

# MORNING GLANCE



78,793






▲ 532



▲ 0.68%




185 mn



YTD 21.85%





1 Year 66.17%

ASIA	Value	Pts	Chg. (%)
 NIFTY 50	24,811.50	41.30	0.17% ▲
 DSE 30	2,047.63	45.64	2.18% ▼
 SHANGHAI	2,859.96	11.18	0.39% ▲
 Hang Seng	17,586.00	55	0.31% ▼
 Nikkei 225	38,235.50	28.00	0.07% ▲

EUROPE	Value	Pts	Chg. (%)
 FTSE 100	8,288.00	4.57	0.06% ▲
 DAX 30	18,493.39	44.44	0.24% ▲

USA	Value	Pts	Chg. (%)
 DOW JONES	40,712.78	177.71	0.43% ▼
 S&P 500	5,570.64	50.21	0.89% ▼
 NASDAQ	19,491.84	333.01	1.68% ▼

Commodities	Value	Chg.	Chg. (%)
 Gold (t oz.)	2,527.70	11.00	0.44% ▲
 Oil-WTI (bbl)	72.94	0.07	0.10% ▼

Currencies	Value	Chg.	Chg. (%)
 USD/PKR	278.85	0.15	0.05% ▲
 EURO/PKR	311.35	1.35	0.44% ▲
 GBP/PKR	364.94	2.43	0.67% ▲
 AED/PKR	76.48	0.18	0.24% ▲

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

## Market Outlook

The stock market on Thursday remained bullish throughout the day and concluded the session in the green zone amid anticipation of lower inflation and potential rate cuts. The Benchmark KSE-100 index made an intra-day high and low at 78,996.22 (735.37 points) and 78,442.25 (181.40 points) respectively while closed at 78,793.41 by gaining 532.56 points. Trading volume decreased to 185mn shares as compared to 191mn shares on the previous trading day. Going forward, we expect the market to remain positive as KIBOR drops below 18% after 19 months, signaling expectations of lower inflation and further rate cuts in the upcoming policy. The index is anticipated to face upcoming resistance at 79,000 and 79,500, while finding support at 78,500.

## Key News

### International

#### Asian shares turn cautious with Powell in focus, yen up as BOJ chief speaks

Asian shares stuttered on Friday while the dollar rebounded from one-year lows as investors were cautious ahead of a speech by the world's most powerful central banker with markets looking for confirmation U.S. rate cuts would start in September. The Japanese yen gained 0.3% to 145.77 per dollar while bond yields edged up as Bank of Japan Kazuo Ueda spoke before lawmakers. [see more...](#)

#### Oil prices flat, set for dismal week on demand jitters

Oil prices steadied in Asian trade on Friday after rebounding in the prior session amid some bargain buying, but were still headed for steep weekly losses amid persistent concerns over slowing demand. Continued negotiations over an Israel-Hamas ceasefire also saw traders attach a smaller risk premium to crude, with U.S. officials [see more...](#)

### Politics

#### PTI reschedules rally for Sept 8 after NOC cancellation, closure of roads

The much trumpeted public rally on the call of jailed Pakistan Tehreek-e-Insaf (PTI) founder Imran Khan was postponed on Thursday and rescheduled for September 8 following the city administration's rescinding its no objection certificate (NOC) and closing the roads leading to the federal capital. A day ago, the party had announced [see more...](#)

### Economy

#### Banks offer below-KIBOR financing – Positive

Several banks are offering new financing to businesses at rates below the Karachi Inter-Bank Offered Rate (KIBOR), as the benchmark six-month KIBOR representing the interest rate at which banks lend to each other dropped by 63 basis points, reaching a 19-month low of 17.94% on Thursday. Speaking to The Express Tribune, Saad Hanif, Head of Research at Ismail Iqbal Securities, explained that [see more...](#)

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### Loans from Middle East sought – Neutral

As Pakistan begins seeking commercial loans from Middle Eastern banks to bridge a \$2 billion external financing gap, the government informed a Senate panel on Thursday that the cost of borrowing from the International Monetary Fund (IMF) has exceeded 5%, making it an expensive option. On Thursday, Finance Minister Muhammad Aurangzeb reached out to Dubai [see more...](#)

### Shehbaz launches Buna-Raast connectivity project – Neutral

The Senate Standing Committee on Economic Affairs was informed Thursday Pakistan has taken loan from the International Monetary Fund (IMF) at a high interest rate of 5.09 percent in the year 2023 under Standby Arrangement (SBA). This was stated by officials of Ministry of Finance and State Bank of Pakistan (SBP) during meeting of the [see more...](#)

### SBP's reserves up \$19m to \$9.291bn – Positive

The total liquid foreign exchange reserves held by the State Bank of Pakistan (SBP) increased by \$19 million to \$9.291 billion during the week ended August 16, 2024. According to SBP data released on Thursday, the total liquid foreign exchange reserves held by the country stood at \$14.667.4 billion as of August 16, 2024. Net foreign reserves held by commercial banks stood at [see more...](#)

### Lift HSD or face consequences, Ogra warns PSO and others – Negative

The Oil and Gas Regulatory Authority (OGRA) on Thursday warned the Oil Marketing Companies (OMCs) including state-owned Pakistan State Oil (PSO) to timely lift the high-speed diesel (HSD) from local refineries or face the consequences as per law. In a letter to PSO, Attock Petroleum, Be Energy Ltd, [see more...](#)

### Adverse impact of budget on refineries policy; PD and FBR preparing a viable solution – Neutral

The Petroleum Division and the Federal Board of Revenue (FBR) are reportedly preparing a viable solution to mitigate adverse impact of federal budget on Refineries and Brownfield Refineries Upgradation Policy, 2023, [see more...](#)

### Levy of Rs3.09/unit FCA; KE seeks Nepra's approval – Neutral

K-Electric has sought Nepra's provisional approval to impose Fuel Charges Adjustment (FCA) at the rate Rs 3.09 per unit on its consumers to recover additional amount of Rs 6.206 billion in July, 2024 mainly due to 47.5 percent higher cost of fuel owing to 73 percent higher generation cost. The Regulator is scheduled to hold a public [see more...](#)

### Millat Tractors stops production, says govt has failed to address issues – Negative

Millat Tractors Limited (MTL), Pakistan's largest tractor manufacturer, said on Thursday it has ceased production after the government failed to issue mechanism for payment of refund claims. The company announced the development in its notice to the Pakistan Stock Exchange (PSX). [see more...](#)

### ECC allows export of 100,000 tonnes of sugar – Positive

The meeting presided over by Finance Minister Muhammad Aurangzeb has approved the ECC summary of the Ministry of Industries an Production regarding the export of further 0.100 million MTs of sugar with the conditions;(i) that in view of procedural delays encountered during export of sugar, the period allowed for export [see more...](#)

### Govt decides to privatise Saindak Metal Limited, PMDC – Neutral

The federal government has decided to privatise Saindak Metal Limited and it will be included to the privatisation list. The federal cabinet has approved the privatisation of Saindak Metal Limited along with the privatisation of Pakistan Mineral Development Corporation, [see more...](#)

### Telecom operators write to PM over internet crisis – Neutral

They warn that the telecom sector could face an annual loss of Rs12 billion. According to the letter from the Telecom Operators Association, the slowdown in internet speed has resulted in a daily decrease of 6,400 terabytes in internet traffic nationwide. This slowdown [see more...](#)

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<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

## 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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BUY	Greater than 15%	Overweight	Positive
HOLD	Between -5% to 15%	Market Weight	Neutral
SELL	Less than and equal to -5%	Underweight	Negative

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