

MORNING GLANCE



45,312	▲ 310	▲ 0.69%
56 mn	YTD 11.02%	1 Year 7.1%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,435.30	181.50	0.94% ▲
DSE 30	2,141.61	2.03	0.09% ▲
SHANGHAI	3,167.08	33.84	1.08% ▲
Hang Seng	18,878.50	485.50	2.64% ▲
Nikkei 225	32,903.50	176.00	0.54% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,464.54	25.41	0.34% ▲
DAX 30	15,840.34	106.74	0.67% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	34,837.71	115.80	0.33% ▲
S&P 500	4,515.77	8.11	0.18% ▲
NASDAQ	15,490.86	10.21	0.07% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,971.65	4.55	0.23% ▲
Oil-WTI (bbl)	85.61	0.06	0.07% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	305.47	0.07	0.02% ▼
EURO/PKR	331.52	1.18	0.35% ▼
GBP/PKR	387.42	0.55	0.14% ▼
AED/PKR	83.16	0.02	0.02% ▼

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

Market Outlook

The stock market on Friday opened on a negative note. However, later on, it gained momentum and concluded the session in the green zone amid SBP terms emergency MPC meeting reports baseless. The KSE-100 index made an intra-day high and low at 45,358 (335.87 points) and 44,795.81 (-206.9 points) respectively while closed at 45,312.65 by gaining 310.24 points. Trading volume decreased to 56mn shares as compared to 169mn shares on the previous trading day. Going forward, we expect the market will continue to struggle around its crucial support level of 45,000. Breaking this level will further drag it toward 44,400. While the resistance of the index resides at 45,700 (50 - DMA).

Key News

International

Asian stocks rally on easing rate hike fears, China stimulus hopes

Most Asian stocks rose sharply on Monday as mixed U.S. employment data cemented expectations that the Federal Reserve will keep rates on hold, while markets awaited more stimulus measures from China. Regional stocks tracked a strong lead-in from Wall Street on Friday, after mixed payrolls and unemployment data showed more cooling in the [see more...](#)

Oil prices steady at 2023 highs on tighter supply outlook

Oil prices steadied at seven-month peaks on Monday, retaining their strong gains from the prior week as traders looked to more Saudi Arabian and Russian supply reductions in the coming months. Russia said last week that it will outline more reductions in supply this week, along with the broader Organization of Petroleum Exporting Countries and allies (OPEC+). This came amid growing expectations that [see more...](#)

Politics

Delimitation drive to be completed by Nov 30: ECP

The Election Commission of Pakistan (ECP) has revised the completion date of the delimitation drive for two weeks — from December 14 to November 30 — what still appears to be an indication that the commission would fail to hold the general elections in the country [see more...](#)

Economy

COAS explains to businesspeople SIFC potential – Neutral

resident of the Lahore Chamber of Commerce & Industry Kashif Anwar, alongside prominent business figures, met with Chief of Army Staff General Asim Munir at the Corps Commander headquarter in Lahore on Sunday. They discussed economic situation of the country with army chief. CM Punjab Mohsin Naqvi was also present in the meeting. General Asim Munir highlighted the pivotal role [see more...](#)

MORNING GLANCE

SBP rate meeting, Saudi investment to dominate PSX - Neutral

Equity investors are closely watching the upcoming State Bank of Pakistan's Monetary Policy Committee (MPC) meeting on Sept 14, anticipating a 200 basis points hike in key interest rates and its potential impact on inflation and economic stability. Simultaneously, all eyes are on an impending visit by a Saudi Arabian delegation, poised to unveil investment plans in Pakistan's mineral, mining, and refinery sectors, market [see more...](#)

Pakistan needs energy reforms to break free of debt: US official - Neutral

Pakistan needs to undertake energy reforms and opt for renewable energy sources, said a senior US official, stressing that reforms suggested by the International Monetary Fund (IMF) would help Islamabad break the "vicious circle of debt and international financing". Principal Deputy Assistant Secretary Elizabeth Horst, who heads the Bureau of South and [see more...](#)

Move to link US aid to Pakistan with democracy – Neutral

A Republican lawmaker has introduced an amendment to the House of Representatives' annual appropriations legislation that would cut off funds to Pakistan to discourage the "crackdown on political dissent". The amendment, proposed by Tennessee Republican Andy Ogles, would bar the US Department of Defence from providing assistance to Pakistan in the wake of an ongoing crackdown by the country's military establishment and its [see more...](#)

Foreign banks seeking 10pc commission to endorse letters of credit – Neutral

Foreign banks are now demanding a 10 per cent commission to endorse letters of credit (LC) for importable consignments, banking insiders revealed on Saturday. They said the move came as the country grapples with economic challenges, diminishing the confidence of global financial institutions in its banking system. The rupee's depreciation, coupled with foreign exchange [see more...](#)

Money exchanges to be brought into tax net: COAS – Neutral

Chief of the Army Staff (COAS) General Asim Munir on Sunday assured the business community that money exchanges would be brought under the purview of taxation. He said that transparency in dollar exchange and interbank rates would be ensured. The COAS held a meeting with the business community at the corps commander's headquarter in Lahore on Sunday. A statement issued here by the Lahore Chamber of Commerce [see more...](#)

Inflation, state-owned entities, floating debt risks to fiscal outlook: finance ministry - Negative

The Ministry of Finance (MoF) has highlighted policy implementation, higher sovereign guarantees and poor performance of state-owned entities (SOEs) as potential risks and uncertainties that could impact the country's fiscal outlook while record inflation rates posed heightened risks to the country's external stability. [see more...](#)

Aug trade deficit widens 29.86pc to \$2.126bn MoM – Negative

Pakistan's trade deficit widened by 29.86 percent on a month-on-month basis to \$2.126 billion in August 2023 when compared to \$1.637 billion in July 2023, says Pakistan Bureau of Statistics (PBS). The monthly data released by the Bureau noted that the country's trade deficit narrowed by 40.29 percent during the first two months (July-August) of [see more...](#)

Aug CPI inflation soars 27.4pc YoY – Neutral

The Consumer Price Index (CPI)-based inflation increased to 27.4 percent on a year-on-year basis in August 2023 as compared to an increase of 28.3 percent in the previous month and 27.3 percent in August 2022, says Pakistan Bureau of Statistics (PBS). This takes two months of fiscal year 2024 average inflation to 27.84 per cent compared to 26.10 per cent during the same period of fiscal year 2023. [see more...](#)

New low: Rupee down by Rs5 – Negative

Amid little availability of US dollars owing to liberalised demand, Pakistani currency slumped 1.5%, or Rs5, in a day to a new all-time low at Rs328 against the greenback in the open market, mounting pressure on inter-bank trade. In inter-bank dealings, the rupee snapped its record-breaking downward streak after eight consecutive days of slide, stabilising at Rs305.47 against the greenback with a nominal [see more...](#)

Aug petroleum sales decline 8pc to 1.41m of tons YoY – Negative

The total sales of petroleum products in the country clocked in at 1.41million of tons in August 2023, declining by 8.0 percent on YoY basis. This declined was mainly on account of 64 percent YoY fall in FO sales given lower reliance on FO-based power generation due to the addition of new local coal-based power plants, experts said. [see more...](#)

DISCLAIMER

This report has been prepared by Abbasi & Company (Private) Limited and is provided for information purposes only. Under no circumstances, this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Abbasi & Company (Private) Limited and or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Abbasi & Company (Private) Limited accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. In particular, the report takes no account of the investment objectives, financial situation and needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Abbasi & Company (Private) Limited Research Department and do not necessarily reflect those of the company or its directors. Abbasi & Company (Private) Limited as a firm may have business relationships, including investment-banking relationships, with the companies referred to in this report. Abbasi & Company (Private) Limited does not act as a market maker in the securities of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives do not have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company at the time of issuance of this report. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives are not currently serving or have served in the past three years as a director or officer of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives have not received compensation from the subject company in the previous 12 months. The subject company currently is not, or during the 12-month period preceding the date of publication or distribution of this report, was not, a client of Abbasi & Company (Private) Limited. We have not managed or co-managed a public offering or any take-over, buyback or delisting offer of securities for the subject company in the past 12 months and/or received compensation for corporate advisory services, brokerage services or underwriting services from the subject company in the past 12 months. Abbasi & Company (Private) Limited does not expect to receive or intend to seek compensation for corporate advisory services or underwriting services from the subject company in the next 3 months

All rights reserved by Abbasi & Company (Private) Limited. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Abbasi & Company (Private) Limited. Action could be taken for unauthorized reproduction, distribution or publication

VALIDITY OF THE PUBLICATION OR REPORT

The information in this publication or report is, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report. The information may be subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the company, jurisdiction or financial instruments referred to in this report. The valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report and were based upon several estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein is not to be relied upon as a representation and/or warranty by Abbasi & Company (Private) Limited and/or its other associated and affiliated companies, that:

- I. Such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- II. There is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein

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

RATINGS CRITERIA

Abbasi & Company (Private) Limited employs a three-tier ratings system to rate a stock and sector, as mentioned below, which is based upon the level of expected return for a specific stock and outlook of sector. The rating is based on the following with stated time horizon

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

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

RESEARCH DISSEMINATION POLICY

Abbasi & Company (Private) Limited endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as email, fax mail etc. Nevertheless, all clients may not receive the material at the same time

OTHER DISCLOSURES

The research analyst is primarily involved in the preparation of this report, certifies that:

- I. The views expressed in this report accurately reflect his/her personal views about the subject company/stock /sector and economy
- II. No part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report

The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

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