

# MORNING GLANCE



41,128	▲ 115	▲ 0.28%
129 mn	YTD -7.78%	1 Year -7.3%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,094.35	276.25	1.64% ▲
DSE 30	2,330.90	7.77	0.33% ▲
SHANGHAI	3,024.39	16.81	0.55% ▼
Hang Seng	17,176.00	46.83	0.27% ▼
Nikkei 225	26,114.00	176.79	0.68% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	6,893.81	12.22	0.18% ▲
DAX 30	12,114.36	138.81	1.16% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	28,725.51	500.1	1.71% ▼
S&P 500	3,585.62	54.85	1.51% ▼
NASDAQ	10,971.22	193.56	1.73% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,677.30	5.30	0.32% ▲
Oil-WTI (bbl)	81.88	2.39	3.01% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PAKR	228.50	3.9	1.68% ▼
EURO/PAKR	224.19	1.38	0.61% ▼
GBP/PAKR	254.27	3.38	1.35% ▲
AED/PAKR	62.17	1.54	2.42% ▼

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

## Market Outlook

KSE-100 on Friday remained positive for the majority part of the day and concluded the session in the green zone as the rupee maintained its winning momentum against the US dollar for the sixth successive session. The index made an intra-day high and low at 41,135 (121 points) and 40,754 (-260 points) respectively while closed at 41,129 by gaining 115 points. Trading volume has increased to 129mn shares as compared to 74mn shares on the previous trading day. Going forward, the strengthening PKR and lower than expected inflation in Sep 22 are likely to drive the index upward. Whereas the level of 41,741 (50 DMA) is crucial for the market as it needs to break it to continue its upward momentum. Contrarily, the support for the index resides at 41,000.

## Key News

### International

#### Oil climbs, Asian shares mixed as holiday-heavy week gets underway

Oil jumped on Monday as OPEC+ considers a cut to output this week, while Asia shares were mixed with holidays in the Asia-Pacific region likely to result in thin trading. U.S. crude rose 3.01% to \$81.88 a barrel after OPEC+ sources told Reuters oil production could be cut by between 500,000 and one million barrels a day. Brent crude rose 2.95% to \$87.65 per [see more...](#)

#### Oil Rallies Over 2% on Reports of OPEC+ Supply Cut This Week

Oil prices rallied in early trade on Monday following multiple reports that the OPEC+ will decide on supply cuts during a meeting this week, as it grapples with weakening prices. London-traded Brent oil futures rose 2% to \$87.23 a barrel, while West Texas Intermediate futures jumped 2.5% to \$81.45 a barrel by 21:09 ET (01:09 GMT). Both [see more...](#)

### Politics

#### Cabinet approves legal action against Imran, aides over 'cypher' audios

The cabinet has formally given the go-ahead to hold an inquiry into the audio leaks purportedly featuring PTI Chairman Imran Khan and his party leaders, it emerged on Sunday. On Friday, the cabinet suggested that legal action could be taken after a steady stream of audio recordings surfaced, most recently of informal conversations allegedly between Imran and [see more...](#)

### Economy

#### US defers repayment of \$132m debt - Positive

The United States on Friday approved providing \$132 million in US debt relief to Pakistan under G20 Debt Service Suspension Initiative (DSSI). The US Ambassador to Pakistan, Donald Blome, signed the second US-Pakistan bilateral agreement on Friday in this regard. "Ambassador Blome today signed the second US-Pakistan bilateral agreement under the #G20 Debt Service Suspension Initiative, providing [see more...](#)

## MORNING GLANCE

### Sept inflation eases to 23.2% - Positive

The inflation rate eased to 23.2% in September on the back of a surprising discovery made by the Pakistan Bureau of Statistics (PBS) in which they claimed that the cost of electricity was 31% less last month than a year ago. The latest inflation bulletin from the PBS stated that electric-bill charges dropped by 65.3% in September, compared to a month ago while these were lowered by 30.5%, compared to a year ago. Moreover, September [see more...](#)

### March 2023: \$2bn SAFE China deposits rollover sought - Neutral

Pakistan has sought rollover of SAFE China deposits of \$ 2 billion in March 2023. Nong Rong, ambassador of the People's Republic of China called on Federal Minister for Finance and Revenue Senator Ishaq Dar, here at the Finance Division. Dar highlighted the deep-rooted friendship and brotherly relations between Pakistan and China. The finance minister also appreciated the support extended by the Chinese leadership in the [see more...](#)

### WB may allow 22-month extension of NTMP-1 closing date - Neutral

World Bank (WB) is likely to allow 22 months extension in closing date of \$425 million National Transmission Modernization I project (NTMP-1) to regulate delays on different accounts. The World Bank's Country Director, Najy Benhassine in a letter to Secretary Economic Affairs, Dr Kazim Niaz has shared the Aide Memoire of World Bank team that conducted a Mid Term [see more...](#)

### Rupee makes second highest weekly recovery - Positive

Pakistani currency made the second-highest recovery of Rs11.20 in the week ended on Friday as it gained 0.52% (or Rs1.18) on a day-to-day basis, touching a new three-week high at Rs228.45 against the US dollar in inter-bank market. "It (Rs11.20) is the second-highest weekly recovery (in the country's history)," reported Arif Habib Limited Head of Research Tahir Abbas in a short commentary. In percentage terms, the rupee [see more...](#)

### Ogra cuts LPG price - Positive

Oil and Gas Regulatory Authority (OGRA) on Friday issued a price-revision notification of liquefied petroleum gas (LPG) for October, decreasing the commodity price by Rs122.05 per 11.8-kilogramme cylinder. According to the notification, the authority reduced the locally produced LPG price by Rs10.34 per kilogram. After the revised price, the LPG cylinder would be sold in the open market at Rs2,374.25 in October, which was available at [see more...](#)

### FY22 domestic consumption of POL products: Sales tax collection declines 54.4pc to Rs107bn YoY - Negative

The Federal Board of Revenue (FBR) has collected Rs 107 billion sales tax from domestic consumption of petroleum products during 2021-22 against Rs 234.9 billion in 2020-21, reflecting a decrease of 54.4 percent. The FBR's annual data for 2021-22 revealed that a major chunk of around 44 percent of sales tax domestic collection comes from ten sectors including [see more...](#)

### SSGC plans to start power production - Positive

State-owned gas marketing firm Sui Southern Gas Company (SSGC) has decided to diversify its business, as the company has announced that it will start power production following a continuous drop in gas supplies from domestic fields. Its subsidiary company will also work on projects like producing gas from coal, biogas, bio-methane and hydrogen gas. "SSGC Alternate Energy (Pvt) Limited, a fully owned [see more...](#)

### Receivables of XWDiscos, KE jump to record high of Rs1.68 trillion in 2021-22 - Negative

The government exchequer and the end electricity consumers had been burdened with an additional Rs1.4 trillion on account of capacity payments, T&D losses, underutilization of efficient power plants, fuel shortage etc during FY2021-22. The receivables of the Ex-WAPDA Distribution Companies (XWDiscos) and KE have also surged to record high of [see more...](#)

### Oil industry suffers Rs50bn losses due to forex issues - Negative

The oil industry has suffered a loss of Rs 50 billion on account of foreign exchange losses between July 1, 2018 and February 28, 2020. In a letter written to Minister for Finance and Revenue Ishaq Dar, Oil Marketing Association of Pakistan demands that government should evolve a mechanism which will ensure full compensation to all oil marketing [see more...](#)

### Thar Energy's 330MW plant becomes operational - Positive

A coal-fired, mine-mouth power plant of 330 megawatts owned by Thar Energy Ltd — which is a subsidiary of the Hub Power Company Ltd (Hubco) with a 60 per cent shareholding — has been commissioned as its commercial operations date will take effect Oct 1 (today), a regulatory filing showed on Friday. Speaking to Dawn, AKD Securities energy analyst Taimur Afzal said the commissioning of Thar Energy Ltd [see more...](#)

### SBP import curbs hit arrival of auto kits - Negative

The arrival of completely knocked down (CKD) kits fell to \$119 million in July-August from \$236m in the same period a year ago. Quoting the State Bank of Pakistan's data, an assembler attributed this decline to restrictions imposed by the central bank on May 19 to curb imports of auto parts. However, the import of kits showed a slight recovery to \$66m in August from \$52m in July. An assembler said this paltry [see more...](#)

### Inefficient power plants: Nepra accuses MoE of passing on Rs30bn burden to consumers - Negative

National Electric Power Regulatory Authority (Nepra) has reportedly accused Ministry of Energy of passing "unjustified" financial burden of Rs 30 billion to consumers by not supplying required RLNG or operating of inefficient/ expensive power plants during the last two years, well informed sources in Nepra told Business Recorder. The power regulator, [see more...](#)

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<b>TP</b>	Target Price	<b>DDM</b>	Dividend Discount Model	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>JPB</b>	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
BUY	Greater than 15%
HOLD	Between -5% to 15%
SELL	Less than and equal to -5%

Sector Rating	Sector Outlook
Overweight	Positive
Market Weight	Neutral
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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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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