

MORNING GLANCE



41,766	▼ -94	▼ -0.23%
46 mn	YTD -6.35%	1 Year -10.98%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,624.40	31.2	0.18% ▼
DSE 30	2,353.58	47.12	2.04% ▲
SHANGHAI	3,245.95	0.34	0.01% ▼
Hang Seng	19,032.00	12.3	0.06% ▼
Nikkei 225	27,970.00	539.70	1.97% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,237.83	62.61	0.86% ▼
DAX 30	12,915.97	44.53	0.35% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	31,581.28	435.98	1.40% ▲
S&P 500	3,979.87	71.68	1.83% ▲
NASDAQ	12,259.39	248.07	2.07% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,729.15	1.35	0.08% ▲
Oil-WTI (bbl)	82.75	0.81	0.99% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	222.75	2.25	1.02% ▲
EURO/PKR	220.24	0.59	0.27% ▲
GBP/PKR	255.60	0.18	0.07% ▲
AED/PKR	60.60	0.61	1.02% ▲

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

Market Outlook

KSE-100 on Wednesday opened on a positive note. However, later on, it lost the impetus and concluded the session in the red zone amid the adverse impact of the floods on the overall economy of Pakistan. The index made an intra-day high and low at 42,065 (205 points) and 41,703 (-156 points) respectively while closed at 41,766 by losing 94 point. Trading volume has decreased to 46mn shares as compared to 52mn shares on the previous trading day. Going forward, we expect the market to remain volatile. Whereas the level of 41,766 (50 DMA) is crucial for the market as it needs to sustain it to rebound. Contrarily, the resistance for the index resides at 42,800.

Key News

International

Asian stocks extend rally; oil steadies at pre-invasion levels
Asian stocks made broad gains on Thursday, extending an overnight global rally, while oil prices steadied at levels not seen since before Russia's invasion of Ukraine. Japan's Nikkei share average jumped 1.96% in early trading. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.33%, while Australia's S&P/ASX 200 gained 0.72%. All three major Wall Street indices made significant gains overnight. Chinese blue chips were down slightly, however, after the release of [see more...](#)

Oil prices rise on spectre of Europe energy rationing

Oil prices climbed on Thursday, paring some of their steep losses in the previous session, as the potential for an energy standoff between European nations and Russia overshadowed fears of recession and rising inflation. Brent crude futures rose by 25 cents or 0.3% to \$88.25 per barrel by 0033 GMT after closing at their lowest since early February in the previous session. U.S. crude futures were up 40 [see more...](#)

Politics

Section 144 case: Islamabad court extends Imran Khan's bail till Sept 27

A district and sessions court in Islamabad extended on Wednesday the interim bail of former prime minister and Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan in the case registered against him on charges of violating Section 144, Aaj News reported. PTI leaders Asad Umar, Asad Qaiser and Faisal Vawda have also been granted extensions [see more...](#)

Economy

Germany pledges Rs2.91bn for flood victims - Positive

The German Federal Minister for Economic Cooperation and Development, Svenja Schulze, Wednesday phoned Federal Climate Change Minister Senator Sherry Rehman and pledged Germany's support of €13 million (Rs2.91 billion) for Pakistan in this challenging time. Senator Sherry Rehman briefed the German minister on the devastation wreaked by the floods throughout the country and the assistance required to [see more...](#)

MORNING GLANCE

Government Fails To Meet Target in T-Bill Auction even with All Time High Rates - **Negative**

On September 7, 2022, SBP raised PKR 817 billion through the auction of market treasury bills. This is the first time in the history of Pakistan that the yield for 3M nears 16 percent against its previous high of 15.8 percent in previous auction. Pakistan, CPI inflation General, increased by 27.3% on year-on-year basis in Aug 2022 which is a high of 47 years, as compared to an [see more...](#)

POL products' deregulation: Ogra initiates consultative meetings with OMCs - **Neutral**

The Oil and Gas Regulatory Authority (Ogra) has initiated consultative meetings with Oil Marketing Companies (OMCs) on the deregulation of petroleum products proposal drafted by the Petroleum Division. Ogra Chairman Masroor Khan conducted the first meeting with the OMCs on the deregulation of petroleum products. Member Gas, Member Oil, Member Finance [see more...](#)

THE RUPEE: PKR continues to sustain losses - **Negative**

Pakistan's rupee continued to sustain losses against the US dollar for the fourth successive session, settling with a depreciation of 0.9% on Wednesday. As per the State Bank of Pakistan (SBP), the rupee closed at 223.42 after declining by Rs2 against the greenback. On Tuesday, the rupee had registered a loss for the third successive session, closing at 221.42 after declining by Rs1.56 or 0.7% against the greenback. Analysts say the decline in [see more...](#)

KE consumers: PD suggests Rs1.52 per unit surcharge - **Negative**

The Power Division has proposed imposition of surcharge at Rs 1.52 per unit on consumers of K-Electric (KE) to recover an amount of Rs 204 billion as pending Quarterly Tariff Adjustments (QTAs) in 12 months, well-informed sources told Business Recorder. According to available details background of the case was discussed by the ECC in its meeting March 26, 2020 and September 21, 2021. The ECC in both the meetings [see more...](#)

High electricity production cost, line losses: Miftah rules out possibility of zero load-shedding - **Neutral**

Finance Minister Miftah Ismail has ruled out the possibility of zero load-shedding in the country in the near future due to the high cost of electricity production as well as higher line losses and low recovery of billed amount. Addressing a press conference here on Wednesday along with Minister for Defence, the finance minister in response to questions stated that zero load-shedding in [see more...](#)

Valuation exercise for power plants: CCoP allows reengagement of FA - **Neutral**

The Cabinet Committee on Privatisation (CCoP) has allowed the reengagement of a financial advisor for the valuation exercise for the sale of two power plants parked under the National Power Parks Management Company Limited (NPPMCL). The meeting of the CCoP presided over by Finance Minister Miftah Ismail Wednesday was put up a summary by the Privatisation [see more...](#)

Private sector in management of Discos: PC seeks govt's proactive role to streamline participation - **Neutral**

The Privatisation Commission (PC) has sought some actions from the government to streamline participation of private sector in management of Discos and also to hand over some companies to provinces, well-informed sources told Business Recorder. Sources said the Ministry of Privatisation in May 2021 had submitted a summary before the Cabinet [see more...](#)

Govt assures IMF of placing 2 banks in 'resolution' by March 2023 - **Negative**

The government has promised the International Monetary Fund (IMF) that two banks would be placed into "resolution" by May 2023 if they did not finish the first phase of their recapitalisation plan by March of that year. If this occurs, these banks might be next to undergo a forced restructuring or perhaps be completely sold off, similar to what [see more...](#)

Matco Foods to further invest up to Rs50mn in Barentz Pakistan - **Positive**

The Board of Directors of Matco Foods (MFL) have resolved to further invest up to Rs50 million as loan in Barentz Pakistan (Private) Limited (BPPL), in order to meet its working capital requirements / operational expenses, company's filing at bourse showed today. The aforesaid resolution is subject to approval of shareholders and Regulatory Authorities. [see more...](#)

Release of sales tax refunds: Value-added textile exporters irked by delay - **Negative**

Delay in release of sales tax refunds have left the value-added textile exporters "annoyed", which they said, has also caused them financial hardships and liquidity crunch. The recent economic uncertainty and political unrest has negatively affected almost all segments of the economy mainly the exports, Javed Bilwani, Chairman, Pakistan Apparel [see more...](#)

Karachi's SnappRetail Raises \$2.5 Million in Pre-Seed Funding - **Positive**

In a market where traders and consumer outlets have recently struggled to conduct business, Karachi-based SnappRetail announced today that it has secured \$2.5 million in pre-seed funding to expand operations in the space. The round was led by Zayn Capital's BitRate Fund with participation from Antler and Century Oak Capital. The funds will be used for [see more...](#)

Chairman Bank Alfalah, Sheikh Nahayan bin Mubarak Al Nahayan, Pledges US\$10M to Flood Relief Efforts in Pakistan - **Positive**

Bank Alfalah's Chairman, His Highness Sheikh Nahayan bin Mubarak Al Nahayan, and the Board of Directors, have graciously approved that Bank Alfalah would contribute to the ongoing flood relief efforts in Pakistan. They have approved a fund amounting to USD 10Mn (Rs. 2,180Mn) to help [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

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

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

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