

MORNING GLANCE



44,585	▲ 378	▲ 0.85%
183 mn	YTD 9.23%	1 Year 6.5%

ASIA	Value	Pts	Chg. (%)
भारत NIFTY 50	19,355.90	24.10	0.12% ▲
दक्षिण एशिया DSE 30	2,190.78	0.68	0.03% ▼
चीन SHANGHAI	3,217.93	14.24	0.44% ▲
चीन Hang Seng	18,793.00	313.28	1.70% ▲
जापान Nikkei 225	32,277.50	87.77	0.27% ▲

EUROPE	Value	Pts	Chg. (%)
इंग्लैण्ड FTSE 100	7,273.79	16.85	0.23% ▲
जर्मनी DAX 30	15,673.16	69.76	0.45% ▲

USA	Value	Pts	Chg. (%)
डोव जॉन्स DOW JONES	33,944.40	209.52	0.62% ▲
संयुक्त अर्थात् S&P 500	4,409.53	10.58	0.24% ▲
नेशनल एक्सचेंज NASDAQ	15,045.64	8.79	0.06% ▲

Commodities	Value	Chg.	Chg. (%)
गोल्ड Gold (t oz.)	1,931.50	0.50	0.03% ▲
पेट्रोल Oil-WTI (bbl)	73.45	0.46	0.63% ▲

Currencies	Value	Chg.	Chg. (%)
प्राइमरी डॉलर USD/PKR	277.90	-	-
यूरो इक्विवलेंट EURO/PKR	302.24	-	-
ब्रिटिश प्राइमरी डॉलर GBP/PKR	353.93	-	-
एमिरेट्स डॉलर AED/PKR	75.66	-	-

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

Market Outlook

The stock market on Monday remained positive throughout the day and concluded the session in the green zone amid optimism over the revival of the IMF program as investors expect approval of a loan in an Executive Board meeting that is to be scheduled on 12th July. The KSE-100 index made an intra-day high and low at 44,608 (394 points) and 44,260 (53 points) respectively while closed at 44,585 by gaining 372 points. Trading volume increased to 183mn shares as compared to 116mn shares on the previous trading day. Going forward, the resistance for the index resides at 44,800. Breaking this level would further push the index towards 45,200. Contrarily, the support for the index resides at 44,300.

Key News

International

Asian markets in the green amid gains on Wall Street

Asian markets traded higher on Tuesday following marginal gains on Wall Street and after China strengthened support for its struggling property market. The benchmark indices in Japan and South Korea opened higher, while the US stock futures were little changed. Sentiment improved after Taiwan Semiconductor Manufacturing Co. reported better than expected sales, while Chinese regulators increased [see more...](#)

Oil prices rise ahead of inflation, Fed cues

Oil prices rose in Asian trade on Tuesday, buoyed by the prospect of supply cuts in the world's largest crude producers, while expectations of more stimulus measures in major importer China also helped support sentiment. Still, caution over upcoming U.S. inflation data and Federal Reserve speakers kept gains limited, as markets sought more cues on the world's largest oil consumer. [see more...](#)

Politics

Supreme Court office returns plea seeking ban on PTI

After raising multiple objections, the Supreme Court registrar's office on Monday returned Istihkam-e-Pakistan Party (IPP) Additional Secretary General Aun Chaudhry's plea seeking a ban on Pakistan Tehreek-e-Insaf (PTI) in connection with the party's alleged anti-state activities [see more...](#)

Economy

Fitch upgrades rating on improved external liquidity – Positive

Fitch Ratings has upgraded Pakistan's Long-Term Foreign-Currency Issuer Default Rating (IDR) to "CCC" from "CCC-" while saying the upgrade reflects Pakistan's improved external liquidity and funding conditions following its Staff-Level Agreement (SLA) with the IMF on a nine-month Standby Arrangement (SBA) in June. [see more...](#)

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PKR declines – Negative

The Pakistani rupee sustained losses against the US dollar, weakening 0.68 percent in the inter-bank market on Monday. At close, the currency settled at 279.8, a decrease of Rs1.9, as per the State Bank of Pakistan (SBP). During the previous week, the rupee registered a substantial 2.91% gain against the US dollar as finalisation of the Stand-By Arrangement (SBA) with the International Monetary Fund (IMF) gave strength to [see more...](#)

Pakistan needs refinery upgrade to benefit from Russian oil discount – Negative

Pakistan is losing out on the opportunity to pass on the benefits of discounted crude oil from Russia due to the old processing technology of its current refineries, industry officials said. The country has five refineries, out of which one was established before partition and two were set up sixty years back. The other two that rely on old technology and the one where the [see more...](#)

Payable as RD; SC allows Customs to encash 50pc bank guarantee of OMCs - Neutral

The Supreme Court has allowed the Collector of Customs, Karachi to encash 50 percent bank guarantee of oil marketing companies, payable as regulatory duty, saying the rest of the amount will remain intact till the final determination of the Customs Appellate Tribunal on petitioners' claim. A three-judge bench, headed by Chief Justice Umar Ata Bandial, on Monday, heard the [see more...](#)

Base tariff hike in FY24: Govt to collect over Rs3.2tr extra from power consumers – Negative

The government is set to collect an additional staggering amount of over Rs3.2 trillion from power consumers, beginning July 2023, as it intends to raise the power base-tariff by approximately Rs7 per unit for the Financial Year 2023-24, according to official sources of the Power Division. Interestingly, the International Monetary Fund (IMF) Executive Board is scheduled to [see more...](#)

Rs69.5bn money laundering unearthed in solar panel imports – Negative

The Directorate of Post Clearance Audit (PCA) South has uncovered a massive money laundering in the solar panel import, involving a staggering Rs69.5 billion. The audit, which revealed overinvoicing totaling an astounding Rs 69.5 billion, has raised concerns about the illicit transfer of funds out of Pakistan and highlighted the presence of black money within the [see more...](#)

Sufficient inflows of USD mandatory – Negative

The government Monday said relaxation on retiring of Letters of Credit (LCs), recently announced by the State Bank of Pakistan (SBP), are not unrestrained as LCs will only be honoured if sufficient inflows of dollars come in the country. This information was shared by the Ministry of Industries and Production (MoIP) informally with National Assembly Standing Committee on Industries and [see more...](#)

Sugar retail price soars – Positive

Sugar price within the past three months registered an increase of Rs40 per kg in the retail market, ie, from Rs100 to Rs140 per kg, while in the wholesale market, the commodity price has jumped from Rs4,500 per 50-kg bag to Rs6,500 per bag, reflecting an increase of Rs2,000 per bag. Business Recorder has observed that in the past three months, the commodity prices kept on steadily [see more...](#)

Govt approves sale of HBFC to mortgage refinance firm – Neutral

The Cabinet Committee on Privatization (CCoP) on Monday approved sell-out of House Building Finance Corporation (HBFC) to a single source/negotiated transaction. The pre-qualified single bidder Pakistan Mortgage Refinance Company Limited has been named as the single bidder for the HBFC transaction. [see more...](#)

WB loan condition: FBR decides to hike valuation rates of properties – Neutral

Under the World Bank's loan conditions, the Federal Board of Revenue (FBR) has decided to jack up valuation rates of properties in the range of 13 to 15 per cent on average in different urban centres of the country. It has also been decided that the number of cities would be increased from 42 to 51 in the ongoing exercise, under which the hiked [see more...](#)

Chinese investors seek JVs in ceramics – Neutral

A Chinese delegation visiting Pakistan has shown interest in entering into joint ventures in the ceramics sector, saying Pakistan has potential to consume a significant share in the global market of ceramic products, Pakistan China Joint Chamber of Commerce and Industry (PCJCCI) stated on Monday. The Chinese delegation from City of Zibo held a meeting with local industrialists of the ceramics sector [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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Stock Rating	Expected Total Return
BUY	Greater than 15%
HOLD	Between -5% to 15%
SELL	Less than and equal to -5%

Sector Rating	Sector Outlook
Overweight	Positive
Market Weight	Neutral
Underweight	Negative

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The Research Analyst is not and was not involved in issuing a research report on any of the subject company's associated companies

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