

MORNING GLANCE



42,309	▼ -151	▼ -0.36%
82 mn	YTD -5.13%	1 Year -10.77%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,539.45	3.35	0.02% ▼
DSE 30	2,305.66	22.60	0.99% ▲
SHANGHAI	3,186.48	-	-
Hang Seng	19,452.09	145.22	0.74% ▼
Nikkei 225	27,609.50	41.34	0.15% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,281.19	132.69	1.86% ▲
DAX 30	13,050.27	420.04	3.33% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	31,318.44	337.98	1.07% ▼
S&P 500	3,924.26	42.59	1.07% ▼
NASDAQ	12,098.44	176.18	1.44% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,723.10	0.50	0.03% ▲
Oil-WTI (bbl)	88.25	1.38	1.59% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	218.50	1.00	0.46% ▲
EURO/PKR	217.61	0.09	0.04% ▼
GBP/PKR	252.18	0.52	0.21% ▲
AED/PKR	59.18	-	-

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

Market Outlook

KSE-100 on Friday remained depressed for the majority part of the day and concluded the session in the red zone amid macroeconomic uncertainties owing to huge economic losses caused by the devastating floods. The index made an intra-day high and low at 42,569 (109 points) and 42,238 (-222 points) respectively while closed at 42,309 by losing 151 points. Trading volume has decreased to 82mn shares as compared to 153mn shares on the previous trading day. Going forward, we expect the market to remain volatile. The support for the index resides at 41,781. Breaking this level can further drag the index towards 41,350. However, the resistance for the index resides at 42,800.

Key News

International

Asia shares ease, euro slugged by energy crisis

Asian shares slipped on Monday while the euro took a fresh spill after Russia shut a major gas pipeline to Europe, leading some governments there to announce emergency measures to ease the pain of soaring energy prices. The euro was down 0.4% at \$0.9908 and looking likely to test its recent 20-year low of \$0.99005 as markets priced in more risk of a [see more...](#)

Oil Creeps Higher Ahead of Potential OPEC+ Supply Cut

Oil prices rose on Monday, recovering some ground after bruising losses last week as investors awaited details on potential OPEC production cuts from a meeting later in the day. London-traded Brent oil futures rose 1.4% to \$94.59 a barrel, while U.S. West Texas Intermediate futures rose 1.6% to \$88.30 a barrel by 20:08 ET (00:08 ET). Crude prices [see more...](#)

Politics

Imran to give call for Islamabad once floods recede: Sheikh Rashid

Former interior minister Sheikh Rashid Ahmed said on Sunday that PTI chief Imran Khan would "give the call for Islamabad" once the floods, that have ravaged the country and displaced millions, recede. Taking to Twitter, Rashid said that the International Monetary Fund (IMF) had made yet another agreement with the government for Rs608 billion. [see more...](#)

Economy

FATF team completes onsite visit to decide Pakistan's fate - Neutral

A 15-member team of the Financial Action Task Force (FATF) quietly concluded a five-day visit to Pakistan this week, a move that may pave the way for Islamabad to finally exit the grey list. The findings of the 15-member FATF team would be discussed and reviewed in the next meeting of FATF, scheduled in Paris in October. The positive outcome of the onsite team's findings would allow Pakistan to finally [see more...](#)

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IMF acknowledges progress on AML/CFT regime - **Positive**

The International Monetary Fund (IMF) has acknowledged Pakistan's progress on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime and encouraged the country to ensure the sustainability and effectiveness of the efforts to mitigate significant ML/TF [money laundering & terrorist financing] risks including from tax evasion, corruption, and other financial crimes. In its combined seventh and eighth [see more...](#)

Economy loss due to floods estimated to be up to \$12.5bn - **Negative**

The government has estimated that the economy suffered a loss of \$10 billion to \$12.5 billion in the floods. Inflation is projected to go up in the range of 24 to 27 percent on an touch 30 percent for the current fiscal. A high-powered committee comprising representatives of the Ministry of Finance, Ministry of Planning, State Bank of Pakistan, FBR, PIDE and others assessed that [see more...](#)

External debt to reach \$140.9bn: IMF - **Negative**

The International Monetary Fund (IMF) has projected Pakistan's external debt to reach \$140.959 billion in 2022-23 up from \$130.127 billion in 2021-22. The IMF in its report seventh and eighth reviews under the extended arrangement under the extended fund facility, requests for waivers of non-observance of performance criteria, and for extension, augmentation, and re-phasing of access projected Pakistan's domestic debt at [see more...](#)

FY23 external financing needs seen at \$30.75 billion - **Neutral**

The International Monetary Fund (IMF) has estimated Pakistan's external financing needs at \$30.75 billion, equivalent to 8.4 percent of GDP, during the current fiscal year 2022-23. The IMF staff report, released after the approval of the Extended Fund Facility (EFF) programme, said Pakistan's requirements would go up over the medium term from the current fiscal year 2022-23 to 2026-27 whereby they would be increased up to \$39.2 [see more...](#)

Rupee sustains losses as US dollar strengthens globally - **Negative**

The Pakistani rupee ended its three-session winning run, closing on Friday with a loss of 0.17% against the US dollar in the inter-bank market, as the greenback consolidated gains in the global markets. As per the State Bank of Pakistan (SBP), the rupee closed at 218.98 after depreciating Re0.38 against the greenback. On Thursday, the inflow of funds from the International Monetary Fund (IMF) had helped add to the gains of the Pakistani [see more...](#)

Pakistan failed to meet IMF targets: report - **Neutral**

Pakistan badly failed to implement 16 of the 28 conditions that the International Monetary Fund (IMF) had set for \$1.1 billion tranche, including the core condition to increase foreign exchange reserves that instead have turned negative by a whopping nearly \$11 billion. The failure to meet the conditions has compelled the global lender to slap eight more conditions on Pakistan in addition to giving fresh deadlines to meet the actions that remained [see more...](#)

Inflation, global conditions will continue to weigh on Pakistan's economy: IMF - **Negative**

The International Monetary Fund (IMF) has said that high inflation and tighter global financial conditions would continue to weigh on Pakistan's economy, pressuring its exchange rate and external stability. The observations were part of the Fund's country report released on Thursday. It said the average Consumer Price Index (CPI) inflation was [see more...](#)

Aug trade deficit soars 28.89pc to \$3.53bn MoM - **Negative**

Pakistan's trade deficit widened by 28.89 per cent on a month-on-month basis to \$3.53 billion in August 2022 when compared to \$2.739 billion in July 2022, says Pakistan Bureau of Statistics (PBS). The monthly data released by the Bureau noted that the country's trade deficit narrowed by 17.13 per cent during the first two months (July-August) of the current fiscal year and stood at \$6.269 billion compared to [see more...](#)

Weekly inflation surges to all-time high of 45.5pc - **Negative**

Inflation measured by the Sensitive Price Index (SPI) surged to an all-time high in the week that ended on September 1, climbing to 45.5 per cent year-on-year (YoY) on the back of a more than 200 per cent increase in the rates of tomatoes and onions, and higher fuel prices. Prior to this, the highest year-on-year weekly inflation figure was 44.58pc, which was recorded in the preceding week. The latest data shared [see more...](#)

Pak Suzuki extends plant shutdown - **Negative**

Pak Suzuki Motors has extended closure of its production plant for another two days. In an announcement to the Pakistan Stock Exchange on Friday, the company said it would suspend its production for another two days from September 8 to September 9. The company said the State Bank of Pakistan has introduced a mechanism for prior approval for import under the HS code 8703 category (including [see more...](#)

Cement sales plunge 35pc in July-August - **Negative**

Amid heavy monsoon rains that caused flash floods across the country, the cement sector recorded a massive drop of 34 per cent in local despatches and a 44pc dip in exports during the first two months of the current fiscal year. As a result, cumulative cement despatches (local and exports) in 2MFY23 registered a drop of 35pc to 5.336 million tonnes from 8.235m tonnes in the same period last fiscal year. Domestic [see more...](#)

Cotton arrivals drop; shortfall may hit 4 million bales - **Negative**

Cotton arrivals at ginning stage dropped by 14 percent till September 1, 2022 as floods laid waste to billions of rupees' worth of produce in Sindh, Punjab, and Balochistan, while the country is estimated to fall short of this year's target by four million bales, prompting need for imports to keep the textile sector spinning, data showed on Saturday. According [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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