

MORNING GLANCE

ASIA	Value	Pts	Chg. (%)
KSE 100	47,672.68	120.39	0.25% ▼
NIFTY 50	15,860.50	36.05	0.23% ▲
DSE 30	2,322.73	13.74	0.58% ▼
SHANGHAI	3,472.40	4.96	0.14% ▲
Hang Seng	25,911.12	308.88	1.18% ▼
BIST 100	1,349.11	2.48	0.18% ▼
MOEX	3,750.10	15.56	0.42% ▲
CSE All-Share	8,122.73	14.03	0.17% ▼
Nikkei 225	27,966.50	133.21	0.48% ▲
KLCI	1,516.10	3.57	0.24% ▲

Source: Investing.com

EUROPE	Value	Value	Pts
FTSE 100	7,025.43	2.15	0.03% ▼
DAX 30	15,618.98	50.31	0.32% ▼
CAC 40	6,578.60	9.78	0.15% ▲
FTSE MIB	25,296.40	171.49	0.68% ▲
SMI 20	12,049.63	81.2	0.67% ▼

Source: Investing.com

USA	Value	Value	Pts
DOW JONES	35,144.31	82.76	0.24% ▲
S&P 500	4,422.23	10.51	0.24% ▲
NASDAQ 100	15,125.95	14.16	0.09% ▲
US Dollar Index	92.60	0.05	0.05% ▼

Source: Investing.com

GULF	Value	Value	Pts
ADX General	7,105.76	40.63	0.57% ▲
Tadawul All-Share	10,897.87	21.51	0.20% ▲
QE General	10,679.25	98.41	0.91% ▼
Premier Market	7,009.67	75.62	1.09% ▲

Source: Investing.com

Commodity	Value	Value	Chg.
Gold (t oz.)	1,799.20	-	-
Silver (t oz.)	25.24	0.08	0.32% ▼
Oil-WTI (bbl.)	72.22	0.31	0.43% ▲
Oil-Brent (bbl.)	74.06	0.36	0.49% ▲
Steel Scrap (tons)	490.00	2	0.41% ▼
Cotton (lb.)	89.97	0.35	0.39% ▲

Source: Investing.com

Currency	Value	Value	Chg.
USD/PKR	162.00	1	0.61% ▼
EURO/PKR	190.00	1.00	0.53% ▲
GBP/PKR	222.00	0.5	0.22% ▼
JPY/PKR	1.44	-	-
CNY/PKR	23.65	-	-
AED/PKR	44.00	0.2	0.45% ▼
SAR/PKR	42.90	0.1	0.23% ▼
CAD/PKR	128.50	1.00	0.78% ▲
AUD/PKR	118.50	1	0.84% ▼

Source: Forex.com.pk



Market Outlook

KSE-100 on Monday 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 47,931 (137 points) and 47,607 (-186 points) respectively while closed at 47,673 by losing 120 points. Trading volume has been decreased to 91mn shares as compared to 123mn shares on the previous day. Going forward, we expect the market to remain volatile. The index is likely to test its support at 47,400, breaking this level would further drag the index towards 47,000. However, the resistance for the index resides at 48,200.

Key News

International

Asia equities tick up, as investors look to the U.S.

Asian equity markets rose cautiously Tuesday, after touching year to date lows the day before, with traders keeping at least half an eye on the United States where major companies report earnings and the Federal Reserve meets on policy this week. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.26% after touching its lowest level since [see more...](#)

U.S. oil futures mark first loss in 5 sessions

U.S. oil futures settled with a loss on Monday, marking the first decline in five sessions as traders continued to weigh the prospects for energy demand against a backdrop of rising cases of the coronavirus delta variant. West Texas Intermediate crude for September delivery CLU21, +0.39% declined by 16 cents, or 0.2%, [see more...](#)

Politics

Cabinet to discuss economy today

The Federal Cabinet which is scheduled to meet on Tuesday (July 27) with Prime Minister Imran Khan in the chair will discuss regional political scenario, especially emerging situation in Afghanistan and country's political, economic and Covid-situation. Well-informed sources told Business Recorder that Minister for Foreign Affairs, [see more...](#)

MORNING GLANCE

Economy

65% businesses report a decrease in overall sales during last year - **Negative**

The business confidence index (BCI) is in Green territory pointing that businesses are now posing confidence in future business situations and optimistic about the direction of the country. However, the current business situation score is negative in Q1 2021, indicating poor confidence in the current business situation.

[see more...](#)

Over Rs25,000 power bill/month: 7.5pc tax to be imposed on non-filers - **Neutral**

The government has made electricity 7.5 percent more expensive for domestic non-filer consumers whose monthly consumption is over Rs 25,000 per month. Lahore Electric Supply Company (Lesco), on its website has intimated its consumers about the new tax (withholding tax) to be charged from July 1, 2021.

[see more...](#)

Honda Releases Final Teaser for The "New" City - **Positive**

Honda Atlas Cars Pakistan Limited (HACPL) has been teasing the "all-new" City for several months and it seems like it is finally time for its launch. The latest video teaser said in bold letters that "THE WAIT IS OVER", hinting that the launch is imminent.

[see more...](#)

Pakistan's IT exports crossed \$2bn mark for the first time - **Positive**

Pakistan's IT sector has achieved another milestone in the outgoing financial year as it crossed the \$2 billion export mark for the first time in Pakistan's history. According to the State Bank of Pakistan, during FY21, exports of IT and IT-enabled services grew by 47.4% to \$2.12 billion as compared to \$1.44 billion in FY20.

[see more...](#)

ST on petrol reduced - **Positive**

The Federal Board of Revenue (FBR), Monday, further reduced sales tax on petrol from 16.30 percent to 10.77 percent from July 16, 2021. According to the notification, the rates of general sales tax (GST), on petrol have been reduced to 10.77 percent. Sales tax rates on remaining POL products have remained unchanged for the month of July 2021.

[see more...](#)

Nishat Chunian IPPs: Implementation Committee likely to meet this week - **Neutral**

In the light of a decision of a meeting of the Cabinet Committee of Energy (CCoE) of July 15, 2021, the Implementation Committee is likely to meet during this week to decide how to secure Nishat Chunian IPP excess payment after receipt of a letter from National Accountability Bureau (NAB) as requested by Power Division or renegotiate again with the IPPs of the 2002 Power Policy to revisit the contracts despite approval of Federal Cabinet in February 21.

[see more...](#)

IFC's Investment in Engro Polymer & Chemicals Ltd to Expand Operations and Promote Energy Efficiency - **Positive**

International Finance Corporation's (IFC) \$15 million investment in Engro Polymer & Chemicals Limited (EPCL) is expected to create jobs, improve resource efficiency, and drive economic growth in the country. A new investment will help to increase the availability of hydrogen peroxide and boost the competitiveness of the Polyvinyl Chloride (PVC) and base chemicals sector while tackling climate change in Pakistan.

[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

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

PREPARED BY

Muhammad Nauman Naeem

Phone: (+92) 42 38302028

Ext: 116

Email: nauman@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