



Market Outlook

The stock market on Wednesday opened on a positive note. However, it reversed earlier gains in the second half 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 91,872.63 (1,008.54 points) and 90,003.31 (-860.78 points) respectively while closed at 90,286.56 by losing 577.53 points. Trading volume decreased to 241mn shares as compared to 257mn shares on the previous trading day. Going forward, we expect some profit-taking in the short term as index reaches all time high on previous sessions. The index has a support at 89,700 and 89,500, while finding support at 91,000.

Key News

International

Asia-Pacific markets mostly climb, Nikkei extends previous day's gains

Asia-Pacific markets mostly climbed on Tuesday, tracking gains on Wall Street as investors looked toward a slate of megacap technology earnings to keep propelling the Nasdaq Composite to new heights this week. Japan's Nikkei 225 added 0.77% and closed at 38,903.68, extending gains from the day before. The Topix advanced 0.91%, ending at 2,682.02. [see more...](#)

Oil prices rise on optimism over solid US fuel demand

Oil prices rose on Thursday, extending the previous day's rally, driven by optimism over U.S. fuel demand following an unexpected drop in crude and gasoline inventories, while reports that OPEC+ may delay a planned output increase offered support. futures gained 35 cents, or 0.5%, to \$72.90 a barrel by 0029 GMT. U.S. West Texas Intermediate crude futures climbed [see more...](#)

Politics

Nawaz moves court, wants Toshakhana vehicles case dismissed

Pakistan Muslim League-Nawaz (PMLN) President Nawaz Sharif has filed a request in the accountability court to dismiss the Toshakhana vehicles reference against him. Appearing on behalf of Nawaz Sharif, lawyer Rana Irfan told the court that recent amendment to the National Accountability Bureau (NAB) laws now place the Toshakhana case outside NAB's jurisdiction. The court issued [see more...](#)

Economy

KSA adds \$600m to \$2.2bn investment – Positive

The Kingdom of Saudi Arabia on Wednesday announced to add another \$600 million to its recently announced \$2.2 billion investment in Pakistan what the Saudi Investment Minister called "only the beginning of something very special." The announcement was made in a joint press stakeout by Prime Minister Shehbaz Sharif and Saudi Investment [see more...](#)

90,286	▼ -578	▼ -0.64%
241 mn	YTD 39.63%	1 Year 75.37%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	24,466.85	127.70	0.52% ▲
DSE 30	1,805.89	73.29	3.90% ▼
SHANGHAI	3,277.43	8.97	0.27% ▼
Hang Seng	20,492.00	209.14	1.01% ▼
Nikkei 225	39,397.50	515.00	1.32% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	8,219.61	66.01	0.80% ▼
DAX 30	19,478.07	53.55	0.27% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	42,233.05	154.52	0.36% ▼
S&P 500	5,832.92	9.40	0.16% ▲
NASDAQ	20,550.65	199.58	0.98% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,793.15	12.05	0.43% ▲
Oil-WTI (bbl)	67.61	0.40	0.60% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PAKR	278.10	0.05	0.02% ▲
EURO/PAKR	300.84	0.73	0.24% ▲
GBP/PAKR	360.67	0.41	0.11% ▲
AED/PAKR	76.29	-	-

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

MORNING GLANCE

Key economy numbers out of whack ahead of IMF review – Neutral

With falling imports and a sharp deceleration in inflation, the government is urged to renegotiate targets of macroeconomic indicators with the International Monetary Fund (IMF) to lower the tax burden on the salaried class [see more...](#)

T-bills yields slip by 64-140bps ahead of inflation data, policy review – Neutral

Market treasury bills' yields dipped on Wednesday as investors looked ahead to October's inflation figures and the State Bank of Pakistan's monetary policy meeting, which is set for next week. The cut-off yield on the three-month T-bill was down 140 basis points (bps) at 13.8998 per cent. The six-month T-bill [see more...](#)

SBP secures Rs529 billion in floating rate PIB auction – Neutral

In a recent auction, the State Bank of Pakistan (SBP) successfully raised Rs529.46 billion through floating rate Pakistan Investment Bonds, surpassing its target of Rs500 billion. This event, held on Wednesday, included the sale of 5-year and 10-year bonds with semiannual payouts. The cut-off prices were set at 96.9831 for the 5-year bonds and 93.4988 for the 10-year bonds, while all bids for 2-year bonds were turned down. Overall, the SBP [see more...](#)

LSM negativity falls to 0.19pc, C/A surplus drops to \$98m in Q1 – Neutral

The current account surplus declined to \$98 million in the first quarter of the current year against the same period the year before while large scale manufacturing (LSM) sector's negativity declined from negative 2.53 percent July-August 2024 to negative 0.19 percent in the same period of 2024. The decline in LSM negativity is not [see more...](#)

Rs91bn short of target; Q1 tax collection stands at Rs2.563trn – Negative

Following change in macroeconomic figures, the Federal Board of Revenue (FBR) has faced a shortfall of Rs91 billion in achieving the tax collection target of the first quarter (July-September) period as the tax authorities could fetch only Rs2,563 billion. Sources told Business Recorder that the FBR had [see more...](#)

Govt turns cautious on economic recovery optimism – Negative

Expressing concerns over cotton production and confusing signals from the manufacturing sector, the government expressed "cautious optimism" on Wednesday about sustainable [see more...](#)

CNG stations to shut down in Dec, Jan – Negative

The Federal Ministry of Petroleum has decided on gas load management for winter, according to which CNG stations will be closed across the country during December and January. In these two months, the gas supply to the country's industry, which generates electricity from gas, will be stopped. This decision was taken to ensure [see more...](#)

Severing CPPs' gas supply will cause Rs400bn loss to govt: official – Negative

The gas sector braving a circular debt of Rs2,700 billion (Rs2,000 billion and Rs700 billion as late payment surcharge) is facing another loss of Rs400 billion in revenue mainly because of the International Monetary Fund (IMF) conditions under which captive power plants (CPPs), set up for sustainable industrial activities, are [see more...](#)

Neelum-Jhelum shutdown bleeds millions, fuels energy crisis – Negative

The 969-MW Neelum-Jhelum Hydropower Project, offline since May due to a severe rock burst fault, continues to drain hundreds of millions from the national exchequer while depriving consumers of low-cost electricity, experts revealed. The shutdown has intensified the country's hydroelectric power shortfall, contributing to ongoing energy [see more...](#)

First consignment of tractors reaches Tanzania – Positive

Pakistan has started export of tractors to an African country, Tanzania, with the first consignment of Pakistan-made tractors, marking a major milestone in the country's trade relations with East Africa. According to Commerce ministry, this development came as a result of concerted efforts by Pakistani authorities at the highest level. [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:

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- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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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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PREPARED BY

Haroon Abdul Razzaq

Phone: (+92) 42 38302028

Ext: 116

Email: haroon@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