

MORNING GLANCE



41,856

▼ -234

▼ -0.56%

71 mn

YTD -6.14%

1 Year -11.36%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,117.15	64.45	0.36% ▲
DSE 30	2,252.99	8.84	0.39% ▲
SHANGHAI	3,068.99	1.8	0.06% ▼
Hang Seng	16,384.00	222.86	1.38% ▲
Nikkei 225	27,529.50	329.76	1.21% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,334.84	146.21	2.03% ▲
DAX 30	13,459.85	329.66	2.51% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	32,403.22	401.97	1.26% ▲
S&P 500	3,770.55	50.66	1.36% ▲
NASDAQ	10,857.03	166.43	1.56% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,674.05	2.55	0.15% ▼
Oil-WTI (bbl)	91.25	1.36	1.47% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	222.50	0.50	0.23% ▲
EURO/PKR	217.50	0.45	0.21% ▼
GBP/PKR	249.24	3.74	1.48% ▼
AED/PKR	60.54	0.14	0.23% ▲

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

Market Outlook

KSE-100 on Friday remained volatile throughout the day and concluded the session in the red zone amid the ongoing political uncertainty dented the investors' confidence. The index made an intra-day high and low at 42,090 (0 points) and 41,721 (-370 points) respectively while closed at 41,856 by losing 234 points. Trading volume has decreased to 71mn shares as compared to 87mn shares on the previous trading day. Going forward, we expect the market to remain volatile amid the political uncertainty prevailing in the country. The resistance for the index resides at 42,500. Breaking this level can further push the index towards 43,034 (200 DMA). Contrarily, the support for the index resides at 41,774 (50 DMA).

Key News

International

China Stocks May Rally 20% on a Full Reopening, Goldman Says

Strategists at Goldman Sachs Group Inc (NYSE:GS) say a complete China reopening will drive a 20% gain in Chinese equities, citing signs that the government may be starting to prepare for a relaxation of its Covid-Zero policy after a key leadership summit. The removal of Covid restrictions could be "one of the most visible, long-awaited, and [see more...](#)

Oil falls as China sticks to strict COVID policy

Oil prices fell more than 2% at the start of Asia trade on Monday after Chinese officials on the weekend reiterated their commitment to a strict COVID containment approach, dashing hopes of an oil demand rebound at the world's top crude importer. Brent crude futures dropped \$1.58, or 1.6%, to \$96.99 a barrel by 2336 GMT, after hitting as low as \$96.50 earlier. U.S. West Texas Intermediate crude was at [see more...](#)

Politics

Wazirabad: PTI to restart 'long march' tomorrow

Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan has said that his party's 'long march' will resume on Tuesday (tomorrow) from Wazirabad where he had narrowly escaped an assassination attempt last Thursday. While addressing a press conference from the Shaukat Khanum Hospital, Lahore, the PTI chief said that he will address the march every day and that in the next 10-14 days the rally will reach [see more...](#)

Economy

Another \$13bn incoming from China, S. Arabia - Positive

Pakistan on Friday said to have secured about \$13 billion in additional financial support from two traditional friends — about \$9bn from China and over \$4bn from Saudi Arabia — on top of assurances for about \$20bn investments. Finance Minister Ishaq Dar told journalists that during Prime Minister Shehbaz Sharif's recent visit to Beijing, the Chinese leadership promised to roll over \$4bn in sovereign loans, [see more...](#)

MORNING GLANCE

Agri package, concessional electricity : IMF irked by govt steps - **Negative**

Serious reservations against the recently announced package for agriculture sector and subsidy for concessional electricity for export-oriented sectors prompted International Monetary Fund (IMF) to seek a reversal of both decisions by or compensate through new tax measures (mini-budget), well-informed sources in Finance Division told Business Recorder. These tough [see more...](#)

Q1 fiscal deficit soars to 1pc of GDP from 0.7pc of GDP YoY - **Negative**

The government has closed the first quarter of the current fiscal year with one percent of GDP fiscal deficit as opposed to 0.7 percent of the GDP for the same period a year before despite provincial surplus of Rs218 billion and statistical discrepancy of Rs67.6 billion. According to a summary of consolidated fiscal operation for July-September 2022-23 released by the [see more...](#)

All provincial govts post budget surplus of Rs218 billion in first quarter - **Positive**

All four provincial governments recorded budget surplus of Rs218 billion during the first quarter (July to September) of the current fiscal year, which helped the federal government in restricting its fiscal deficit to 1 percent of the gross domestic product (GDP). The four provincial governments collectively recorded budget surplus of Rs218.022b during July to September period of FY2023, [see more...](#)

Incoming inflows yet to trigger rupee turnaround - **Neutral**

The dollar remained unchanged at Rs227.75 on Saturday in the open market, unmoved by Finance Minister Ishaq Dar's guarantee a day ago that the country had secured about \$13 billion in additional financial support from two friendly countries, on top of assurances for about \$20bn investments. However, dealers in the open market hoped the rupee would gain strength once the inflows began to land in Pakistan. "Though the dollar was [see more...](#)

PSO to recover Rs594b in circular debt - **Negative**

The supply of expensive liquefied natural gas (LNG), during the past four seasons, to domestic consumers has resulted in a steep hike in circular debt, trapping gas-utilities and Pakistan State Oil (PSO). The gas sector is currently facing circular debt of Rs1.5 trillion, with LNG being the major contributing force. Additionally, captive powerplants and fertiliser plants have been receiving gas at discounted rates which has also contributed [see more...](#)

POL starts production from Tolanj well - **Positive**

Pakistan Oilfields Ltd (POL) said on Friday production from the Tolanj West-2 well has started "significantly ahead" of the original plan. Earlier, the company announced on Aug 16 and Aug 25 the testing results of Tolanj West-2 well. It said at the time that production from the well was expected to start from December 2022. "However, with the best efforts of our technical teams, wellhead surface facilities and tie-in [see more...](#)

Cement, CNG, fertiliser sectors to face gas shortage in winter - **Negative**

The government is to exercise gas load management for winter where the household consumers would be prioritised; however, the industries [other than five zero-rated industries] including cement, CNG, and fertiliser sectors will face significant gas shortages. An official of the Petroleum Division said that due to shortage of domestic and imported [see more...](#)

Maple Leaf Adds Cement Production Unit - **Positive**

Maple Leaf Cement Factory Limited (MLCF) has added a cement production unit with a capacity of 7,000 clinkers tons per day in its system. According to a stock filing, an additional dry process clinker production line of 7,000 tons per day grey clinker, a brown field expansion at the company's existing site in Iskanderabad, has successfully started production on November 03, 2022 The company had signed a [see more...](#)

Investors extend tenor of Summit Bank's TFC - **Positive**

Bondholders of Summit Bank Ltd have approved a one-year extension in the maturity date of a Rs1.5 billion term finance certificate (TFC), the bank said on Friday. This means the bank will pay its bond- or TFC-holders the redemption amount, including the accrued mark-up, on the revised maturity date of Oct 27, 2023. The Rs1.5bn bond was issued on Oct 27, 2011, for an initial tenor of seven years. However, the bank [see more...](#)

Nishat Mills Limited Raises Rs. 7.5 Billion Through Islamic Short-Term Sukuk Issue - **Neutral**

Pakistan Kuwait Investment Company, as part of a consortium led by MCB Bank Ltd., and comprising of Pak Oman Investment Company Ltd., Al-Hilal Shariah Advisors (Pvt.) Ltd., and Mohsin Tayebaly & Co., has structured, advised, and arranged Rs. 7.5 billion through the issuance of an Islamic short-term Sukuk for Nishat Mills Limited, one of [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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