



Market Outlook

The stock market on Wednesday remained volatile throughout the day and concluded the session in the green zone amid investors' optimism for the ongoing Shanghai Cooperation Organisation (SCO) summit. The Benchmark KSE-100 index made an intra-day high and low at 86,513.46 (673.12 points) and 85,948.05 (107.71 points) respectively while closed at 86,205.66 by gaining 365.32 points. Trading volume increased to 259mn shares as compared to 252mn shares on the previous trading day. Going forward, we anticipate the market to display a bullish momentum amid the expectations of rate cut in the upcoming MPC meeting prevails. The index has a resistance at 86,400 and 87,500, while finding support at 84,500 and 83,000.

Key News

International

Asian Stocks Advance After US Small-Cap Rally: Markets Wrap

Equities in Asia rose after Wall Street closed higher, helped along by a rotation out of megacap tech to small-cap companies. Chinese stocks erased gains after a press briefing by finance and housing ministers. China's CSI 300 index was flat amid the press briefing, after rising [see more...](#)

Oil inches up after surprise drop in US crude stockpiles

Oil prices rose in early Asian trade on Thursday, paring sharp losses over the past two sessions, after industry data showed an unexpected drop in U.S. crude stockpiles last week. Brent crude futures rose 45 cents, or 0.6%, to \$74.67 a barrel by 0023 GMT, while U.S. West Texas Intermediate. [see more...](#)

Politics

PTI gives protest call against proposed constitutional package for Friday

The Imran Khan-founded Pakistan Tehreek-e-Insaf gave a call for countrywide protests against the proposed constitutional amendments on Friday. The protest call came a day after after the Pakistan Peoples Party (PPP) and the Jamiat Ulama-e-Islam-Fazl (JUI-F) reached consensus on the. [see more...](#)

Economy

Joint communique; SCO urges end to protectionism, trade curbs – Neutral

The member states of the Shanghai Cooperation Organisation (SCO) have come together to "oppose protectionist actions, unilateral sanctions and trade restrictions that undermine the multilateral trading system and impede global sustainable development." "The heads of delegation consider it important to continue joint efforts to counter protectionist trade measures that are contrary to WTO (World Trade Organisation) rules. [see more...](#)

86,205	▲ 365	▲ 0.42%
259 mn	YTD 33.32%	1 Year 73.34%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	24,971.30	86.05	0.34% ▼
DSE 30	1,963.73	5.79	0.29% ▼
SHANGHAI	3,209.59	6.64	0.21% ▲
Hang Seng	20,526.00	239.15	1.18% ▲
Nikkei 225	38,983.00	218.5	0.56% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	8,329.07	79.79	0.97% ▲
DAX 30	19,432.81	53.38	0.27% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	43,077.70	337.28	0.79% ▲
S&P 500	5,842.50	27.20	0.47% ▲
NASDAQ	20,174.05	14.22	0.07% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,696.10	4.80	0.18% ▲
Oil-WTI (bbl)	70.72	0.33	0.47% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	278.15	0.10	0.04% ▲
EURO/PKR	303.02	0.77	0.25% ▼
GBP/PKR	363.60	0.48	0.13% ▲
AED/PKR	75.73	0.49	0.64% ▼

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

MORNING GLANCE

SCO summit: Members sign eight agreements, endorse China as 2024-25 chair – Neutral

These agreements signed on Wednesday highlight the organisation's commitment to cooperation in areas such as security, trade, and economic development. The summit, chaired by Pakistan's Prime Minister. [see more...](#)

Pakistan, China vow to speed up ML-1 project – Positive

In a joint statement issued by the Ministry of Foreign Affairs, both nations pledged to refine and optimise the construction plan for ML-1's Karachi-Hyderabad section and to formulate feasible and sustainable plans for financing and implementation. Pakistan expressed its deep appreciation for China's continued support in maintaining [see more...](#)

Pakistan, Iran to work in regional markets – Positive

There was a huge potential for bilateral trade, however, it was yet to be realised, acknowledged the trade ministers of both countries. On the sidelines of the SCO 2024 summit in Islamabad, Federal Minister for Commerce Jam Kamal Khan held a productive meeting with Iran's Minister for Industry, Mining and Trade Mohammad Atabak. The discussion focused on strengthening trade relations,. [see more...](#)

Pakistan, Russia strengthen ties with expanded cooperation in various sectors – Positive

This understanding was reached during a meeting between Prime Minister Shehbaz Sharif and his Russian counterpart, Mikhail Mishustin, held in Islamabad on the sidelines of the 23rd Shanghai Cooperation Organisation (SCO) Council [see more...](#)

Government raises Rs716bn with minor cut in rate – Neutral

Contrary to the expectations of a significant reduction in the wake of falling interest rates, the cut-off yields were slightly reduced. The cut-off yields for three- and six-month tenors were slashed by five basis points to 15.29 per cent and 14.34pc, the. [see more...](#)

Q1FY25: Govt pays off Rs1.2trn domestic debt – Neutral

Analysts said that this shift from borrowing to repayment has been facilitated by healthy foreign inflows including \$1 billion IMF tranche and Rs 3.4 trillion profit reported by the State Bank of Pakistan (SBP). These two segments have bolstered the government's financial position and help to [see more...](#)

Chinese firm to invest \$1b in PRL – Positive

At present, the State Bank of Pakistan (SBP) permits the private sector, including refineries, to retain dollars for investment purposes. However, the Chinese company has stated that such controls should be eliminated to ensure smooth repayment of the loan. The firm stressed that there should be no obstacles in remitting dollars. [see more...](#)

Oil and gas output falls in Q1 due to disruptions – Negative

Pakistan's oil and gas production witnessed an 8.0 per cent and 7.0 per cent decline, respectively, in the first quarter of the current fiscal year, due to annual turnarounds (ATAs) and forced curtailments at major fields. In terms of oil production, the most significant declines were observed at the Nashpa, Mela, Dhok Sultan, Adhi, Makori East, Maramzai, Mardenkhel and Pasakhi fields. Meanwhile, the [see more...](#)

Curbs on workers, experts' movement: Slowdown hits Dasu hydropower project work: World Bank – Negative

A World Bank Mission was in Pakistan from September 2-13, 2024 for attestations of the facts of multi-billion-dollar project. The Mission also held meetings with authorities of Water and Power Development Authority. [see more...](#)

Kohat Cement to extend Rs600m short-term finance to Ultra Kraft – Neutral

The shareholders of Kohat Cement Company Limited (PSX: KOHC) have approved the renewal of an investment by way of short-term running finance of up [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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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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