

MORNING GLANCE



42,091	▲ 146	▲ 0.35%
87 mn	YTD -5.62%	1 Year -10.51%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,052.70	30.15	0.17% ▼
DSE 30	2,244.15	8.38	0.37% ▲
SHANGHAI	3,022.78	24.98	0.83% ▲
Hang Seng	15,711.50	372.01	2.43% ▲
Nikkei 225	27,095.00	568.39	2.05% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,188.63	44.49	0.62% ▲
DAX 30	13,130.19	126.55	0.95% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	32,001.25	146.51	0.46% ▼
S&P 500	3,719.89	39.8	1.06% ▼
NASDAQ	10,690.60	215.74	1.98% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,633.75	2.85	0.17% ▲
Oil-WTI (bbl)	88.40	0.23	0.26% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	222.00	0.50	0.23% ▲
EURO/PKR	217.95	1.03	0.47% ▼
GBP/PKR	252.98	1.98	0.78% ▼
AED/PKR	60.40	0.13	0.22% ▲

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

Market Outlook

KSE-100 on Thursday remained volatile throughout the day and concluded the session in the green zone amid the positive economic developments during PM visit to China. The index made an intra-day high and low at 42,173 (229 points) and 41,888 (-57 points) respectively while closed at 42,091 by gaining 146 points. Trading volume has increased to 87mn shares as compared to 73mn shares on the previous trading day. Going forward, we expect the market to remain volatile amid the renewed political uncertainty over the assassination attempt to kill PTI Chairman Imran Khan. The resistance for the index resides at 42,500. Breaking this level can further push the index towards 43,054 (200 DMA). Contrarily, the support for the index resides at 41,789 (50 DMA).

Key News

International

China leads Asia stocks higher, dollar advances as rate hikes loom

Asian equities rose on Friday, boosted by Hong Kong and China stocks, while the dollar was set for its best week in more than a month as investors priced in the prospect of the Federal Reserve taking interest rates above 5% next year. MSCI's broadest index of Asia-Pacific shares outside Japan was 1.09% higher, while Australia's S&P/ASX 200 index rose [see more...](#)

Oil prices drop as demand fears dominate

Oil prices slid in early trade on Friday, extending losses from the previous session on fears U.S. interest rates will go higher than previously expected and fresh concerns that COVID outbreaks will dent fuel demand in China. Brent crude futures dropped by 22 cents, or 0.2%, to \$94.45 a barrel at 0025 GMT after falling 1.5% in the previous session. The contract was on track to fall more than 1% for the week. U.S. West [see more...](#)

Politics

Imran Khan Blames Government For Rally Shooting

Former Pakistan leader Imran Khan has blamed Prime Minister Shehbaz Sharif and his administration for the attack on his rally in eastern Punjab province. Khan was shot in the leg at the gathering and his supporters have called it an assassination attempt. Sharif's government has rejected the allegations. It has condemned the incident and called [see more...](#)

Economy

SBP's reserves up \$1.5bn on ADB inflows - Positive

The State Bank of Pakistan's foreign exchange reserves rose by \$1.5 billion during last week due to arrival of inflows from Asian Development Bank (ADB). The SBP's reserves stood at \$8.913 billion during the week ended as on Oct 28, 2022 compared to \$ 7.44 billion on October 21, 2022, depicting an increase of \$ 1.473 billion in a week. This increase is attributed to the receipt of \$ 1.5 billion from the ADB. Net foreign [see more...](#)

MORNING GLANCE

ECs can sell 20pc inward remittances to customers: SBP - Neutral

The State Bank of Pakistan (SBP) has allowed Exchange Companies to sell 20 percent of their inward workers' remittances to customers to meet their demand. According to Malik Bostan, Chairman, Exchange Companies Association of Pakistan (ECAP), this was decided in a meeting held Thursday at SBP head office. The meeting of heads of Exchange Companies was chaired by SBP Governor Jameel Ahmed and other SBP officials also [see more...](#)

Services' trade deficit shrinks 26.22% as exports grow by 4.63% in Q1 - Positive

The services trade deficit shrank by 26.22 per cent as exports witnessed a growth of 4.63 per cent during the first quarter (Q1) of the current fiscal year as compared to the corresponding period of last year, the Pakistan Bureau of Statistics (PBS) reported. According to PBS data, the exports from the country from July-September (2022-23) were recorded at \$1,694.96 million [see more...](#)

THE RUPEE: PKR registers back-to-back losses - Negative

Pakistan's rupee registered back-to-back losses against the US dollar on Thursday, and declined 0.23% in the inter-bank market, as the greenback rose against other currencies after the Federal Reserve delivered another steep interest rate increase last night. As per the State Bank of Pakistan (SBP), the rupee closed at 221.95 after a depreciation of Re0.52. On Wednesday, rupee had settled at 221.43 after a depreciation of Re0.78 or 0.35%. In a key [see more...](#)

SPAs on sale of subsidiaries' share capital - Neutral

The Economic Coordination Committee (ECC) of the Cabinet has approved effective change of control from M/s Eni Pakistan (Companies) to Prime International Oil and Gas Company Limited, official sources told Business Recorder. Sharing the details, sources said, M/s Eni ULX Limited, M/s Eni UK Limited and M/s Eni Oil Holdings were the parent Companies of M/s ENI Pakistan Limited, ENI Pakistan (AEP) Limited and ENI Pakistan (M) [see more...](#)

CKD/SKD import decreases 38.49% to \$361.353m in Q1 - Negative

The import of completely and semi-knocked down (CKD/SKD) products into the country witnessed a decrease of 38.49 per cent during the first quarter of the current fiscal year (2022-23) as compared to the corresponding period of last year. Pakistan imported CKD/SKD products worth \$361.353m from July-Sept (2022-23) as compared to the imports of \$587.497 million [see more...](#)

Oct cement despatches decline 18.46pc to 4.25m tons YoY - Negative

Cement despatches continued to decline for the consecutive fourth month as total despatches during the month of October 2022 were registered at 4.252 million tons against 5.215 million tons despatched during the same month of last fiscal showing a decline by 18.46 percent. According to the data released by All Pakistan Cement Manufacturers [see more...](#)

Export-oriented sectors to get power at an all-inclusive rate of Rs19.99 per unit - Neutral

The country's influential five zero-rated sectors, referred to as export-oriented sectors will be charged Rs 19.99 per unit electricity all-inclusive whereas domestic consumers are being charged over Rs 40 per unit. Interaction with power sector experts and officials revealed that the government had budgeted Rs 20 billion subsidy to provide concessional [see more...](#)

GGGL to invest Rs300mn in GCIL - Positive

The shareholders of Ghani Global Glass Limited (GGGL) on Thursday approved to make the investment of up to Rs300 million in Ghani Chemical Industries Limited (GCIL) an associated company, by way of advances and loans, as and when required by GCIL. The return on such advances and loans shall not be less than the rate of 3 months KIBOR +85 bps and must be repayable within three years period [see more...](#)

DSL to invest Rs5bn for integration in billet furnace - Positive

The director of Dost Steels Limited (DSL), has revealed an investment of more than Rs5 billion in the company for backward integration of billet furnace, working capital, and other requirements. In the notification issued by Crescent Star Insurance Limited (CSIL) to PSX said, "the CSIL has a substantial stake in DSL as well as the shareholders and it was encouraging to hear that the project may finally start [see more...](#)

Profit Repatriation Down by 88% in First Quarter of FY23 - Positive

The outflow of profits and dividends on foreign investments plunged by 88 percent during the first quarter (July-Sept) of the current fiscal year (FY23) compared to the same period last year. According to the State Bank of Pakistan, multinational companies working in different sectors of the country could repatriate only \$58.1 million in profits [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

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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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