

MORNING GLANCE



| | | |
|--------|------------|---------------|
| 77,830 | ▼ -215 | ▼ -0.28% |
| 122 mn | YTD 20.37% | 1 Year 61.05% |

| ASIA | Value | Pts | Chg. (%) |
|------------|-----------|--------|----------|
| NIFTY 50 | 24,572.65 | 31.50 | 0.13% ▲ |
| DSE 30 | 2,121.14 | 58.21 | 2.67% ▼ |
| SHANGHAI | 2,893.67 | 14.24 | 0.49% ▲ |
| Hang Seng | 17,569.57 | 139.41 | 0.80% ▲ |
| Nikkei 225 | 37,362.50 | 765 | 2.01% ▼ |

| EUROPE | Value | Pts | Chg. (%) |
|----------|-----------|--------|----------|
| FTSE 100 | 8,356.94 | 45.53 | 0.55% ▲ |
| DAX 30 | 18,428.43 | 106.03 | 0.58% ▲ |

| USA | Value | Pts | Chg. (%) |
|-----------|-----------|--------|----------|
| DOW JONES | 40,816.25 | 156.49 | 0.38% ▲ |
| S&P 500 | 5,587.79 | 33.54 | 0.60% ▲ |
| NASDAQ | 19,636.58 | 128.05 | 0.66% ▲ |

| Commodities | Value | Chg. | Chg. (%) |
|---------------|----------|------|----------|
| Gold (t oz.) | 2,542.35 | 4.55 | 0.18% ▲ |
| Oil-WTI (bbl) | 73.66 | 1.88 | 2.49% ▼ |

| Currencies | Value | Chg. | Chg. (%) |
|------------|--------|------|----------|
| USD/PKR | 278.95 | 0.05 | 0.02% ▲ |
| EURO/PKR | 308.52 | 2.47 | 0.81% ▲ |
| GBP/PKR | 361.37 | 3.25 | 0.91% ▲ |
| AED/PKR | 76.47 | 0.17 | 0.22% ▲ |

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

Market Outlook

The stock market on Monday remained positive in the first half, followed by selling in the second half and concluded the session in the red zone amid investors engaged in selling activity. The Benchmark KSE-100 index made an intra-day high and low at 78,382.04 (336.74 points) and 77,566.62 (-478.68 points) respectively while closed at 77,830.34 by losing 214.96 points. Trading volume decreased to 122mn shares as compared to 207mn shares on the previous trading day. Going forward, we expect the market to remain volatile. The index is anticipated to face upcoming support at 77,500 and 77,300, while finding resistance at 78,000.

Key News

International

Asian Stocks Climb on Bullish Wall Street Cue

Asian stocks rose, following a buoyant session on Wall Street amid bets the Federal Reserve will soon signal it's ready to start cutting interest rates. The MSCI ACWI Index, which tracks both emerging and developed equities, headed for a ninth day of increases — the longest run of gains since December [see more...](#)

U.S. crude oil falls nearly 3% as U.S. pushes for Gaza cease-fire, China demand weighs on market

U.S. crude oil futures fell nearly 3% on Monday to close below \$75 per barrel, as the U.S. pushes to secure a cease-fire deal to the end the fighting in Gaza and worries about softening demand weighed on the market. U.S. Secretary of State Antony Blinken is in Israel, where he warned this may be the "last opportunity" to secure a deal that ends the fighting and frees hostages held by Hamas. [see more...](#)

Politics

IHC halts verdict in £190m corruption case against Imran Khan, Bushra Bibi

On Monday, the Islamabad High Court (IHC) issued a temporary stay, preventing the trial court from delivering its final judgment in the £190 million corruption case involving former prime minister Imran Khan and his wife, Bushra Bibi. A two-judge bench, consisting of Justice Mian Gul Hassan Aurangzeb and Justice Babar Sattar, heard Khan's petition requesting the submission of records from the [see more...](#)

Economy

IMF EB meeting agenda issued; Pakistan not included – Negative

The final approval of Pakistan's much-anticipated \$7 billion bailout package from the International Monetary Fund (IMF) remains uncertain, as the IMF Executive Board's schedule until August 28 has been released. Notably, Pakistan's name has yet to be included in the board's agenda, raising concerns about the timeline for the disbursement of the loan. Despite the exclusion, sources indicate [see more...](#)

MORNING GLANCE

July FDI soars 64pc to \$136.3m YoY – Positive

The Foreign Direct Investment (FDI) in the country rose by 64 percent during the first month of this fiscal year (FY25), the State Bank of Pakistan (SBP) reported on Monday. Pakistan attracted net FDI amounting to \$136.3 million in July 2024, compared to net inflow of \$83.2 million during July 2023, showing an increase of \$53 million. During [see more...](#)

July C/A deficit falls 78pc YoY on remittances – Positive

The country's current account fell sharply, ie, 78 percent during the first month of this fiscal year (FY25) supported by healthy home remittances inflows. The State Bank of Pakistan (SBP) on Monday reported a significant improvement on external account with a massive decline in the current account deficit. Pakistan recorded a current account deficit of \$162 million [see more...](#)

ADB calls for tax reforms in the real estate sector – Neutral

The Asian Development Bank (ADB) has demanded tax reforms and the abolition of tax exemptions in the real estate sector. According to ADB, the tax exemption on open plots should end after six years and tax on property development should be imposed. Due to tax exemption on property development, investment in [see more...](#)

POL reports hydrocarbon discovery in KP – Positive

Pakistan Oilfields Limited (POL) has announced promising new results from further testing at the Razgir-1 exploratory well, located in the Lockhart formation in Kohat district, Khyber Pakhtunkhwa. In a notice to the Pakistan Stock Exchange (PSX) on Monday, POL, a subsidiary of Attock Oil Company Limited, UK, and part of Coral Holding Limited, updated [see more...](#)

Pakistan's oil output dropped by 25% during past decade: PPIS – Negative

Crude oil production in Pakistan decreased from 94,500 barrels per day in 2015 to 70,500 barrels per day in 2024, according to the Pakistan Petroleum Information Service (PPIS). Gas production also saw a significant decline, dropping by [see more...](#)

Centre follows in Punjab's footsteps: subsidy announced – Positive

The federal government has announced a substantial subsidy of Rs50 billion for electricity consumers across the country, covering usage from 200 to 500 units. The relief, aimed at reducing the financial burden on the public, was made possible by reallocating funds from the [see more...](#)

150MW solar projects; KE receives lowest tariff bid – Neutral

Following the successful milestone of technical bid opening for K-Electric's 150 MW solar energy projects in Balochistan, the company marked another important milestone with the opening of the financial bids at a private event in Karachi. The company has received the lowest tariff bid in the country's renewable landscape, representing [see more...](#)

Units 1 & 2 of Bin Qasim; KE moves Nepra for extension, renewal of service life – Neutral

K-Electric has approached the National Electric Power Regulatory Authority (NEPRA) for extension/renewal in useful life of unit 1 & 2 of Bin Qasim Station (BQPS-1). According to the regulator, K-Electric Limited in terms of the Regulation-II of NEPRA Licencing (Application, Modification, [see more...](#)

Power generation rises 10.5pc MoM – Neutral

Pakistan generated 14,880 gigawatt-hours (GWh) of electricity in July of the current financial year, marking a slight increase of 0.3 per cent from 14,839 GWh produced in the same month last year. However, power generation saw a significant rise of 10.5 per cent compared to June of the previous [see more...](#)

Pakistan's REER index increases to 101.5 in July 2024 - Neutral

Pakistan's Real Effective Exchange Rate (REER), a measure of the value of a currency against a weighted average of several foreign currencies, witnessed an increase as it clocked in at 101.47 in July [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 | 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.

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

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