

MORNING GLANCE



73,085

















▲ 427

▲ 0.59%

321 mn

YTD 13.03%

1 Year 76.85%

ASIA		Value	Pts	Chg. (%)
	NIFTY 50	21,986.80	68.4	0.31% ▼
	DSE 30	2,015.24	25.14	1.23% ▼
	SHANGHAI	3,151.94	2.61	0.08% ▼
	Hang Seng	19,058.00	94.32	0.50% ▲
	Nikkei 225	38,162.50	94.5	0.25% ▼
EUROPE		Value	Pts	Chg. (%)
	FTSE 100	8,433.76	52.41	0.63% ▲
	DAX 30	18,756.86	70.26	0.38% ▲
USA		Value	Pts	Chg. (%)
	DOW JONES	39,512.84	125.08	0.32% ▲
	S&P 500	5,222.68	8.60	0.16% ▲
	NASDAQ	18,161.18	47.72	0.26% ▲
Commodities		Value	Chg.	Chg. (%)
	Gold (t oz.)	2,363.55	11.45	0.48% ▼
	Oil-WTI (bbl)	78.05	0.21	0.27% ▼
Currencies		Value	Chg.	Chg. (%)
	USD/PKR	278.55	0.15	0.05% ▲
	EURO/PKR	299.57	-	-
	GBP/PKR	347.67	-	-
	AED/PKR	76.26	-	-

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

Market Outlook

The stock market on Friday remained bullish throughout the day, followed by small retracement in the second half and concluded the session in the green zone as Pakistan's foreign exchange reserves and remittances improved. The Benchmark KSE-100 index made an intra-day high and low at 73,449.37 (791.32 points) and 72,876.83 (218.78) respectively while closed at 73,085.50 by gaining 427.45 points.. Trading volume increased to 321mn shares as compared to 235mn shares on the previous trading day. Going forward, we expect the market to remain positive amid second and final review under the SBA deemed satisfactory. We expect the market to cross its all-time highs at 73,300, subsequently the next psychological level would be 74,000. On the contrary, the support for the index lies at 71,500.

Key News

International

Asian Shares Open Lower Amid Weak Demand in China: Markets Wrap

Asian stocks clawed back earlier losses as reports China is planning to start selling the first batch of its 1 trillion yuan (\$138 billion) issue of ultra-long bonds boosted optimism the funds will help bolster the economy. China's shares trimmed declines while Hong Kong's equity [see more...](#)

Oil Edges Lower as Iraq's Mixed Messages Put Spotlight on OPEC+

Oil declined as weak Chinese data raised concerns about demand, and traders looked ahead to an OPEC+ meeting on supply policy. Brent fell toward \$82 a barrel after losing 1.3% on Friday, while West Texas Intermediate was below \$78. Poor Chinese credit and [see more...](#)

Politics

PM convenes huddle on AJK crisis amid calls for restraint

President Asif Ali Zardari has urged all stakeholders to exercise restraint and resolve the issues in Azad Jammu and Kashmir (AJK) through dialogue and mutual consultation. "Political parties, state institutions and people of AJK should act responsibly, so that hostile elements could not exploit the situation to their benefit," he said during a [see more...](#)

Economy

IMF mission to meet Pakistani authorities next week to discuss 'next phase of engagement': official - Positive

Speaking to Dawn.com, Esther Perez Ruiz, the Fund's resident representative for Pakistan, said: "A mission team led by Nathan Porter, IMF's mission chief to Pakistan, will meet with authorities next week to discuss the next phase of engagement. "The aim is to lay the foundation for better governance and stronger, more inclusive, [see more...](#)

MORNING GLANCE

Commitment to IMF: Primary surplus of 1pc of GDP for FY25 aimed at - Neutral

The Government of Pakistan in the Letter of Intent (LoI) submitted to the IMF with the signatures of Finance Minister Muhammad Aurangzeb and Governor State Bank of Pakistan and attached in the IMF's staff report prepared by a staff team for [see more...](#)

Downside risks 'exceptionally high': IMF - Neutral

The IMF staff report prepared by staff team after the final review of Stand-By- Arrangement (SBA) and released on Friday stated: provided that program policies are sustained over the medium term and assuming adequate multilateral and bilateral financial support, public debt would remain sustainable and on a downward path.. [see more...](#)

Gross external financing needs: IMF lowers projection to \$21.044bn – Neutral

The IMF in its report titled, "Second and final review under the Stand-By Arrangement (SBA)", stated that external and domestic financing needs in coming years are very large, and policy adjustment will need to be sustained in the post-SBA period to materialise this financing and prevent [see more...](#)

SBA: performance against end-Dec benchmarks satisfactory – Positive

The Fund in its report, "Second and final review under the SBA", stated that the authorities met all seven quantitative Performance Criteria (PCs) for end-December 2023: the floors on (i) net international reserves of the SBP; and (ii) targeted cash transfer spending; and the ceilings on (iii) net domestic assets of the SBP; (iv) the SBP's FX swap/ forward book;.. [see more...](#)

There will be no new fuel subsidy or cross-subsidy schemes: Govt makes firm pledge to IMF – Neutral

According to the second and final review under the Standby Arrangement (SBA), the circular debt (CD) stock stabilized in late 2023 and early 2024, secured by continued efforts to bring energy tariffs in line with costs and, in the power sector, continued anti-theft measures... [see more...](#)

Urea sales in Pakistan hit 3-Year low due to seasonal impact - Negative

The seasonal factor has resulted in a major blow to Pakistan's Fertilizer sector as urea sales plunged to a 3-year low of 328,000 tonnes in April 2024. This translates to a drastic drop of 51% compared to 671,000 tonnes sold in. [see more...](#)

Anti-dumping duties of 19.15% on steel rebar imports from China to continue for 5 years - Neutral

The National Tariff Commission (NTC) has decided to continue anti-dumping duty on imports of deformed concrete reinforcing steel bars into Pakistan from China, said a notice issued by the commission on Friday. The anti-dumping duty of 19.15% imposed on imports of steel.. [see more...](#)

Lucky Core Industries expands portfolio with Pfizer assets acquisition – Neutral

In a significant development in Pakistan's pharmaceutical sector, the Board of Directors of Lucky Core Industries Limited have approved the purchase of a manufacturing facility owned by Pfizer Pakistan Limited along with the acquisition of certain pharmaceutical products, and. [see more...](#)

Maersk logistics eyes first green port project in Pakistan - Neutral

A renowned global Logistics company AP Moller-Maersk has expressed interest in establishing the first Green Transshipment Terminal in Karachi. According to the Information Ministry's latest post, this was expressed during the visit of the company's delegation led by Chief Executive Officer Keith Svendsen to Pakistan. This.. [see more...](#)

Govt likely to raise taxes on various sectors amid revenue shortfall risks - Neutral

There are risks of shortfalls in tax revenue in April and May 2024 due to holidays that will see port closures and weigh on revenue collection, policy discussions from the second and final International Monetary Fund (IMF) review report show. The government has agreed on.. [see more...](#)

DISCLAIMER

This report has been prepared by Abbasi & Company (Private) Limited and is provided for information purposes only. Under no circumstances, this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Abbasi & Company (Private) Limited and or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Abbasi & Company (Private) Limited accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. In particular, the report takes no account of the investment objectives, financial situation and needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Abbasi & Company (Private) Limited Research Department and do not necessarily reflect those of the company or its directors. Abbasi & Company (Private) Limited as a firm may have business relationships, including investment-banking relationships, with the companies referred to in this report. Abbasi & Company (Private) Limited does not act as a market maker in the securities of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives do not have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company at the time of issuance of this report. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives are not currently serving or have served in the past three years as a director or officer of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives have not received compensation from the subject company in the previous 12 months. The subject company currently is not, or during the 12-month period preceding the date of publication or distribution of this report, was not, a client of Abbasi & Company (Private) Limited. We have not managed or co-managed a public offering or any take-over, buyback or delisting offer of securities for the subject company in the past 12 months and/or received compensation for corporate advisory services, brokerage services or underwriting services from the subject company in the past 12 months. Abbasi & Company (Private) Limited does not expect to receive or intend to seek compensation for corporate advisory services or underwriting services from the subject company in the next 3 months

All rights reserved by Abbasi & Company (Private) Limited. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Abbasi & Company (Private) Limited. Action could be taken for unauthorized reproduction, distribution or publication

VALIDITY OF THE PUBLICATION OR REPORT

The information in this publication or report is, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report. The information may be subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the company, jurisdiction or financial instruments referred to in this report. The valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report and were based upon several estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein is not to be relied upon as a representation and/or warranty by Abbasi & Company (Private) Limited and/or its other associated and affiliated companies, that:

- I. Such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- 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

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

RATINGS CRITERIA

Abbasi & Company (Private) Limited employs a three-tier ratings system to rate a stock and sector, as mentioned below, which is based upon the level of expected return for a specific stock and outlook of sector. The rating is based on the following with stated time horizon

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.

RESEARCH DISSEMINATION POLICY

Abbasi & Company (Private) Limited endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as email, fax mail etc. Nevertheless, all clients may not receive the material at the same time

OTHER DISCLOSURES

The research analyst is primarily involved in the preparation of this report, certifies that:

- I. The views expressed in this report accurately reflect his/her personal views about the subject company/stock /sector and economy
- II. No part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report

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

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