

# MORNING GLANCE



42,195	▼ -309	▼ -0.73%
140 mn	YTD -5.38%	1 Year -10.92%

ASIA	Value	Pts	Chg. (%)
🇮🇳 NIFTY 50	17,759.30	446.40	2.58% ▲
🇩🇰 DSE 30	2,279.33	3.97	0.17% ▲
🇨🇳 SHANGHAI	3,207.56	19.66	0.61% ▼
🇭🇰 Hang Seng	19,613.00	336.03	1.68% ▼
🇯🇵 Nikkei 225	28,041.50	154.08	0.55% ▼

EUROPE	Value	Pts	Chg. (%)
🇬🇧 FTSE 100	7,361.63	65.68	0.88% ▼
🇩🇪 DAX 30	12,961.14	68.15	0.53% ▲

USA	Value	Pts	Chg. (%)
🇺🇸 DOW JONES	31,790.87	308.12	0.96% ▼
🇺🇸 S&P 500	3,986.16	44.45	1.10% ▼
🇺🇸 NASDAQ	12,342.70	141.62	1.13% ▼

Commodities	Value	Chg.	Chg. (%)
GOLD (t oz.)	1,732.10	4.2	0.24% ▼
OIL-WTI (bbl)	92.03	0.39	0.43% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	220.50	1.4	0.63% ▼
EURO/PKR	220.44	0.42	0.19% ▲
GBP/PKR	258.02	0.57	0.22% ▼
AED/PKR	59.99	0.38	0.63% ▼

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

## Market Outlook

KSE-100 on Tuesday opened on a bullish note. However, later on, it lost its impetus and reversed all intra-day gains while concluding the session in the red zone amid the adverse impact of the floods on the overall economy of Pakistan. The index made an intra-day high and low at 43,052 (548 points) and 42,106 (-398 points) respectively while closed at 42,195 by losing 309 points. Trading volume has increased to 140mn shares as compared to 112mn shares on the previous trading day. Going forward, we expect the market to remain volatile amid macroeconomic uncertainties. The support for the index resides at 41,745 (50 DMA). Breaking this level can further drag the index towards 41,100. Contrarily, the resistance for the index resides at 42,800.

## Key News

### International

#### Asia continues global stock slump as Fed tightening fears flare

Asian markets extended the global stocks selloff on Wednesday, as investor worries about aggressive monetary tightening were inflamed further by strong U.S. jobs data. The overnight JOLTS report on job openings - closely watched by the Federal Reserve - pointed to extremely tight labour conditions, defying the Fed's tightening efforts so far [see more...](#)

#### Oil recoups some losses on signs of firm U.S. fuel demand

Oil prices inched up on Wednesday as industry data showed U.S. fuel stocks fell more than expected, recovering slightly from a 5% drop on Tuesday on fears fuel demand will suffer as China steps up COVID-19 curbs and central banks hike interest rates. U.S. West Texas Intermediate (WTI) crude futures rose 64 cents to \$92.28 a barrel at 0012 GMT, [see more...](#)

### Politics

#### Contempt case: Imran willing to 'take back' controversial remarks against judge, IHC told

Former prime minister and PTI chairman Imran Khan on Monday responded to the show-cause notice issued to him by the Islamabad High Court (IHC) in contempt proceedings, offering to "take back" his controversial remarks regarding additional district and sessions judge Zeba Chaudhry. [see more...](#)

### Economy

#### US announces \$30mn in support for Pakistan flood response - Positive

The United States will provide \$30 million in support for Pakistan following severe rains and flooding, the US embassy in Islamabad announced on Tuesday. "The United States, through the US Agency for International Development (USAID), today announced an additional \$30 million in life-saving humanitarian assistance to support people and communities affected by severe flooding in Pakistan," [see more...](#)

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## Flood emergency: UN announces flash appeal for \$160m to assist Pakistan - Positive

United Nations Secretary-General Antonio Guterres on Tuesday announced a flash appeal for \$160 million to support the Pakistan government's flood relief efforts. Speaking at an event hosted by Pakistan's Ministry of Foreign Affairs (MOFA), he said "these funds will provide 5.2 million people with food, water, sanitation, emergency education, protection, and health support." He [see more...](#)

## Dollar bonds' yields rebound on IMF deal - Neutral

Yields on Pakistan's dollar-denominated sovereign bonds rallied on Tuesday as the country managed to dodge a default on its foreign debt repayments following the resumption of the International Monetary Fund bailout package. The yield on the five-year third Pakistan International Sukuk Company Limited, maturing on December 5, 2022, increased 92 basis points (bps) to 23.91 percent on August 30, according to data from Topline [see more...](#)

## Rupee registers 0.82% gain following IMF programme revival - Positive

Pakistan's rupee gained in value against the US dollar following revival of the much-awaited International Monetary Fund (IMF) programme, appreciating 0.82% in the inter-bank on Tuesday. As per the State Bank of Pakistan (SBP), the rupee closed at 220.12 after appreciating Rs1.8 or 0.82% against the greenback. On Monday, the rupee had recorded a loss for the sixth [see more...](#)

## Ex-UK judge to head tribunal to settle IPPs issue - Neutral

David Edmond Neuberger, a former Supreme Court judge of the UK, has been appointed as the chairman of the tribunal for the settlement of a dispute involving Rs52 billion with 12 independent power producers (IPPs) set up under the 2002 policy. Neuberger had served as the president of the Supreme Court of the UK from 2012 to 2017. He was a Lord of Appeal in Ordinary until the House of Lords' judicial functions were transferred to the new [see more...](#)

## LHC strikes off fuel adjustment charges from electricity bills - Neutral

The Lahore High Court (LHC) Rawalpindi Circuit bench on Tuesday quashed fuel adjustment charges from electricity bills. The LHC Rawalpindi Circuit bench while hearing a plea moved against the collection of fuel adjustment charges from consumers in the electricity bills struck down the charges. Justice Jawadul Hassan directed the WAPDA and the NEPRA not to charge tax in [see more...](#)

## Thar coal power plants to hit 2,000MW target in 2023 - Neutral

Shanghai Electric's Thar Coal Power Plant is set to start injecting electricity into the system, the country's top energy executive said on Tuesday, while coal-fired projects' generation is seen hitting 2,000MW this year. "Thar Engro Coal Power Project has already become operational, and Shanghai Electric's plant will also come online very soon," said Federal Minister for Energy Khurram Dastagir Khan addressing the inaugural ceremony of the [see more...](#)

## Opening of L/Cs: PPIB urges SBP to facilitate IPPs - Neutral

Private Power & Infrastructure Board (PPIB) has urged the State Bank of Pakistan (SBP) to facilitate Independent Power Producers (IPPs) in opening Letters of Credit (L/Cs) to timely carry out periodic and breakdown maintenance of generation plants and machinery and to fulfil its contractual obligations, official sources told Business Recorder. The Independent Power Producers, i.e., M/s Attock Gen Limited, M/s [see more...](#)

## Indus Motor Company again announces shutdown of plant from Sep 1 to Sep 16 - Negative

Indus Motor Company (IMC), the assembler of Toyota-brand vehicles in Pakistan, on Tuesday announced it will temporarily shut down its production plant from September 1, 2022, to September 16, 2022. The development comes a month after IMC earlier shut its production plant from August 1, 2022, to August 13, 2022. In its notice sent to the Pakistan Stock [see more...](#)

## Millat Tractors Shuts Down Production for 17 Days Due to Floods - Negative

Relentless floods have ravaged several parts of Pakistan in the past few days. Along with thousands of precious lives, the calamity has also impacted commercial and industrial activity. In a recent notification, Millat Tractors Limited (MTL) informed the Pakistan Stock Exchange (PSX) that it will shut down its manufacturing plant for 17 days. The [see more...](#)

## FFL increases share capital by Rs10bn - Positive

Fauji Foods Limited (FFL) has resolved an increase in the authorized share capital of the company from Rs18 billion to Rs28bn in an extra general ordinary meeting held on August 30, 2022, the company's filing on bourse showed today. The notice said, "The authorized capital of the company increased from Rs18bn divided into 1.8bn ordinary shares of Rs10 each to Rs28bn divided into 2.8bn ordinary shares of Rs10 [see more...](#)

## PABC's production capacity increases by 250mn cans per annum - Positive

Pakistan Aluminium Beverage Cans Limited (PABC)'s project for the enhancement of production capacity has been fully commissioned and made operational, the company's filing on PSX said today. During the meeting held yesterday, the Chief Executive Officer (CEO) elaborated to the Board of Directors of the company that the rated production capacity has [see more...](#)

## BankIslami Registers 24% Profit Growth in H1 2022 - Positive

BankIslami Limited has reported a profit after tax (PAT) amounting to Rs. 1.436 billion for the half year ended June 2022, 24 percent higher than the PAT of Rs. 1.162 billion generated during the half year ended June 2021. For the half year ended June 2022, the bank achieved a 155 percent increase in its operating profit before provisions and reported operating profit of Rs. 4.1 billion as compared to Rs. 1.6 [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

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