

MORNING GLANCE



| | | |
|--------|------------|--------------|
| 45,707 | ▲ 394 | ▲ 0.87% |
| 55 mn | YTD 11.98% | 1 Year 8.03% |

| ASIA | Value | Pts | Chg. (%) |
|------------|-----------|-------|----------|
| NIFTY 50 | 19,528.80 | 93.50 | 0.48% ▲ |
| DSE 30 | 2,143.49 | 1.88 | 0.09% ▲ |
| SHANGHAI | 3,156.85 | 20.21 | 0.64% ▼ |
| Hang Seng | 18,547.00 | 305 | 1.62% ▼ |
| Nikkei 225 | 32,896.50 | 3.5 | 0.01% ▼ |

| EUROPE | Value | Pts | Chg. (%) |
|----------|-----------|-------|----------|
| FTSE 100 | 7,452.76 | 11.78 | 0.16% ▼ |
| DAX 30 | 15,824.85 | 15.49 | 0.10% ▼ |

| 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.) | 1,962.25 | 1.95 | 0.10% ▼ |
| Oil-WTI (bbl) | 85.80 | 0.18 | 0.21% ▼ |

| Currencies | Value | Chg. | Chg. (%) |
|------------|--------|------|----------|
| USD/PKR | 305.64 | 0.17 | 0.06% ▲ |
| EURO/PKR | 330.05 | 1.47 | 0.44% ▼ |
| GBP/PKR | 385.97 | 1.45 | 0.37% ▼ |
| AED/PKR | 83.21 | 0.05 | 0.06% ▲ |

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

Market Outlook

The stock market on Monday Surged over 400 points and concluded the session in the green zone amid Chief of Army Staff General Asim Munir’s meeting with prominent business figures at the Corps Commander headquarter in Lahore on Sunday. The KSE-100 index made an intra-day high and low at 45,788.74 (476.09 points) and 45,448.02 (135.37 points) respectively while closed at 45,707.42 by gaining 394 points. Trading volume decreased to 55mn shares as compared to 56mn shares on the previous trading day. Going forward we expect the market to struggle around its (50 DMA) resistance at 45,800, breaking this level will further push the market to 47,000. While the support of the index resides at 45,000.

Key News

International

Asian Stock Market: Sentiment remains firmer on China, Country Garden news

The risk appetite improves in Asia during a sluggish start to the week elsewhere as China defends the region’s bulls whereas the US Labor Day holiday allows policy hawks to take a breather. Further, the risk-positive news about China’s struggling real-estate plays Country Garden also underpins the cautious optimism even as the Sino-US headlines [see more...](#)

Oil prices inch lower from 2023 highs, OPEC+ cuts in focus

Oil prices fell slightly from their strongest levels for the year on Tuesday as markets waited on Russia and the OPEC+ to outline more production cuts, while focus also remained on more Chinese cues this week. Oil had a strong run-up over the past week after Russia said that it had reached a deal with the Organization of Petroleum Exporting Countries (OPEC+) over more supply reductions, and that more details on the [see more...](#)

Politics

Disheartened by ECP, Alvi nudges caretakers on ‘timely polls’

After finding the Election Commission unsympathetic to his request for an election date, President Arif Alvi emphasised the need to holding elections in 90 days, during a meeting with caretaker Federal Minister for Law and Justice Ahmed Irfan Aslam on Monday. [see more...](#)

Economy

Kakar says Saudi Arabia to invest \$25bn over next five years – Positive

Saudi Arabia will invest up to \$25 billion in Pakistan over the next two to five years in various sectors, caretaker Prime Minister Anwaar-ul-Haq Kakar said on Monday, adding his government would also revive a stalled privatisation process. The South Asian nation is embarking on a tricky path to economic recovery under a caretaker government [see more...](#)

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Infrastructural development; PM for strengthening public-private partnership – Neutral

Caretaker Prime Minister Anwaar ul Haq Kakar was informed on Monday that outsourcing of Sialkot-Kharian Motorway, Sukkur-Hyderabad Motorway, Kharian-Rawalpindi Motorway, Karachi Circular Railway, and Islamabad International Airport are among the projects of Public Private Partnership PPP Authority (PPPA). The caretaker prime minister presided over a high-level [see more...](#)

Businessmen upbeat about army chief's resolve to revive economy – Neutral

The business community feels reassured by the assurances reportedly held out by the army chief in his recent meetings with traders that all-out efforts will be made to bring foreign investment to the country and revive the economy. Appearing in Geo News programme 'Aaj ShahzebKhanzada Kay Sath' on Monday, FPCCI President Irfan Iqbal Sheikh said that [see more...](#)

Fuel oil stocks dwindle as power demand surges in summer – Negative

Fuel oil stocks have halved in the last three months as domestic power plants increased their consumption and exports picked up, industry data showed on Monday. The local refineries have around 105,000 tons of fuel oil currently, compared to 220,000 tons of fuel stocks three months ago. "The fuel oil stocks have halved with the refineries in the three months [see more...](#)

KE consumers; PD seeks 'steep positive' adjustment – Negative

The Power Division has sought exorbitant positive adjustment of up to Rs 10 per unit for K-Electric consumers under the garb of quarterly adjustments. However, effective net increase will be Rs 8.44 per unit after expiry of existing QTA of Rs 1.55 per unit. The National Electric Power Regulator Authority (Neptra) is scheduled to hold a public hearing with the motions of federal government on September 11, 2023. [see more...](#)

'Inflated' power bills; Obdurate IMF refuses to buy into govt data – Negative

The government is yet to finalise relief in soaring electricity bills to consumers as the International Monetary Fund (IMF) has conveyed its disagreement to the data provided by the federal government. According to media reports, the government has proposed a relief of Rs 13,000 to consumers whose bills are between the range of Rs 60,000 to Rs 70,000 whereas [see more...](#)

Power projects under CPEC; Contract renegotiation proposals may again be floated – Neutral

Pakistan is likely to again float proposals to Chinese government for renegotiation on contracts of power projects established under CPEC on the pattern of other IPPs or to purchase 1200-MW electricity from Pakistan for onward supply to power deficient Afghanistan. This idea is under active consideration at the highest level due [see more...](#)

Cement sector bounces back, consumption up 37.04pc in Aug – Positive

Cement consumption increased 37.04 percent in August 2023, with total dispatches standing at 4.518 million tonnes compared to 3.297 million tonnes last August. According to All Pakistan Cement Manufacturers Association (APCMA) data issued on Monday, local cement dispatches in August 2023 were 3.793 million tonnes compared to [see more...](#)

Sunridge acquires 37,123,188 voting shares of Al Shaheer – Positive

Sunridge Foods (Private) Limited, a wholly owned subsidiary of Unity Foods Limited, has informed that it has acquired 37,123,188 voting shares of Al Shaheer Corporation Limited. On account of this acquisition its total shareholding in the company has risen to 69.064.774 shares which represent 18.42 percent of the total issued voting [see more...](#)

Pakistan Oxygen to raise nearly Rs750mn through rights issue – Positive

The company, in its notice to the Pakistan Stock Exchange (PSX), said that it will issue 13,885,973 ordinary shares at a price of Rs54 per share, (i.e. inclusive of a premium of Rs44 per share) aggregating to Rs 749,842,542. "Right shares to be offered to the members of the company in proportion of approximately 18.96 right shares for every 100 [see more...](#)

Sugar hits new highs as former allies pass buck on smuggling – Negative

Sugar prices rose to record levels in various parts of the country on Monday, as members of the former ruling coalition continued to trade blame over who was ultimately responsible for the country's dwindling stocks of the commodity. The growers, on the other hand, hold the recently dissolved PDM government responsible for its failure [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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