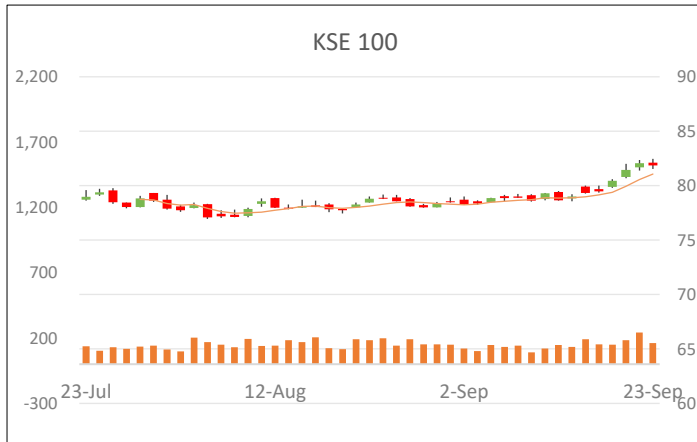


# MORNING GLANCE



|        |            |               |
|--------|------------|---------------|
| 81,850 | ▼ -224     | ▼ -0.27%      |
| 163 mn | YTD 26.58% | 1 Year 77.16% |

| ASIA       | Value     | Pts    | Chg. (%) |
|------------|-----------|--------|----------|
| NIFTY 50   | 25,939.05 | 148.10 | 0.57% ▲  |
| DSE 30     | 2,096.97  | 9.47   | 0.45% ▼  |
| SHANGHAI   | 2,748.92  | 12.11  | 0.44% ▲  |
| Hang Seng  | 18,247.11 | 11.46  | 0.06% ▼  |
| Nikkei 225 | 37,739.50 | 619.00 | 1.67% ▲  |

| EUROPE   | Value     | Pts    | Chg. (%) |
|----------|-----------|--------|----------|
| FTSE 100 | 8,259.71  | 29.72  | 0.36% ▲  |
| DAX 30   | 18,828.49 | 108.48 | 0.58% ▲  |

| USA       | Value     | Pts   | Chg. (%) |
|-----------|-----------|-------|----------|
| DOW JONES | 42,069.44 | 6.08  | 0.01% ▲  |
| S&P 500   | 5,709.05  | 6.50  | 0.11% ▲  |
| NASDAQ    | 19,816.96 | 25.47 | 0.13% ▲  |

| Commodities   | Value    | Chg. | Chg. (%) |
|---------------|----------|------|----------|
| Gold (t oz.)  | 2,653.70 | 7.50 | 0.28% ▲  |
| Oil-WTI (bbl) | 70.16    | 0.84 | 1.18% ▼  |

| Currencies | Value  | Chg. | Chg. (%) |
|------------|--------|------|----------|
| USD/PKR    | 278.30 | 0.03 | 0.01% ▼  |
| EURO/PKR   | 311.42 | 0.02 | 0.01% ▼  |
| GBP/PKR    | 370.01 | 0.02 | 0.01% ▼  |
| AED/PKR    | 76.29  | 0.01 | 0.01% ▼  |

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

## Market Outlook

The stock market on Monday remained volatile throughout the day and concluded the session in the red zone amid profit taking by the investors. The Benchmark KSE-100 index made an intra-day high and low at 82,463.05 (388.61 points) and 81,548.64 (-525.80 points) respectively while closed at 81,850.50 by losing 223.94 points. Trading volume decreased to 163mn shares as compared to 243mn shares on the previous trading day. Going forward, we expect the market to remain rangebound before final approval of New Bailout Package in the IMF Executive Board meeting that is scheduled on 25<sup>th</sup> September. The index is anticipated to face upcoming resistance at 82,200 and 82,463, while finding support at 81,600.

## Key News

### International

#### Asian stocks rise on China stimulus cheer; Australia lags before RBA

Most Asian stocks rose on Tuesday with Chinese markets leading gains on reports of more stimulus measures from Beijing, while Australian markets lagged before a Reserve Bank meeting. Regional markets took some positive cues from mild overnight gains on Wall Street, with U.S. markets remaining in sight of record highs. [see more...](#)

#### Oil prices rise on concerns of wider Middle East conflict, US storm

Oil prices rose on Tuesday on concerns the intensifying conflict between Israel and Hezbollah may impact supply in the key Middle East producing region and a tropical storm may impact output in the U.S., the world's biggest crude producer, later this week. Brent crude futures for November were up 21 cents, or 0.3%, at [see more...](#)

### Politics

#### Justice Mansoor objects to Practice and Procedure Ord

Justice Syed Mansoor Ali Shah, senior puisne judge of the Supreme Court, objected to the changes made to the Supreme Court (Practice and Procedure) through an ordinance. In a three-page letter, written to reconstituted committee on Monday, the judge criticised both the substance [see more...](#)

### Economy

#### Senate panel wants action against banks for 'dollar manipulation' in 2022 – Neutral

A Senate panel has called for swift action against commercial banks accused of manipulating the US dollar exchange rate and opening over-prices letter of credits (LCs) in 2022, reaping Rs65 billion. The Senate Standing Committee on Economic Affairs demanded a detailed report within two weeks, emphasizing the need for [see more...](#)

## MORNING GLANCE

### Import of cash USD; SBP grants ECs one-year extension – Neutral

The State Bank of Pakistan (SBP) on Monday granted one-year extension to Exchange Companies (ECs) for the import of cash US dollars, ie, up to 50 percent of the value of their export of permissible foreign currencies through reputed cargo or security companies. Initially, ECs were allowed to export permissible foreign currencies other than US dollars through [see more...](#)

### Govt retracts 35pc gas sale plan, sets new guidelines for E&P firms – Neutral

In a positive development, the Petroleum Division (PD) has agreed to retract its proposal under the amended Exploration and Production (E&P) Policy 2012, which recommended allowing exploration and production companies to allocate [see more...](#)

### Risk of complete shutdown in Tal Block's oil and gas production, MOL Pakistan warns – Neutral

Ostensibly owing to frequent shutdown of critical oil and gas wells, MOL Pakistan has raised alarms regarding a potential complete shutdown of oil and gas production from the Tal Block. This warning comes amid deteriorating conditions in the country's gas sector, reportedly exacerbated [see more...](#)

### ADB to okay \$200m loan for power distribution project in Pakistan – Positive

The Asian Development Bank (ADB) is expected to approve a \$200 million loan this year for Pakistan's Power Distribution Strengthening Project, which aims to modernize electricity distribution infrastructure in four key regions. The proposed project targets Hyderabad, Sukkur, [see more...](#)

### Covid subsidy to consumers; NA body summons KE CEO over non-payment – Neutral

The National Assembly's standing committee on industries and production has summoned the K-Electric CEO over non-payment of corona subsidy to Karachi power consumers. All industrial associations have [see more...](#)

### Circular debt may swell to Rs2.8tr – Negative

Despite increasing electricity prices up to 51% in July, the government has projected that the power sector's circular debt could jump to a new record high of Rs2.8 trillion by the end of current fiscal year without any injection of budgetary subsidies. Ministry of Energy sources told The Express Tribune that the gross addition to the circular debt had been [see more...](#)

### Sazgar plans to roll out NEVs next year – Positive

Competition for producing new energy vehicles (NEVs) has intensified as Sazgar Engineering Works Ltd (SEWL) plans to introduce the completely knocked down (CKD) model before Dec 31, 2025. In a stock filing on Monday, SEWL said the board of directors had approved the plan, which [see more...](#)

### Pakistan, Tajikistan agree on sugar export deal – Positive

Pakistan and Tajikistan on Monday agreed to enhance bilateral trade and signed a significant agreement to export 40,000 metric tons of sugar to Tajikistan. The Economic Coordination Committee (ECC) of Pakistan had already approved the export, facilitating the deal. The agreement was finalized during [see more...](#)

### IT minister highlights 27% growth in exports despite challenges – Neutral

Despite numerous challenges, Pakistan's IT exports have surged by 27% year-on-year, while the country has secured a Tier One ranking in the global cybersecurity index, according to Minister of State for IT and Telecom, Shaza Fatima Khawaja. Speaking at the prestigious HBL-PASHA [see more...](#)

### Green energy initiative will be shared with Malaysia PM – Neutral

Malay-sian Prime Minister Anwar Ibrahim is likely to visit Pakistan on October 2-4, 2024, on the invitation of Prime Minister Shehbaz Sharif, well-informed sources told Business Recorder. [see more...](#)

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## DEFINITION OF TERMS

|             |                           |             |                         |             |                         |
|-------------|---------------------------|-------------|-------------------------|-------------|-------------------------|
| <b>TP</b>   | Target Price              | <b>DDM</b>  | Dividend Discount Model | <b>FCF</b>  | Free Cash Flows         |
| <b>FCFE</b> | Free Cash Flows to Equity | <b>FCFF</b> | Free Cash Flows to Firm | <b>DCF</b>  | Discounted Cash Flows   |
| <b>PE</b>   | Price to Earnings Ratio   | <b>PB</b>   | Price to Book Ratio     | <b>BVPS</b> | Book Value Per Share    |
| <b>EPS</b>  | Earnings Per Share        | <b>DPS</b>  | Dividend Per Share      | <b>ROE</b>  | Return of Equity        |
| <b>ROA</b>  | Return on Assets          | <b>SOTP</b> | Sum of the Parts        | <b>JPB</b>  | 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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