

MORNING GLANCE

ASIA	Value	Pts	Chg. (%)
KSE 100	47,793.07	80.19	0.17% ▼
NIFTY 50	15,856.05	32.00	0.20% ▲
DSE 30	2,322.37	-	-
SHANGHAI	3,495.37	55.03	1.55% ▼
Hang Seng	26,664.00	620.87	2.28% ▼
BIST 100	1,351.59	11.69	0.86% ▼
MOEX	3,734.54	19.9	0.53% ▼
CSE All-Share	8,136.76	68.43	0.85% ▲
Nikkei 225	27,919.00	371.00	1.35% ▲
KLCI	1,517.60	5.84	0.38% ▼

Source: Investing.com

EUROPE	Value	Value	Pts
FTSE 100	7,027.58	59.28	0.85% ▲
DAX 30	15,669.29	154.75	1.00% ▲
CAC 40	6,568.82	87.23	1.35% ▲
FTSE MIB	25,124.91	319.70	1.29% ▲
SMI 20	12,130.83	153.83	1.28% ▲

Source: Investing.com

USA	Value	Value	Pts
DOW JONES	35,061.55	238.20	0.68% ▲
S&P 500	4,411.80	44.32	1.01% ▲
NASDAQ 100	15,111.79	171.63	1.15% ▲
US Dollar Index	92.88	0.04	0.04% ▼

Source: Investing.com

GULF	Value	Value	Pts
ADX General	7,105.76	40.63	0.57% ▲
Tadawul All-Share	10,876.36	81.85	0.76% ▲
QE General	10,777.66	81.36	0.76% ▲
Premier Market	7,009.67	75.62	1.09% ▲

Source: Investing.com

Commodity	Value	Value	Chg.
Gold (t oz.)	1,805.35	3.55	0.20% ▲
Silver (t oz.)	25.33	0.10	0.38% ▲
Oil-WTI (bbl.)	71.66	0.41	0.57% ▼
Oil-Brent (bbl.)	73.01	0.43	0.59% ▼
Steel Scrap (tons)	490.00	2	0.41% ▼
Cotton (lb.)	89.30	0.39	0.43% ▼

Source: Investing.com

Currency	Value	Value	Chg.
USD/PKR	163.00	1.05	0.65% ▲
EURO/PKR	189.00	1.00	0.53% ▲
GBP/PKR	222.50	0.50	0.23% ▲
JPY/PKR	1.44	-	-
CNY/PKR	23.65	-	-
AED/PKR	44.20	0.35	0.80% ▲
SAR/PKR	43.00	0.50	1.18% ▲
CAD/PKR	127.50	0.50	0.39% ▲
AUD/PKR	119.50	0.50	0.42% ▲

Source: Forex.com.pk



Market Outlook

KSE-100 on Friday opened on a positive note. However, later on it lost the impetus and concluded the session in the red zone amid profit taking by the investors. The index made an intra-day high and low at 47,946 (73 points) and 47,686 (-187 points) respectively while closed at 47,793 by losing 80 points. Trading volume has been increased to 123mn shares as compared to 108mn shares on the previous day. Going forward, we expect the market to remain volatile. The index is likely to test its support at 47,700, breaking this level would further drag the index towards 47,100. However, the resistance for the index resides at 48,200.

Key News

International

Asian Stocks Down, Focus on China Tech Crackdown and U.S.-China Talks

Asia Pacific stocks were mostly down on Monday morning as a technology-sector crackdown in China and the upcoming U.S. Federal Reserve policy decision, lingered on investors' minds. Japan's Nikkei 225 jumped 1.39% by 10:29 PM ET (2:29 AM GMT), with markets reopening after a holiday and the services purchasing managers' index [see more...](#)

Oil prices recover losses as market remains tight

Oil prices recovered their losses from a selloff earlier in the week sparked by the Covid-19 delta variant that was offset by strong demand and tight crude supplies. Brent, the international benchmark under which two thirds of oil trades, closed the week up nearly 0.42 per cent to \$74.10 per barrel. West Texas Intermediate, which tracks US grades, [see more...](#)

Politics

PTI leading with a wide margin in AJK elections

The Pakistan Tehreek-e-Insaf (PTI) appeared leading in the Azad Jammu and Kashmir Legislative Assembly (AJKLA) elections as per the initial trends and results announced by the Election Commission (EC) here on Sunday. According to the unconfirmed and unofficial results, the PTI won 19 seats, [see more...](#)

MORNING GLANCE

Economy

China, Pakistan pledge to complete CPEC on time - **Positive**

High-level Pakistani and Chinese delegations held talks in Chengdu, the capital of Sichuan province of China. Pakistani and Chinese delegations were led by Foreign Minister Shah Mehmood Qureshi and his Chinese counterpart Wang Yi respectively. [see more...](#)

KATI chief terms hike in LPG price unacceptable - **Neutral**

Korangi Association of Trade and Industry (KATI) President Saleem-uz-Zaman has termed the increase in the price of Liquefied Petroleum Gas (LPG) as unacceptable. He said that industries could not afford the frequent increase in LPG price. A further hike will also increase the cost of production. [see more...](#)

IMF says welcomes 'strong engagement' with Pakistan - **Neutral**

The International Monetary Fund (IMF) is looking forward to continuing discussions with the Pakistani authorities on the set of policies and reforms that could form the basis for completion of the sixth review under the \$6 billion Extended Fund Facility (EFF). [see more...](#)

Rs10bn negative revenue impact projected - **Neutral**

The government reduced the rate of petroleum levy (PL) on High Speed Diesel (HSD) - from Rs 3.61 per litre in the second half of June 2021 to Rs 1.90 per litre effective 1 July - and abolished it on all other petroleum products for July 2021 with a projected negative revenue impact of Rs10 billion for July. [see more...](#)

Forex reserves exceed \$25bn on Eurobonds inflows - **Positive**

Pakistan's total liquid foreign exchange reserves crossed \$25 billion mark at the end of last week due to arrival of Eurobonds inflows. According to the State Bank of Pakistan (SBP) weekly forex report issued on Friday, the total liquid foreign exchange reserves held by the country rose by \$816 million to stand at \$25.128 billion during the week ended on July 16, 2021 compared to \$24.312 billion as on July 9, 2021. [see more...](#)

Services trade deficit declines by 43pc in FY21 - **Neutral**

Pakistan's service trade deficit shrank 43 percent during the last fiscal year (FY21) mainly due to lower international travel payments in wake of Covid-19 pandemic. According to State Bank of Pakistan (SBP), services trade posted a \$1.875 billion deficit during FY21 compared to \$3.316 billion in FY20, depicting a decline of \$1.441 billion. [see more...](#)

Credit to private sector stood at 33pc of lending - **Neutral**

Credit to private sector by the banking system was 33 percent of total lending during 2020-21. Considerably lower compared to other regional countries (India's 55.3 percent, Bangladesh's 45.1 percent, Sri Lanka's 49.7 percent, Bhutan's 68.9 percent and Nepal's 87.8 percent). [see more...](#)

FPCCI's Businessmen Panel for giving priority to agri sector - **Neutral**

The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Businessmen Panel has stressed the need for giving priority to agriculture sector with a view to ensure food security, as Pakistan's food import bill has jumped by almost 54% to \$8 billion in fiscal year 2020-21, mainly owing to wheat, sugar, pulses and palm oil imports to fulfil the shortfall of local agriculture production. [see more...](#)

Operational framework needs to be improved: SBP - **Neutral**

The State Bank of Pakistan (SBP) has proposed improvement in the operational framework of private credit bureaus in the light of international best practices, to make the credit reporting system more effective. [see more...](#)

Tax exemptions given to mainstream geographic areas: FBR - **Positive**

Pakistan has a unique case of exemptions in erstwhile Federally Administered Tribal Areas (Fata), where exemptions are granted for mainstreaming of the geographic areas. [see more...](#)

Pakistan ranks top 10 in improvement: Report - **Neutral**

The Annual Report on Investment Security of China's Belt and Road Construction (2021) was jointly released by China Belt and Road Think Tank Cooperation Alliance, Beijing International Studies University, and other institutions. [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

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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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