

MORNING GLANCE



47,493	▲ 41	▲ 0.09%
117 mn	YTD 16.36%	1 Year 12.65%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,653.50	107.75	0.55% ▲
DSE 30	2,137.66	2.29	0.11% ▲
SHANGHAI	3,088.66	21.82	0.70% ▼
Hang Seng	17,466.50	-	-
Nikkei 225	31,030.50	22	0.07% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,494.58	43.04	0.58% ▲
DAX 30	15,229.77	159.55	1.06% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	33,407.58	288.01	0.87% ▲
S&P 500	4,308.50	50.31	1.18% ▲
NASDAQ	14,973.24	250.02	1.70% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,863.35	18.15	0.98% ▲
Oil-WTI (bbl)	86.18	3.39	4.09% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	282.69	0.93	0.33% ▼
EURO/PKR	298.04	0.09	0.03% ▼
GBP/PKR	344.74	0.58	0.17% ▲
AED/PKR	76.96	0.26	0.34% ▼

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

Market Outlook

The stock market on Friday opened on a positive note. However, later on, it lost the impetus and managed to close flat amid rupee maintained its positive run against the US dollar in the open market. The KSE-100 index made an intra-day high and low at 47,619.25 (167 points) and 47,402.57 (50 points) respectively while closed at 47,493.57 by gaining 41 points. Trading volume decreased to 117mn shares as compared to 182mn shares on the previous trading day. Going forward, we expect the market to remain positive if it breaks the crucial level of resistance at 47,500. Breaking this level will further push it toward 47,800. Contrarily, the support for the index resides at 46,921 (50DMA).

Key News

International

Australia markets rebound as Hong Kong cancels morning session; China falls after Golden Week

Asia-Pacific markets are mixed to start to the week as Chinese markets come back from a week-long Golden Week holiday. Investors will be watching inflation readings and trade data out from China and India later this week, as well as a monetary policy decision from Singapore's central bank. Japan and South Korea's markets are closed Monday for a [see more...](#)

US stocks skid, oil surges on Middle East conflict

U.S. stock futures slid in Asia on Monday as the military conflict in the Middle East boosted oil and Treasuries, while the sizzling September U.S. jobs report raised the rate stakes for inflation figures later in the week. Holidays in Japan and South Korea made for thin conditions but the initial bid was for bonds and the safe harbours of Japanese yen and gold, with the euro the main loser. [see more...](#)

Politics

Fazl, Bilawal have 'no problem with PTI being on the ballot' sans May 9 rioters

With elections due in just a few months, two major political parties have ostensibly demanded a level playing field for all stakeholders, including the PTI, except for those elements who were involved in riots on May 9 incited by the arrest of party chief Imran Khan. JUI-F leader Maulana Fazlur Rehman did not name [see more...](#)

Economy

IMF, WB meetings; Shamshad-led team leaves for Morocco – Neutral

Pakistan's economic team, led by caretaker finance minister Dr Shamshad Akhtar has departed for Morocco to participate in annual meetings of the International Monetary Fund (IMF) and the World Bank (WB). The annual meetings of the IMF and WB are scheduled to start [see more...](#)

MORNING GLANCE

SBP explains hike in interest rates – Neutral

There is a critical need to bring inflation down so as to insulate public from the regressive 'inflation tax', as well, as to support economic growth at a sustainable basis and to reduce poverty in Pakistan. Sources in the Finance Ministry said that this was submitted by the State Bank of Pakistan (SBP) in writing to a Senate Finance Standing Committee on the impact of high interest rate for business community. [see more...](#)

World Bank retracts tax statement – Neutral

The World Bank on Saturday retracted its recommendation regarding taxing monthly salaries below Rs50,000, as fresh data reveals that the highly marginalised salaried class again paid more taxes than the combined taxes paid by the richest exporters and the real-estate sector in the past three months. Salaried individuals paid Rs70.6 billion in income tax during the July-September period [see more...](#)

Pakistan likely to get \$3.4bn out of \$10.9bn pledged in Geneva - Neutral

A detailed scrutiny of committed pledges of \$10.9 billion by the international donors for flood-hit areas shows that Pakistan is expected to receive approximately \$3.4 billion only as net funding to execute the infrastructure projects. Out of \$10.9 billion pledges committed at Geneva, a major chunk of funding was committed in shape of commodities financing, oil facility, and re-purpose [see more...](#)

Emerging economies face pressures as IMF, World Bank meet – Neutral

Emerging economies are facing headwinds from all sides, with a recent selloff in US Treasuries and China's slowing economy adding layers of uncertainty while the Federal Reserve might not have reached the end of its rate hike cycle. Restructuring efforts for defaulted countries could reach a breakthrough before year-end as talks continue, while the finances of [see more...](#)

Stuck projects or those under arbitration; SIFC seeks information from govts – Neutral

The Executive Committee of the Special Investment Facilitation Council (SIFC) has sought information from federal and provincial governments on the projects under arbitration or stuck up for a long time due to any reason, aimed at resolving all their issues to attract investment, well-informed sources told Business Recorder. Several international and local [see more...](#)

Experts say super tax based on discrimination – Neutral

The imposition of super tax is hit by the principle of past and closed transaction, as no tax can simultaneously be agitated against the special year as well as the normal year. It may be noted that the special year gets completed in a calendar year in some companies against the normal year that entails from 1st of July to 30th of June. Tax experts are of the view that the imposition of super tax is based on discrimination [see more...](#)

Economy bleeds \$23b annually – Negative

Illicit activities such as the black market and smuggling of United States Dollars (USD) in key sectors are draining Pakistan's economy of a staggering \$23 billion per year, according to a report by ACE Money Transfer, a UK-based company. These clandestine operations, encompassing black market currency trade, oil smuggling, gold smuggling, and import controls, have detrimental [see more...](#)

Rupee heading fast to break another barrier - Neutral

The rupee is poised to break another psychological barrier of Rs280 as its bullish spell against the US dollar entered the 22nd session in a row in both interbank and open markets on Friday. The State Bank of Pakistan (SBP) reported that the dollar lost another 93 paise to settle at Rs282.69. Currency dealers are keenly watching the developments with both hopes and fears. They are doubtful [see more...](#)

Pakistan finds indications of shale gas presence in well – Positive

Amid declining natural gas production by 8-9 percent annually, the country has found promising indications of the presence of heavy reservoirs of shale gas at the pilot well KUC-1, Hyderabad, Sindh. The project was initiated by the Oil and Gas Development Company Limited (OGDCL) in 2020. As per a USAID study, more than 3,000 TCF [see more...](#)

Govt to slash petroleum prices amid global oil slump – Neutral

The domestic prices of petroleum products will come down sharply in the next fortnightly review of prices, expected by the oil industry and analysts, providing much needed relief to the inflation-hit masses. The oil sector and analysts differed on the magnitude of the cut in the petroleum prices, but agreed [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