high and low at 41,590 (438 points) and 41,152 (0 points) respectively while closed at 41,518 by gaining 367 points. Trading volume has decreased to 125mn shares as compared to 139mn shares on the previous trading day. Going forward, we expect the market to remain volatile. Whereas the level of 41,714 (50 DMA) is crucial for the market as it needs to break it to continue upward momentum. Contrarily, the support for the index resides at 41,000.

Key News

International

Asia markets spooked by recession risks, dollar climbs

Asian share markets slid on Wednesday as surging borrowing costs fed fears of a global recession, spooking investors into the arms of the safe-haven dollar and driving the Chinese yuan to record lows. MSCI's broadest index of Asia-Pacific shares outside Japan fell 1.7% to its lowest since April 2020 as selling swept across emerging markets. Japan's Nikkei shed 2.1% and South Korean stocks fell 2.4% to a two-year low. [see more...](#)

Oil Rebound Stalls as Recession Fears Outweigh Supply Crunch

A rebound in oil prices appeared to be running out of fuel on Wednesday as fears of slowing short-term demand offset a potential supply shortage stemming from OPEC production cuts and a hurricane in the Gulf of Mexico. Prices remained close to eight-month lows, as rising interest rates and growing fears of an economic slowdown dented expectations of [see more...](#)

Politics

ECP 'strongly rejects' allegations levelled by 'political figure' amid audio leaks fiasco

The Election Commission of Pakistan (ECP) on Tuesday strongly rejected "irresponsible and baseless allegations" leveled by a "political figure", saying the ECP will keep taking decisions under the law and the Constitution in fulfilment of its lawful obligations. The statement from the ECP comes a day after former prime minister and PTI Chairman [see more...](#)

Economy

ADB to approve \$1.5bn next month - Positive

The Asian Development Bank (ADB) will approve a \$1.5 billion countercyclical loan for Pakistan next month as it announced plans to provide \$14bn to the Asia and the Pacific nations to ease a worsening food crisis posed by the impacts of climate change. Speaking at a virtual news conference at the beginning of its 55th annual meeting from Manila, ADB President Masatsugu Asakawa said the \$1.5bn [see more...](#)

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Saudi Crown Prince to visit Pakistan in November - **Positive**

Saudi Crown Prince Muhammad bin Salman (MBS) will undertake Pakistan's visit mid-November this year and will make a major announcement on various development projects. The invitation for the visit was extended by Prime Minister Shehbaz Sharif and it was recently refreshed by him in a telephonic conversation, where they had also discussed important subjects of mutual interest. The flood situation in Pakistan came under discussion as well. [see more...](#)

China urges US to do something 'real and beneficial' for flood-hit Pakistan - **Neutral**

Chinese Foreign Ministry Spokesperson Wang Wenbin on Tuesday called out the US for "passing unwarranted criticism against Pakistan-China cooperation" and urged it to do something "real and beneficial" for the people of Pakistan. His statement comes a day after US Secretary of State Antony Blinken urged Pakistan to seek debt relief from close partner China in the view of [see more...](#)

'Dar-jolt': PKR jumps by Rs3.11 against dollar in interbank - **Positive**

The Pakistani rupee extended its gains by Rs3.11 against the dollar in the interbank market on Tuesday. The local currency closed at Rs233.91 per dollar — an appreciation of 1.33 per cent from yesterday's close of Rs237.02, according to the State Bank of Pakistan. Head of Research at Tresmark, Komal Mansoor, said the exchange rate had been "left at the whims of sentiments". [see more...](#)

Locust emergency, food security: WB may further downgrade \$200m project - **Negative**

The World Bank is likely to further downgrade the \$200 million locust emergency and food security project for Pakistan, besides already cancelling a partial commitment of \$104 million bringing it down to \$96 million, after facing inordinate delay in implementation, it is learnt. Official documents revealed that the overall progress of the project towards achieving Project [see more...](#)

Repatriation of profits nosedives by 93pc in two months - **Negative**

The outflow of profits and dividends on foreign investments plunged by 92.88 per cent during the first two months of the fiscal year 2022-23 compared to the same period last year because of lacklustre economic activities in the country. The latest data released by the State Bank of Pakistan (SBP) on Tuesday showed that the repatriation of profits and dividends nosedived to [see more...](#)

Nepra may curtail rooftop solar customers' perks - **Neutral**

The government's power regulator on Tuesday made up its mind to curtail rooftop solar customers' perks by more than half by redesigning the Net Metering Regulations 2015. If the regulator makes the amendment, the credit rates to rooftop solar customers will be substantially reduced from current rates. The regulator wants to reduce the per unit price paid to the roof-top solar power generators for their net surplus units from the [see more...](#)

Cost of thermal power generation exceeds base tariff - **Neutral**

The cost of electricity generated by imported thermal fuels including coal, RFO (residual furnace oil), and RLNG (regasified liquefied natural gas) is still higher than the adjusted base rate of Rs18/KwH. On an average, thermal generation through imported fuels costs around Rs4-20/KwH more than the base rate. However, due to cheap non-thermal electricity [see more...](#)

PD seeks Rs93.43bn to settle GPPs' payables - **Neutral**

Power Division has sought Rs 93.438 billion from Finance Ministry to settle payables to the Government-owned Power Plants (GPPs) at par with IPPs, official sources told Business Recorder Sharing the details, sources said, Power Division submitted a summary for ECC on January 26, 2022 soliciting approval of ECC for supplementary grant for release of Rs 182.465 billion for payment to Pakistan Atomic Energy [see more...](#)

Inflation may slow down after drop in global energy prices - **Neutral**

Inflation is expected to slow down from its decades-high level following more than a one-third drop in the international oil prices since June. Speaking to Dawn, AKD Securities CEO Muhammad Farid Alam said the impact of reduced global energy prices will start reflecting in the domestic market in the "first week of October". Brent, a benchmark for [see more...](#)

CNERGY to Issue 163.5 million Shares to Parent Company Without Cash Consideration - **Neutral**

Cnergyico Pk Limited (CNERGY) Board of Directors to sought approval of shareholders for issuance of 163.5 million shares without consideration of cash in favor of Cnergyico Mu Incorporate in its Annual General Meeting. Cnergyico Pk Limited 28th Annual General Meeting ("Meeting") will be held on Wednesday, 19th October 2022. Cynergy to hold [see more...](#)

Govt to shut down expensive fuel-fired power plants - **Positive**

The government has decided to shut down expensive fuel-fired power plants producing 7,339 megawatts. A ten-year plan for a cheaper alternative formulated by the National Transmission and Dispatch Company (NTDC) has been sent to the National Electric Power Regulatory Authority (NEPRA) for approval. The agency seeks the closure of eleven [see more...](#)

Indus Motors fears 40pc sales drop - **Negative**

Despite having orders for the next four months, Indus Motor Company (IMC) is operating at 40-45 per cent production capacity. Listing factors for lower capacity utilisation at a corporate briefing session held on Tuesday to discuss its financial results for FY22, the assembler of Toyota vehicles feared at least 40pc decline in volumetric sales in FY23 due to higher car prices, hike in interest rates, strict auto [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:

- 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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