

MORNING GLANCE



43,026






▲ 300



▲ 0.70%




118 mn



YTD -3.52%





1 Year -6.05%

ASIA		Value	Pts	Chg. (%)
	NIFTY 50	15,959.05	281.25	1.73% ▼
	DSE 30	2,336.48	27.18	1.14% ▼
	SHANGHAI	3,083.39	2.58	0.08% ▼
	Hang Seng	20,182.00	462.28	2.24% ▼
	Nikkei 225	26,404.00	507.2	1.88% ▼

EUROPE		Value	Pts	Chg. (%)
	FTSE 100	7,438.09	80.26	1.07% ▼
	DAX 30	14,007.76	178.18	1.26% ▼

USA		Value	Pts	Chg. (%)
	DOW JONES	31,490.07	1164.52	3.57% ▼
	S&P 500	3,923.68	165.17	4.04% ▼
	NASDAQ	11,928.31	635.79	5.06% ▼

Commodities		Value	Chg.	Chg. (%)
	Gold (t oz.)	1,813.40	2.5	0.14% ▼
	Oil-WTI (bbl)	108.13	1.09	1.02% ▲

Currencies		Value	Chg.	Chg. (%)
	USD/PKR	198.00	2.40	1.23% ▲
	EURO/PKR	208.60	4.30	2.10% ▲
	GBP/PKR	247.17	5.71	2.36% ▲
	AED/PKR	53.87	0.66	1.24% ▲

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

Market Outlook

KSE-100 on Wednesday showed positive momentum throughout the day and concluded the session in the green zone. The index made an intra-day high and low at 43,161 (435 points) and 42,510 (-217 points) respectively while closed at 43,027 by gaining 301 points. Trading volume has increased to 118mn shares as compared to 97mn shares on the previous day. Going forward, the market is likely to remain volatile amid prevailing financial instability and political uncertainty in the country. The support for the index resides at 42,800. Breaking this level can further drag the index towards 42,000. However, the resistance for the index resides at 43,500.

Key News

International

Asian shares tumble as global growth fears mount

Asian stocks tracked a steep Wall Street selloff on Thursday, as investors fretted over rising global inflation, China's zero-COVID policy and the Ukraine war, while the safe-haven dollar held most of its strong overnight gains. MSCI's broadest index of Asia-Pacific shares outside Japan snapped its four-day streak of gains and slumped 2.3%, dragged down by a 1.6% loss for Australia's [see more...](#)

Oil prices recover from early losses as global supply fears linger

Oil prices rose on Thursday, recovering from early losses, as lingering fears over tight global supplies outweighed fears over slower economic growth as highlighted by slumping global shares. Brent crude futures for July were up 97 cents, or 0.9%, at \$110.08 a barrel at 0220 GMT, after falling by more than \$1 earlier in the session. [see more...](#)

Politics

Hamza Shehbaz's troubles far from over after defection verdict

As Pakistan Peoples Party (PPP) provincial lawmakers met beleaguered Punjab Chief Minister Hamza Shehbaz on Wednesday to form a joint strategy in the wake of the Supreme Court verdict on defecting lawmakers, the Pakistan Tehreek-i-Insaf (PTI) announced moving the court to oust the provincial chief executive. The PTI has also hinted at accepting the offer of the PML-N-led government in the Centre to hold talks on [see more...](#)

Economy

In talks with IMF, Miftah agrees govt will have to take 'tough decisions' - Neutral

Finance Minister Miftah Ismail on Wednesday told the International Monetary Fund (IMF) that the government understood the current economic crisis and agreed that it would have to take "tough decisions" while mitigating the effects of inflation on middle to low-income groups. [see more...](#)

MORNING GLANCE

In maiden official visit to US, FM Bilawal holds 'productive' meeting with Blinken - Neutral

Foreign Minister Bilawal Bhutto Zardari on Wednesday held a meeting with US Secretary of State Antony Blinken during his maiden official visit to New York, as they discussed bilateral relations, regional situation, and cooperation in various sectors between the two countries. The foreign minister had arrived in the US on Tuesday to attend the two-day ministerial conference on the threat to global food security, triggered by the [see more...](#)

NAC approves FY22 5.97pc provisional growth rate- Neutral

The National Accounts Committee (NAC) has approved 5.97 percent estimated provisional Gross Domestic Product (GDP) growth rate for the ongoing fiscal year 2021-22 as compared to 5.74 percent for the last financial year 2020-21. The 105th meeting of the NAC to review the final, revised and provisional estimates of GDP for the years 2019-20, 2020-21 and 2021-22 respectively was held on Wednesday in the Auditorium s [see more...](#)

Currency's collapse continues: Rupee closes at 198.39 in inter-bank market, crosses 200 in open - Negative

Rupee depreciated massively for the 10th consecutive session on Wednesday, pushing the local currency to a fresh all-time low against the US dollar in the inter-bank market and taking cumulative fall during the ongoing calendar year to 11%. As per the State Bank of Pakistan (SBP), the currency closed at 198.39 after a day-on-day depreciation of Rs2.65 or 1.3%. On Tuesday, the currency had lost Rs1.56 or 0.8% to close at Rs195.74. [see more...](#)

Govt imposes 'complete' ban on import of luxury items - Neutral

The federal government on Wednesday decided to impose a complete ban on the import of unnecessary and luxury items to deal with the country's unsettling economic woes, according to Express News. The decision was taken during a high-level meeting held under the chairmanship of Prime Minister Shehbaz Sharif in which the economic situation of the country was reviewed. [see more...](#)

Hubco seeks exemption from application of IFRS-9 on behalf of all IPPs - Neutral

The Hub Power Company (Hubco) has sought permanent exemption from applicability of the International Financial Reporting Standards-9 (IFRS-9) for Independent Power Producers (IPPs) due to the prevailing situation with regard to circular debt. The company's CEO, Kamran Kamal, has written a letter to chairman of the Securities and Exchange Commission of Pakistan (SECP) in relation to the [see more...](#)

With coal stocks dipping, power outages to get worse - Negative

Pakistan is facing a threat of low levels of coal inventory that might take 3,900 MW out of the national grid, making the situation of power outages worse. The overall shortfall of electricity in the country has reached 5,000 MW. Power Division sources said the total power generation in the country was 21,500 MW while demand stood at [see more...](#)

MCB Islamic Bank, Hyundai Nishat Motors and Adamjee Insurance (WTO) enter strategic alliance - Positive

MCB Islamic Bank Ltd, Hyundai Nishat Motors and Adamjee Insurance (WTO) have joined hands for a strategic collaboration to provide exclusive car financing solution to their customers. The MoU signing ceremony was held in Lahore on May 10. The ceremony was attended by Mian Muhammad Mansha, Mian Hasan Mansha – CEO Hyundai Nishat Motors, Muhammad Ali Zeb – Managing [see more...](#)

\$39.3bn trade deficit in 10 months is not sustainable: FPCCI - Neutral

Muhammad Nadeem Qureshi, Regional Chairman FPCCI, has stated that the economy cannot sustain the current level of the trade deficit, which stands at \$ 39.3 billion for merely ten months of the current fiscal year, i.e. July 2021 to April 2022. He added that it translates into approximately \$ 4 [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

Muhammad Ahmed

Phone: (+92) 42 38302028

Ext: 118

Email: mahmed@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

BRANCH OFFICE

42 - Mail Road, Lahore

Phone: (+92) 42 38302028-37320707

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com