



## Market Outlook

The stock market on Tuesday remained volatile throughout the day, and concluded the session in the green zone amid rupee maintained its positive run against the US dollar in the inter-bank market. The KSE-100 index made an intra-day high and low at 46,820.71 (194 points) and 46,670.78 (43 points) respectively while closed at 46,756.80 by gaining 129 points. Trading volume decreased to 92mn shares as compared to 100mn shares on the previous trading day. Going forward, the resistance for the index resides at 46,849(50DMA). Breaking this level would further push the index towards 47,000. Contrarily, the support for the index resides at 46,200.

46,756	▲ 129	▲ 0.28%
95 mn	YTD 14.56%	1 Year 13.46%

## Key News

### International

#### Asian markets sink, with Hong Kong down 3% on heavy selling of property stocks

Asian markets declined Tuesday following a mixed session on Wall Street, where buying was pressured by rising bond yields. U.S. futures fell and oil prices also were lower. Hong Kong's Hang Seng dropped more than 3% as investors unloaded property shares. However, China Evergrande was up nearly 16%, resuming trading after its [see more...](#)

#### US crude stocks down 4.2M barrels; Gasoline up 3.9M, Cushing builds too – API

US crude oil stockpiles possibly fell as much as 4.0 million barrels last week while inventories of gasoline likely rose by an almost similar level of 3.9 million, as refiners appeared to maximize fuel production due to lucrative returns, petroleum trade group API reported Tuesday. Builds were also seen in distillates — a feedstock for diesel and heating fuel [see more...](#)

### Politics

#### GDA, MQM-P, JUI-F form electoral alliance against PPP

In a bid to give a tough time to Pakistan Peoples Party in Sindh, the troika of Grand Democratic Alliance (GDA), Muttahida Qaumi Movement Pakistan (MQM-P) and Jamiat Ulema-e-Islam Fazl (JUI-F) has formed a joint electoral alliance. In addition, the newly-formed alliance has also expressed distrust of caretaker Chief Minister Sindh [see more...](#)

### Economy

#### WB revises growth downward to 1.7pc – Negative

The World Bank has revised downward Pakistan's GDP growth projection for the current fiscal year 2023-24 to 1.7 percent from a previous projection of two percent, while saying that under the current policy framework, the country faces sluggish growth and extremely high macroeconomic risks, even assuming effective implementation of the Stand-by-Arrangement (SBA) and a stable political [see more...](#)

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,528.75	109.55	0.56% ▼
DSE 30	2,134.63	5.73	0.27% ▼
SHANGHAI	3,110.48	3.16	0.10% ▲
Hang Seng	17,170.00	106	0.61% ▼
Nikkei 225	30,691.00	521.5	1.67% ▼
EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,470.16	40.56	0.54% ▼
DAX 30	15,085.21	162	1.06% ▼
USA	Value	Pts	Chg. (%)
DOW JONES	33,002.38	430.97	1.29% ▼
S&P 500	4,229.45	58.94	1.37% ▼
NASDAQ	14,565.62	271.95	1.83% ▼
Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,836.15	5.35	0.29% ▼
Oil-WTI (bbl)	89.19	0.04	0.04% ▼
Currencies	Value	Chg.	Chg. (%)
USD/PKR	285.72	1.04	0.36% ▼
EURO/PKR	299.56	3.34	1.10% ▼
GBP/PKR	345.42	4.08	1.17% ▼
AED/PKR	77.79	0.28	0.36% ▼

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

## MORNING GLANCE

### **WB projects primary balance at negative 0.4pc – Negative**

The World Bank has projected a primary balance for Pakistan at negative 0.4 percent (-0.4) for the current fiscal year 2023-24, as opposed to a 0.4 percent surplus (0.4) by the International Monetary Fund (IMF), while claiming that its data is updated relative to the Fund. This was stated by Adnan Ashraf Ghuman, economist at the World Bank during a media briefing here on Tuesday at the launching ceremony of the [see more...](#)

### **Certain tax policies discourage investment in tradable sector: WB – Neutral**

Certain tax policies in Pakistan discourage investment in the tradable sector, and certain investment laws discriminate against foreign investors, says the World Bank. The bank in its latest report, "South Asia Development Update toward faster, cleaner growth," stated that Pakistan's economic situation is also fragile. Pakistan's economy is estimated to have shrunk by [see more...](#)

### **3rd Belt and Road Forum; Over 2 dozen pacts likely to be signed – Neutral**

Pakistan and China are likely to sign over two dozen pacts at the third Belt and Road Forum (BRF) on October 17-18, 2023 in Beijing, to be attended by the caretaker Prime Minister, Anwar-ul-Haq Kakar, well informed sources in Ministry of Planning, Development and Special Initiatives told Business Recorder. According to Chinese embassy, National Development and Reform [see more...](#)

### **Adoption of digital payments can boost GDP by 7pc: study – Neutral**

National adoption of digital payments in Pakistan by 2025 can boost gross domestic product (GDP) by 7 percent, generate 4 million jobs and realize an additional \$263 billion in deposits. A study report titled "Realizing the promise of responsible digital payments for merchants in Pakistan," prepared by "Better Than Cash Alliance" has suggested that Pakistan [see more...](#)

### **Monetary easing likely in 2H of FY24 as inflation declines – Neutral**

Pakistan's central bank would likely announce its first interest rate cut in more than three and a half years in March 2024 following an anticipated sharp decline in price pressures, a brokerage report said on Tuesday. After pushing the benchmark interest rate 1,500 basis points (bps) higher to combat record-high inflation and shocks in energy and food prices, the policymakers [see more...](#)

### **PKR: 19th consecutive gain – Positive**

The Pakistani rupee maintained its upward trajectory against the US dollar, gaining 0.36% in the inter-bank market on Tuesday. This is the rupee's 19th successive increase against the greenback. As per the State Bank of Pakistan (SBP), the rupee settled at 285.72 after an increase of Rs1.04 in the inter-bank market. On Monday, the rupee had appreciated 0.34% to settle at 286.76. [see more...](#)

### **Pakistan expects \$10bn refinery deal with S Arabia this year – Neutral**

Pakistan is expecting finalisation of the much-awaited \$10 billion deal with Saudi Arabia's oil giant Aramco for the construction of a refinery at Hub within the ongoing calendar year 2023, it was learnt. The Special Investment Facilitation Council (SIFC), jointly run by the military and civilian side, is also contemplating options to secure around [see more...](#)

### **Sept POL products' sales plunge 31pc to 1.06m tons YoY – Negative**

The petroleum products sales declined to 1.06 million tons, ie, down significantly by 31 percent YoY and 25 percent MoM in September 2023, the lowest level since COVID lockdown in March 2020. This decline was primarily attributed to record-high prices, smuggled oil from Iran, and lower FO-based power generation, experts said. [see more...](#)

### **Special forensic audit of SSGCL, Pesco, Hesco ordered – Neutral**

Finance Division has directed the authorities to conduct special forensic audit of Peshawar Electric Supply Company (PESCO) and Hyderabad Electric Supply Company (HESCO). At a recent meeting presided over by the caretaker Finance Minister, Dr Shamshad Akhtar, it was decided to conduct special audit of SSGCL, PESCO and HESCO. [see more...](#)

### **Cement despatches fall 3.96pc in Sept, exports up 19.24pc – Negative**

Cement despatches declined by 3.96 percent in September, as domestic demand slowed down amid rising costs and power tariffs, data from the All Pakistan Cement Manufacturers Association (APCMA) showed on Tuesday. Total cement despatches during September 2023 were 4.115 million tonnes, down from 4.284 million tonnes in the same [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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