

MORNING GLANCE



42,012






▲ 62



▲ 0.15%




120 mn



YTD -5.79%





1 Year -8.86%

ASIA		Value	Pts	Chg. (%)
	NIFTY 50	16,025.80	99.35	0.62% ▼
	DSE 30	2,287.98	7.06	0.30% ▼
	SHANGHAI	3,102.78	4.68	0.15% ▼
	Hang Seng	19,936.50	234.77	1.16% ▼
	Nikkei 225	26,662.50	15.3	0.06% ▼

EUROPE		Value	Pts	Chg. (%)
	FTSE 100	7,522.75	38.40	0.51% ▲
	DAX 30	14,007.93	88.18	0.63% ▲

USA		Value	Pts	Chg. (%)
	DOW JONES	32,120.28	191.66	0.60% ▲
	S&P 500	3,978.73	37.25	0.95% ▲
	NASDAQ	11,943.93	174.09	1.48% ▲

Commodities		Value	Chg.	Chg. (%)
	Gold (t oz.)	1,848.84	2.54	0.14% ▲
	Oil-WTI (bbl)	110.94	0.61	0.55% ▲

Currencies		Value	Chg.	Chg. (%)
	USD/PKR	202.30	1.90	0.95% ▲
	EURO/PKR	216.45	2.79	1.31% ▲
	GBP/PKR	253.39	1.56	0.62% ▲
	AED/PKR	55.04	0.52	0.95% ▲

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

Market Outlook

KSE-100 on Wednesday remained under selling pressure in the first half of the day. However, later on, the market recovered its intraday losses and concluded the session in the green zone amid rumors over dialogue between the government and PTI. The index made an intra-day high and low at 42,128 (178 points) and 41,356 (-594 points) respectively while closed at 42,012 by gaining 62 points. Trading volume has increased to 120mn shares as compared to 76mn shares on the previous day. Going forward, the market is likely to remain volatile amid political unrest in the country. The support for the index resides at 41,000. Breaking this level can further drag the index towards 39,500. However, the resistance for the index resides at 42,800.

Key News

International

Asian Stocks Down Over China Economic Downturn Concerns

Asia Pacific stocks were mostly down on Thursday morning. Gains remained modest, with the U.S. Federal Reserve striking a less hawkish note in the minutes from its last meeting. However, the economic impact of China's ongoing COVID-19 lockdowns was also on investors' minds. Japan's Nikkei 225 inched down 0.03% by 10:25 PM ET (2:25 AM GMT). [see more...](#)

Oil firms on tight supply though EU ban on Russian oil still uncertain

Oil prices rose on Thursday, extending a cautious rally this week on signs of tight supply while the European Union (EU) wrangles with Hungary over plans to ban imports from Russia, the world's second-largest crude exporter, after it invaded Ukraine. Brent crude futures for July settlement inched up 7 cents, or 0.1%, to \$114.10 a barrel at 0142 GMT. [see more...](#)

Politics

Imran gives 6-day deadline to govt for announcing polls, warns he'll 'return' to capital otherwise

PTI Chairman Imran Khan addressed the protesters at Islamabad's 9th Avenue on Monday morning gave a six-day deadline to the government for announcing elections and warned that he would return to the capital with the "entire nation" otherwise. He denounced the "tactics" used by the "imported government", including raids and arrests, [see more...](#)

Economy

Chinese company to invest \$ 50 million in Gwadar, Karachi-Positive

Optima Integration Group of China on Monday joined hands with Asia Pak Investments of Pakistan to invest \$50 million in the first phase to develop agriculture power and logistics sectors in Gwadar and Karachi. The Board of Investment (BoI) facilitated the signing of a memorandum of understanding (MoU) between the two companies in this regard, which would create more than 100 jobs in Gwadar and [see more...](#)

MORNING GLANCE

Stalled IMF programme; Govt fails to successfully persuade IMF - Negative

The talks between Pakistan and the International Monetary Fund (IMF) for the 7th review under the \$6 billion Extended Fund Facility (EFF) programme remained inconclusive, as the Fund pointed out 'deviations' on fiscal sides from the policies agreed in the last review. Resultantly, no staff level agreement was reached on Wednesday while the revival of \$6 billion EFF delayed. The Fund emphasized the urgency of concrete policy actions, [see more...](#)

THE RUPEE: PKR slide continues, hits fresh low - Negative

The rupee extended its fall for the 15th consecutive session against the US dollar on Wednesday, as escalating political tension and delay in resumption of the International Monetary Fund (IMF) programme took a toll on market sentiment. As per the State Bank of Pakistan (SBP), the currency closed at 201.92, the lowest in history, after a day-on-day depreciation of 51 paisas or 0.25%. During intra-day trading, the rupee dropped [see more...](#)

SBP raises Rs89.4bn via PIB auction, yields soar up to 70bps - Negative

The cut-off yields of Pakistan Investment Bonds (PIBs) were increased considerably by up to 70 basis points in the auction conducted by the State Bank of Pakistan (SBP) on Wednesday. The government raised Rs89.4 billion through the auction of three- and five-year PIBs while the target was Rs100bn. The cut-off yields for 3 and 5-year saw an increase of 24 and 70 basis [see more...](#)

Pak Suzuki Foresees a Big Decline in Sales - Negative

Pak Suzuki Motor Company (PSMC) held an analyst briefing earlier today that highlighted the company's financial results for the 1st quarter of 2022 (1Q 2022), and its future prospects. It expects a 5-10 percent drop in sales in the 2023 fiscal year (FY 2023) due to price hikes, interest rate hikes, and consumer finance tenure restrictions by the State Bank of Pakistan (SBP). [see more...](#)

Toyota IMC Also Predicts a Massive Drop in Sales and More Price Hikes - Negative

Indus Motors held a corporate briefing session today to discuss its financial results for the 3rd quarter of the 2022 fiscal year (3QFY2022). The automaker expects a 25 to 30 percent drop in sales in FY2023 due to rising car prices, interest rate hikes, and consumer finance tenure restrictions. IMC highlighted that around 26 percent of the company's total sales come from auto financing. Due to macro uncertainty, the company has [see more...](#)

Govt fixes urea prices at Rs1,768 per bag - Negative

The government on Tuesday has fixed the retail price of urea at Rs1,768 per 50-kilogram bag from the existing price of Rs1,900-2,000 per bag. As per the latest notification under S.R.O No.607(I), 2022 by the Ministry of Industries & Production, provinces, and federal agencies are allowed to add an allowance to the notified prices for extra transportation costs in remote or distant areas. The said SRO will remain effective till July 07, 2022, unless [see more...](#)

HBL gets approval for equity injection of Rs1.4bn in HBL Asset Management - Positive

State Bank of Pakistan (SBP) has allowed Habib Bank Limited (HBL) to inject Rs1.4 billion into HBL Asset Management Limited. In a notice to Exchange, Bank said that it has received approval from SBP on its proposal for undertaking an equity injection of Rs1.4 billion in its wholly-owned subsidiary HBL Asset Management Limited. [see more...](#)

Govt takes step to avert wheat shortage - Neutral

In order to avoid wheat shortage in domestic market, the federal government has initiated the import of commodity and Trading Corporation of Pakistan (TCP) opened the first wheat import tender on Wednesday. In response to the TCP wheat import tender, some 7 (seven) bidders submitted tenders ranging from \$515.49 per metric ton to \$537 per metric ton. [see more...](#)

Road blockades cost kitty Rs100bn-150bn per day: economists - Neutral

The estimated loss to the national economy is around Rs100-150 billion per day on account of country-wide road blockades and supply chain disruptions amid Pakistan Tehreek-e-Insaf (PTI)'s Azadi March. This was the consensus among economists and industrialists while talking to Business [see more...](#)

Investment in securities by directors, employees - Neutral

The Securities & Exchange Commission of Pakistan (SECP) has made it mandatory for the Asset Management Companies (AMCs) to put in place appropriate policies and procedures which govern trading or investment in securities by AMC employees, directors, sponsors their spouses and dependent children. Through a notification issued on Tuesday, the SECP has issued draft amendments to the Non-Banking Finance Companies and Notified Entities Regulations, 2008. [see more...](#)

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DEFINITION OF TERMS

TP	Target Price	DDM	Dividend Discount Model	FCF	Free Cash Flows
CFE	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

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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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