

# MORNING GLANCE



## Market Outlook

The stock market on Monday Surged over 300 points and concluded the session in the green zone amid a reduction in the price of petrol and high-speed diesel. The KSE-100 index made an intra-day high and low at 46,704.63 (472 points) and 46,294.62 (62 points) respectively while closed at 46,627.08 by gaining 394 points. Trading volume increased to 100mn shares as compared to 81mn shares on the previous trading day. Going forward, the resistance for the index resides at 46,821(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 shares mixed as Japan business confidence rises and US shutdown is averted

Asian shares were mostly higher in thin trading Monday with many markets closed for holidays. Markets in China are closed for a weeklong holiday. Markets in South Korea also were closed. Oil prices gained and U.S. futures were higher as the threat of a U.S. federal government shutdown receded after Congress approved a temporary funding [see more...](#)

#### China's declining oil demand impacts global markets – Citigroup

China's decreased oil demand is playing a significant role in the global oil market, countering recent crude price surges, according to Citigroup (NYSE:C). Analysts there highlighted this shift on Monday, underscoring China's growing significance in the oil markets, now comparable to OPEC+. They pointed out that China has been [see more...](#)

### Politics

#### SC full court to resume hearing petitions challenging law clipping CJP's powers

A 15-judge full court bench led by Chief Justice of Pakistan (CJP) Qazi Faez Isa will resume hearing petitions challenging the Supreme Court (Practice and Procedure) Act tomorrow (Tuesday). The state television is all set to live broadcast the hearing of the closely followed case as PTV has installed its cameras inside Court-room No.1. The hearing [see more...](#)

### Economy

#### Third-party participation in CPEC – Neutral

Pakistan and China are likely to sign a pact on participation of a third party in China Pakistan Economic Corridor (CPEC) projects during the forthcoming Belt and Road Forum (BRF). This was revealed by Ministry of Foreign Affairs (MoFA) at a recent meeting convened to review progress on CPEC projects, presided over by Caretaker Minister for Planning, Development and Special Initiatives Sami Saeed [see more...](#)

46,627	▲ 394	▲ 0.85%
100 mn	YTD 14.24%	1 Year 13.69%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,622.40	15.9	0.08% ▼
DSE 30	2,134.63	5.73	0.27% ▼
SHANGHAI	3,110.48	3.16	0.10% ▲
Hang Seng	17,217.00	592.66	3.33% ▼
Nikkei 225	31,348.50	445	1.40% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,510.72	97.36	1.28% ▼
DAX 30	15,247.21	139.37	0.91% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	33,433.35	74.15	0.22% ▼
S&P 500	4,288.39	0.34	0.01% ▲
NASDAQ	14,837.57	122.32	0.83% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,834.30	12.9	0.70% ▼
Oil-WTI (bbl)	88.08	0.74	0.83% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	286.76	0.98	0.34% ▼
EURO/PKR	302.90	0.46	0.15% ▲
GBP/PKR	349.50	0.36	0.10% ▼
AED/PKR	78.07	0.27	0.34% ▼

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

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### **Pakistan looks to sell its Reko Diq shares to Saudi investors – Neutral**

The federal government is considering selling the shares it holds in the Reko Diq project to Saudi Arabia to attract investment from the gulf state which is keen to become part of this copper-gold project, The News has learnt reliably and confirmed from the relevant officials. Under the revised agreement, 50 percent of shares are held by Canadian company Barrick [see more...](#)

### **IMF calls on govts to impose carbon taxes – Negative**

The fiscal cost in effect of tackling climate change could put public debt in large carbon-emitting countries on an “unsustainable” path without a tax on pollution, the IMF has warned, the Financial Times reported. In a chapter addressing climate change, published as part of the fund’s flagship 2023 Fiscal Monitor, IMF economists said relying solely on spending measures to reach net zero carbon emissions by 2050 could [see more...](#)

### **Opposition of IMF, WB; Plan to have direct credit lines from banks, FIs shelved – Neutral**

The Finance Division has reportedly shelved its plan to have direct credit lines from Banks/ Financial Institutions after opposition from International Monetary Fund (IMF) and World Bank, sources close to Secretary Finance told Business Recorder. Sharing the details, Finance Division (Debt Management Office) on August 23, 2023 requested PPRA to place the matter [see more...](#)

### **Even if all inflows materialize: Govt anticipates \$2.4bn external financing gap – Negative**

The Ministry of Finance has worked out conservative estimates of the external financing gap and estimated that if all external inflows were materialised within the stipulated timeframe even then there would be a gap of \$2.4 billion. “The Ministry of Finance has made official projection of securing official dollar inflows in the shape of foreign loans, rollovers, and oil facility [see more...](#)

### **Bond auction falls short of target, three-year yield dips – Neutral**

The government raised Rs102 billion through the sale of fixed-rate bonds on Monday, falling short of its target of Rs160 billion, as investors showed preference for shorter-term instruments amid easing inflation expectations. The State Bank of Pakistan (SBP), the central bank, said it sold Rs75 billion worth of three-year bonds at a cut-off yield of 19.1900 percent, down 15 basis points from the previous auction held on Sept 18. [see more...](#)

### **Jul-Sep trade deficit shrinks 42.25pc to \$5.289bn YoY – Positive**

Pakis-tan’s trade deficit narrowed down by 42.25 percent in the first quarter (July-Sept) of the current fiscal year 2023-24 as it stood \$5.289 billion compared to \$9.159 billion during the same period of last fiscal year, says the Pakistan Bureau of Statistics (PBS). The monthly data released by the bureau noted that the country’s exports [see more...](#)

### **Sept CPI rises 4 percentage points to 31.4pc MoM – Negative**

The Con-sumer Price Index (CPI) rose by 4 percentage points in September to 31.4 percent against the previous month’s 27.4 percent, core inflation rose by 0.2 percentage points – from 18.4 in August to 18.6 percent in September while wholesale price index rose by 0.92 percent in July-September 2023-24 to 24.61 against 24.61 percent in August all on year on year basis, as per the Pakistan Bureau of [see more...](#)

### **PKR: upward momentum – Positive**

The Pakistani rupee continued to strengthen against the US dollar, gaining 0.34% in the inter-bank market on Monday. This is the rupee’s 18th consecutive increase against the greenback. As per the State Bank of Pakistan (SBP), the rupee settled at 286.76 after an increase of Re0.98 in the inter-bank market. During the previous week, the rupee improved another 1.4% to settle at [see more...](#)

### **Nepra notifies periodic adjustment of Rs3.28/unit – Negative**

National Electric Power Regulatory Authority (NEPRA) on Monday issued notification of periodic adjustment of Rs3.28 per unit to be recovered from Discos and KE consumers for fourth quarter of FY 2022-23 under QTA mechanism. According to the notification, in pursuance of Proviso (ii) to Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric [see more...](#)

### **Cnergyco imports Pakistan’s first private-sector Russian crude cargo – Positive**

Pakistan refiner Cnergyco has imported the country’s first private-sector shipment of Russian crude oil, it said on Monday, as the cash-strapped nation takes advantage of Moscow’s discounts on its oil exports. The South Asian nation has started snapping up crude oil that Russia has discounted after its exports were banned from [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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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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### 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