

MORNING GLANCE



41,140	▼ -463	▼ -1.11%
78 mn	YTD -7.75%	1 Year -10.46%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,786.80	49.85	0.28% ▲
DSE 30	2,265.81	16.65	0.74% ▲
SHANGHAI	2,895.32	20.6	0.71% ▼
Hang Seng	14,884.00	20.94	0.14% ▲
Nikkei 225	27,558.50	453.30	1.67% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,047.67	26.02	0.37% ▼
DAX 30	13,243.33	32.10	0.24% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	32,861.80	828.52	2.59% ▲
S&P 500	3,901.06	93.76	2.46% ▲
NASDAQ	11,546.21	354.58	3.17% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,645.65	0.85	0.05% ▲
Oil-WTI (bbl)	87.41	0.49	0.56% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	223.00	2.50	1.13% ▲
EURO/PKR	222.20	2.80	1.28% ▲
GBP/PKR	257.24	4.89	1.94% ▲
AED/PKR	60.68	0.69	1.15% ▲

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

Market Outlook

KSE-100 on Friday remained under selling pressure throughout the day and concluded the session deep in the red zone amid political unrest. The index made an intra-day high and low at 41,651 (38.65 points) and 41,115 (-487.65 points) respectively while closed at 41,140 by losing 462 points. Trading volume has increased to 107mn shares as compared to 72mn shares on the previous trading day. Going forward, we expect the market to remain volatile amid the political uncertainty prevailing in the country. The support for the index resides at 41,000. Breaking this level can further drag the index towards 39,800. Contrarily, the resistance for the index resides at 41,898 (50 DMA).

Key News

International

Asia stocks creep higher on hopes Fed will tone down hikes

Asian stock markets climbed cautiously on Monday amid hopes that the Federal Reserve might sound less aggressive about rate hikes this week, while wheat prices leapt after Russia withdrew from a pact allowing Ukrainian grain to transit the Black Sea. Gains in Hong Kong (.HSI), Australia (.AXJO) and Korea (.KS11) pushed MSCI's index of Asia-Pacific shares outside Japan (.MIAPJ0000PUS) up 0.8%. But [see more...](#)

Oil Notches Weekly Gain Despite Slip as Bulls Feast on Supply-Shortage Bets

U.S. crude oil prices slipped Friday, amid China-infused demand concerns, but ended the week higher on bets that a supply crunch is unlikely to be avoided ahead of a looming European ban on Russian crude imports and deeper OPEC output cuts. On the New York Mercantile Exchange crude futures fell about \$1.18 to settle at \$87.90 a barrel, [see more...](#)

Politics

Imran's arrest on cards as FIA summons him in prohibited funding case

The Federal Investigation Agency (FIA) on Sunday changed the prohibited funding case against former prime minister Imran Khan into a money laundering case, naming the Pakistan Tehreek-e-Insaf (PTI) chief as the main accused. The country's premier investigation agency has also served a notice and summoned Imran in the case with the sources privy to [see more...](#)

Economy

IMF asks Pakistan to set up anti-corruption task force - Neutral

The International Monetary Fund (IMF) while asking Pakistan to raise taxes, electricity tariff, and cut expenditures has also reiterated that Islamabad should set up an anti-corruption task force. The global money lender has handed over a new list of demands and asked Pakistan to impose roughly Rs600 billion in additional taxes. The details emerged during [see more...](#)

MORNING GLANCE

Flood damages and economic losses in Pakistan reach over \$30bln, reconstruction needs over \$16bln: New assessment - Negative

A damage, loss, and needs assessment following the unprecedented floods in Pakistan calls for 'building back better', based on the principles of the poor first, transparency, inclusion, and climate resilience. The assessment estimates total damages to exceed US\$14.9 billion, and total economic losses to reach [see more...](#)

PM likely to seek debt relief from China - Neutral

Prime Minister Shehbaz Sharif is likely to seek debt relief from China during his upcoming visit to Beijing from November 1-2 amid deteriorating economic situation and dwindling forex reserves. The Prime Minister is scheduled to undertake a two-day official visit to China on the invitation of Premier of the State Council of the People's Republic of China Li Keqiang the first visit to China since assuming office in April 2022. Prime Minister [see more...](#)

US dollars disappear from market - Negative

The foreign exchange market is facing a severe shortage of US dollars despite the rupee remaining largely stable in the interbank market, leaving traders questioning the credibility of the mechanism in place being used to ensure availability of the greenback. "The declining trend of the dollar has proved to be meaningless as a majority of exchange companies and dealers have no dollars, and this shortage has persisted for almost [see more...](#)

July-Sept inflation stands at 25.1%: finance ministry - Negative

Inflation was recorded at 25.1% during the first quarter of the fiscal year 2022-23 compared to 8.6% in the same period of the preceding year, says the Ministry of Finance in its economic report. The Ministry of Finance Sunday released its monthly economic report highlighting the need for a strong economy to stabilise the currency. As per the report, climate-induced flooding across Pakistan has destroyed agriculture resulting in a [see more...](#)

The return of Hawala networks - Negative

Foreign remittance service providers attribute the re-emergence of grey channels to the exchange rate fluctuations that has widened the gap between the interbank and open market rates. These gaps promoted the return of 'Hundi or Hawala' networks, where overseas Pakistanis are getting good rates for their remittances. "A large gap in the rates of the interbank and open market has negatively impacted the flow from the official [see more...](#)

Exports may decline by \$5bn - Negative

President of the Hyderabad Chamber of Commerce and Industry (HCCI) Adeel Siddiqui has said that the textile sector is facing serious difficulties after a portion of the cotton crop was washed away by floods and, therefore, the government faces a huge challenge in adequately managing the sector. In a statement, he said that due to the damages sustained by the cotton crop a shortfall of 5 million bales was expected [see more...](#)

KSA willing to set up \$10bn oil refinery: PM - Positive

Prime Minister Shehbaz Sharif said on Friday that Saudi Arabia is ready to establish US\$9-10 billion oil refinery in the country. Addressing the passing out ceremony at National Police Academy, he said that during his recent visit to Saudi Arabia, he requested Saudi Crown Prince Muhammad bin Salman for making investment and he shown willingness to set up oil refinery and other projects in Pakistan. He maintained [see more...](#)

3-month gas holiday for commercial consumers - Negative

Sui Northern Gas Pipelines Limited (SNGPL) has announced that the government has issued instructions to suspend supply of natural gas to commercial consumers for three months in winter due to its shortage. "Consumers should sign a new agreement with the company for switching over to liquefied natural gas (LNG), which is a better option, though it will cost three times more," said Khurram Ayub Khan, [see more...](#)

Five oil exploration bids for Balochistan - Neutral

On Friday, the government received five bids for onshore oil and gas exploration blocks in different high-risk areas of Balochistan. The bids came from four oil and gas exploration companies including, Oil and Gas Development Company Limited (OGDCL), Pakistan Petroleum Limited (PPL), Mari Petroleum and Pakistan Oilfields Limited (POL). These companies will make a minimum investment of \$22.6 [see more...](#)

SBP fines six banks Rs290mn over regulatory, operational violations - Negative

The State Bank of Pakistan (SBP) has imposed penalties of Rs290.363 million on six major banks for violating various regulatory laws during the quarter ended September 30, 2022. Among these banks, Bank Al Habib Limited was slapped with the highest penalty of Rs140.03 million in the latest action by the regulator for violating regulatory [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

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	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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