

MORNING GLANCE



46,365	▲ 87	▲ 0.19%
92 mn	YTD 13.6%	1 Year 11.9%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,716.45	51.75	0.26% ▲
DSE 30	2,138.50	3.19	0.15% ▲
SHANGHAI	3,108.55	1.23	0.04% ▲
Hang Seng	17,355.00	197.5	1.13% ▼
Nikkei 225	31,702.50	628	1.94% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,593.22	32.5	0.43% ▼
DAX 30	15,217.45	38.42	0.25% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	33,550.27	68.61	0.20% ▼
S&P 500	4,274.51	0.98	0.02% ▲
NASDAQ	14,580.16	34.33	0.24% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,891.05	0.15	0.01% ▲
Oil-WTI (bbl)	94.56	0.88	0.94% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	288.75	1.05	0.36% ▼
EURO/PKR	305.04	1.86	0.61% ▼
GBP/PKR	350.75	2.29	0.65% ▼
AED/PKR	78.61	0.29	0.37% ▼

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 Pakistani rupee strengthened further against the US dollar in the open-market as gap with the inter-bank market continued to stay narrow and within the prescribed limit set by the IMF. The KSE-100 index made an intra-day high and low at 46,448.33 (171 points) and 46,238.12 (-39 points) respectively while closed at 46,365.04 by gaining 87 points. Trading volume decreased to 92mn shares as compared to 96mn shares on the previous trading day. Going forward, the resistance for the index resides at 46,766(50DMA). Breaking this level would further push the index towards 47,000. Contrarily, the support for the index resides at 46,000.

Key News

International

Asian stocks sink amid rate hike jitters, China property market woes

Most Asian stocks drifted lower on Thursday, extending recent declines amid persistent fears of higher U.S. interest rates, while Chinese stocks fell on renewed concerns over the country's beleaguered property market. Japan's Nikkei 225 was the worst performer in Asia, losing 0.8% as rising Treasury yields pressured heavyweight technology stocks. [see more...](#)

US oil jumps \$1 on crude draw, tight global supply

U.S. oil jumped nearly \$1 a barrel on Thursday to its highest in more than a year as a steep drop in crude stocks in the United States added to worries of tight global supplies from OPEC+ cuts led by Saudi Arabia. U.S. West Texas Intermediate crude futures (WTI) led the charge, rising above \$95 for the first time since August last year. WTI was at \$94.60 a barrel, up 92 cents, or 1%, by 0145 GMT. [see more...](#)

Politics

West 'over-obsessed' to contain China: PM

Caretaker Prime Minister Anwaar-ul-Haq Kakar has said that Pakistan was focusing on its own interests without choosing sides in the great power competition, and that the West was "over-obsessed" with efforts to contain China. [see more...](#)

Economy

Reconstruction aid lagging for 2022 Pakistan floods: UN chief – Negative

A year after deadly floods inundated a third of Pakistan, the broken promises to rebuild the country present "a litmus test for climate justice," the head of the United Nations said Wednesday. "Billions were pledged" by rich nations in the aftermath of the disaster, said Secretary-General Antonio Guterres, "but the vast majority was in loans. And [see more...](#)

MORNING GLANCE

Official reserve assets stand at \$12.97bn as of August 31: SBP – Neutral

The official reserve assets, including foreign currency reserves, IMF reserve position, Special Drawing Rights (SDRs), gold, and other reserve assets, stood at \$12.97 billion as of August 31, 2023, according to the latest data revealed by State Bank of Pakistan (SBP). The foreign currency reserves comprised securities, currency, and deposits held with other national [see more...](#)

Profits, dividends; July-August repatriation rises 74pc YoY – Neutral

Repatriation of profits and dividends by the foreign investors on their investment in Pakistan sharply rose by 74.46 percent during the first two months of this fiscal year (FY24). According to State Bank of Pakistan (SBP) foreign investors repatriated profit and dividend amounted to \$49.2 million in July-Aug of current fiscal year compared to \$ 28.2 million in same period [see more...](#)

Centre discusses reduction in development projects with provinces – Negative

The federal government has started discussions with provinces on a proposal to slash federal funding for provincial development projects and devolved subjects, in order to comply with commitments made to the International Monetary Fund (IMF) amid growing interest payments. Pakistan has to achieve a primary surplus — the difference [see more...](#)

PKR maintains positive momentum – Positive

The Pakistani rupee maintained its positive momentum against the US dollar, gaining 0.36% in the inter-bank market on Wednesday. This is the rupee's 16th consecutive increase against the greenback. As per the State Bank of Pakistan (SBP), the rupee settled at 288.75 after an increase of Rs1.05 in the inter-bank market. On Tuesday, the rupee had appreciated 0.37% to settle at 289.80. The rupee has maintained its [see more...](#)

'Foreign concerns' seen as hurdle to Iran gas project – Negative

A Senate panel was informed on Wednesday that "commercial and foreign concerns" were major impediments to completing the long-delayed Iran-Pakistan gas pipeline project. However, officials assured the meeting that efforts for the swift completion of the project have been expedited. The Senate Standing Committee on Cabinet Secretariat, which met with Saadia Abbasi in the chair, decided to invite [see more...](#)

Pakistan seeks LNG spot cargoes after year-long dry spell – Neutral

Pakistan has launched a fresh tender for liquefied natural gas (LNG) spot cargoes to meet its winter demand, after failing to secure supplies from the global market for over a year due to high prices and low availability. The Pakistan LNG Limited (PLL), a state-owned company, said on Wednesday it was seeking bids from international suppliers [see more...](#)

PRL's 1.2m-tonne long-term crude contracts leave little room for Russian blends – Neutral

Pakistan Refinery Limited currently has long-term contracts with oil companies in the Gulf countries, which leaves very little room for PRL to refine significant quantities of Russian crude oil, The News learnt on Wednesday. State sources privy to the oil sector said that PRL has long-term contracts of about 1.2 million tonnes of crude oil with ADNOC, Aramco [see more...](#)

KE tariff hiked up to Rs4.45 – Positive

National Electric Power Regulatory Authority (Nepra) has increased KE's tariff ranging from Rs 1.49 to Rs 4.45 per unit from different categories except lifeline consumers to be recovered in months of October and November 2023, in addition to already approved Rs 3.28 per unit to be recovered in six months. The current determination of QTA for KE is for February and March 2023, which [see more...](#)

Pakistan owes \$1.2bn to Chinese power producers – Negative

The government on Wednesday reported the outstanding payables to the Chinese power producers at around Rs360 billion (about \$1.25bn) as it pleaded to charge Rs1.83 per unit additional cost from consumers of ex-Wapda distribution companies (Discos) in October. The National Electric Power Regulatory Authority (Nepra), which held a public [see more...](#)

'Unholy' pacts with IPPs must be reviewed: Senate panel – Neutral

The Senate Standing Committee on Cabinet Secretariat recommended that there is an essential need to review the unholy agreements with Independent Power Producers (IPPs) and the National Electric Power Regulatory Authority (NEPRA) to provide safe and affordable electricity prices to the consumers. [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