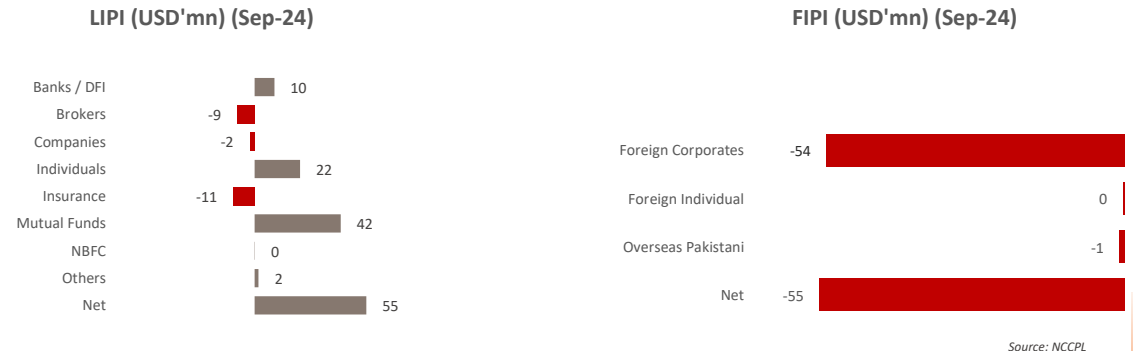
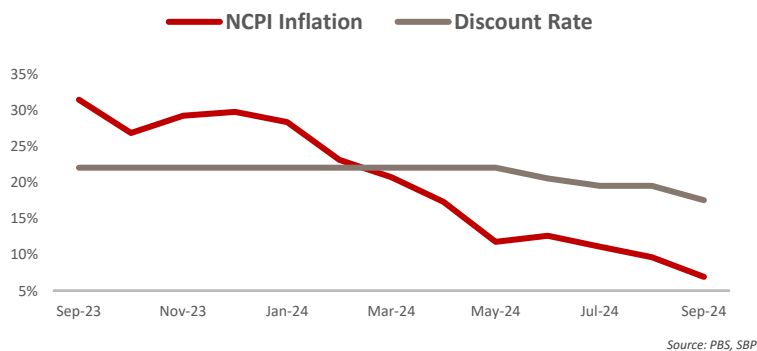
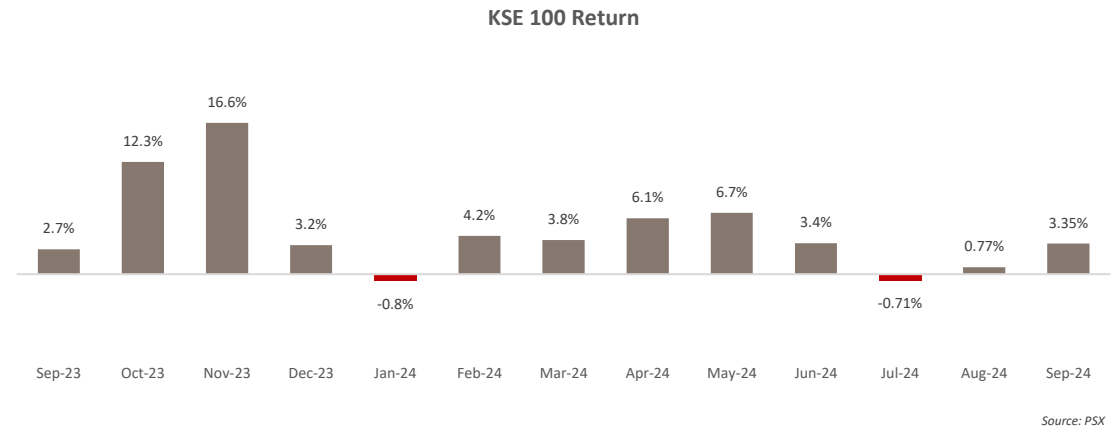


# ACPL DIGEST (Sep-24)



Remittances			Exports			Imports			Current Account	
2MFY25	2MFY24	Change	2MFY25	2MFY24	Change	2MFY25	2MFY24	Change	2MFY25	2MFY24
\$5.90 bn	\$4.10 bn	▲ 43.90%	\$5.05 bn	\$4.43 bn	▲ 14.0%	\$8.63 bn	\$8.17 bn	▲ 5.6%	\$0.171 bn	\$0.893 bn

In September 2024, the Pakistan Stock Exchange (PSX) reached an all-time high, with the KSE-100 Index hitting the 82,800-point mark delivering a monthly return of 3.35%. This performance was primarily driven by positive economic developments, including the approval of a \$7 billion loan from the International Monetary Fund (IMF), which boosted investor confidence. Additionally, a 200 basis point rate cut by the central bank helped create favorable conditions for investment, further supporting market growth. The market's growth was also influenced by factors such as falling government bond yields amid easing inflation, a strengthening rupee, and improvements in Pakistan's current account balance. The influx of foreign capital and increased foreign participation, highlighted the positive sentiment surrounding Pakistan's economic outlook during the month. However, the market



faced fluctuations towards the end of the month due to rising political uncertainty and concerns over the stringent conditions attached to the IMF loan. Despite a brief surge after the IMF's approval, investor confidence waned due to fears surrounding government tax reforms and the removal of energy subsidies, both of which are part of the IMF's requirements. Looking ahead, we expect the index to maintain a positive trajectory, with the upcoming key event being the Monetary Policy Committee (MPC) meeting scheduled for November 4th, 2024. In this meeting, we anticipate a rate cut in the range of 150 to 200 basis points, which could further support market sentiment. However, the primary downside risk remains the potential for foreign selling, which could impact market stability. Despite this risk, we maintain an overall positive outlook for the market, driven by improving economic indicators and favorable policy developments.

Our recommended stocks include AIRLINK, SAZEW, HUBC, PTL and CSAP.

		(USD' mn) (Sep-24)										
		Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross
LIPI Portfolio	Banks / DFI	2.67	-0.69	0.12	-0.05	0.88	0.55	-4.60	0.02	3.54	7.36	9.78
	Broker Proprietary Trading	-0.20	-1.38	-4.39	0.14	0.57	-0.24	-1.63	-0.93	-0.01	-0.49	-8.56
	Companies	-1.30	3.56	6.79	-0.03	1.58	0.12	-4.41	-0.31	-3.95	-4.49	-2.44
	Individuals	-0.84	-1.86	-1.90	1.05	13.84	-0.66	15.22	-2.02	-0.03	-0.49	22.30
	Insurance Companies	-2.31	4.15	1.73	-0.59	-3.97	0.07	-0.01	-0.55	0.20	-9.35	-10.62
	Mutual Funds	6.26	8.68	19.63	0.41	0.10	1.48	-3.88	0.57	1.14	7.93	42.31
	NBFC	0.02	0.04	0.07	0.00	-0.01	0.02	-0.05	0.02	-0.00	0.03	0.14
	Other Organization	0.17	-1.39	-0.08	-0.20	0.82	-0.61	2.03	-0.52	-0.49	2.20	1.93
	<b>LIPI Total</b>	<b>4.46</b>	<b>11.12</b>	<b>21.97</b>	<b>0.74</b>	<b>13.80</b>	<b>0.71</b>	<b>2.67</b>	<b>-3.73</b>	<b>0.39</b>	<b>2.71</b>	<b>54.84</b>
FIPI Portfolio	Foreign Corporates	-2.43	-10.16	-21.57	-0.18	-16.76	-0.61	-4.48	5.99	-0.01	-3.36	-53.56
	Foreign Individual	0.00	-0.42	-0.02	0.00	-0.03	0.00	0.02	0.03	0.00	0.06	-0.36
	Overseas Pakistani	-2.03	-0.54	-0.39	-0.55	2.98	-0.10	1.79	-2.29	-0.38	0.60	-0.92
	<b>Total</b>	<b>-4.46</b>	<b>-11.12</b>	<b>-21.97</b>	<b>-0.74</b>	<b>-13.80</b>	<b>-0.71</b>	<b>3.23</b>	<b>3.73</b>	<b>-0.39</b>	<b>-2.71</b>	<b>-54.84</b>

Source: NCCPL

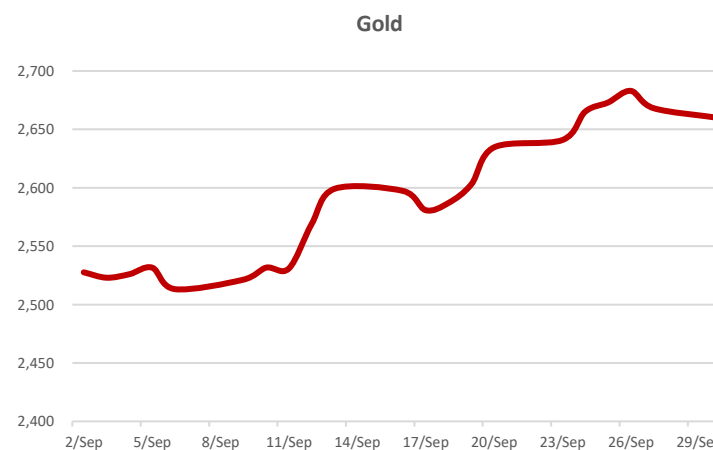
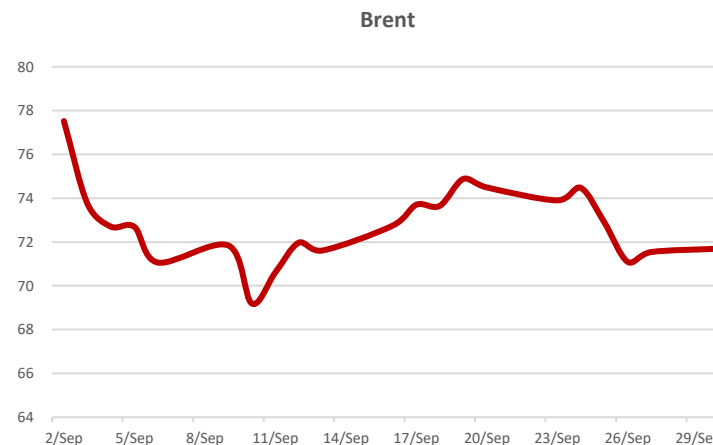
# COMMODITIES OVERVIEW

## Brent Oil

In September 2024, Brent oil prices experienced significant fluctuations, ending the month at \$71.7 per barrel, marking a 9% decline. Key factors influencing this drop included a slight increase in global oil supply, despite disruptions in Libya, Norway, and Kazakhstan, while global demand weakened due to a slowing Chinese economy. Geopolitical tensions in the Middle East further added uncertainty to the market. Additionally, China's economic struggles and ineffective stimulus measures further pressured prices, while bearish investor sentiment, marked by reduced speculative holdings, added to the downward trend. Looking ahead, tensions in key oil-producing regions, such as the Middle East, pose a risk of supply disruptions, which can significantly impact prices. Recent escalations in the Red Sea region underscore the potential for unexpected production interruptions.

## Gold

In September 2024, Gold prices saw a robust increase where it increased by 5.2%, driven by a mix of global economic policies, investor sentiment, and geopolitical factors reaching an all time high of \$2683, reflecting a notable rise. The U.S. Federal Reserve's half-percentage-point rate cut reduced the opportunity cost of holding gold, boosting its appeal. Geopolitical uncertainties in regions like Eastern Europe and the Middle East also fueled demand for gold as a safe-haven asset. Additionally, resilient investor demand, particularly from central banks diversifying reserves, and supply constraints in major gold-producing countries, including China and South Africa, further supported the price increase. Looking ahead, gold is expected to continue its rally amid several factors, including the buying of gold by the central banks around the world, ongoing geopolitical tensions, and uncertainties surrounding the upcoming U.S. elections.



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- 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

<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

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

## 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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