

MORNING GLANCE



42,541






▲ 528



▲ 1.26%




134 mn



YTD -4.61%





1 Year -8.12%

ASIA		Value	Pts	Chg. (%)
	NIFTY 50	16,170.15	144.35	0.90% ▲
	DSE 30	2,307.38	19.39	0.84% ▲
	SHANGHAI	3,141.60	18.49	0.59% ▲
	Hang Seng	20,699.00	582.80	2.90% ▲
	Nikkei 225	26,781.00	176.16	0.66% ▲

EUROPE		Value	Pts	Chg. (%)
	FTSE 100	7,564.92	42.17	0.56% ▲
	DAX 30	14,231.29	223.36	1.59% ▲

USA		Value	Pts	Chg. (%)
	DOW JONES	32,637.19	516.91	1.61% ▲
	S&P 500	4,057.84	79.11	1.99% ▲
	NASDAQ	12,276.79	332.86	2.79% ▲

Commodities		Value	Chg.	Chg. (%)
	Gold (t oz.)	1,852.33	4.73	0.26% ▲
	Oil-WTI (bbl)	114.22	0.13	0.11% ▲

Currencies		Value	Chg.	Chg. (%)
	USD/PKR	202.40	0.10	0.05% ▲
	EURO/PKR	215.91	0.54	0.25% ▼
	GBP/PKR	253.98	0.59	0.23% ▲
	AED/PKR	55.07	0.03	0.05% ▲

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

Market Outlook

KSE-100 on Thursday showed positive momentum throughout the day and concluded the session up in the green zone over hopes of solution to political deadlock. The index made an intra-day high and low at 42,607 (595 points) and 41,904 (-108 points) respectively while closed at 42,541 by gaining 529 points. Trading volume has increased to 134mn shares as compared to 120mn shares on the previous day. Going forward, the market is expected to be bullish today amid the removal of fuel subsidies and the revival of IMF program. The resistance for the index resides at 42,800. Crossing this level can further push the index towards 33,525. However, the support for the index resides at 41,900.

Key News

International

Asian Stocks Up Thanks to U.S. Rally and Strong Earnings

Asia Pacific stocks were up on Friday morning, taking cues from both a rebound in U.S. counterparts and the latest earnings suggesting that the U.S. economy remains strong despite high inflation. Japan's Nikkei 225 rose 0.79% by 10:01 PM ET (2:01 AM GMT). Data released earlier in the day showed that the Tokyo core consumer price index (CPI) grew 1.9% year-on [see more...](#)

Oil lingers near 2-month high amid global supply concerns

Oil prices hovered around a two-month high on Friday, with Brent crude on track for its biggest weekly jump in 1-1/2 months, supported by the prospect of an EU ban on Russian oil and the coming summer driving season in the United States. Brent crude futures for July dipped 9 cents to \$117.31 a barrel at 0247 GMT after rising to as high as \$118.17 earlier in the session. The benchmark was on track for a gain of about 4% this week. [see more...](#)

Politics

Politically confident Shehbaz govt seems prepared to take unpopular decisions

THE government's decision to raise fuel prices from Thursday night to partially pass on the impact of rising global oil prices to consumers will remove a major hitch in the way of concluding a staff-level agreement with the IMF. The Fund had on Wednesday refused to revive the \$6bn programme without the removal of the fiscally [see more...](#)

Economy

\$2bn projects for Pakistan in the pipeline: ADB official - Positive

Deputy Country Director of Asian Development Bank Asad Aleem has said that the projects worth US two billion dollars for Pakistan are in the pipeline that will be finalised after thorough consultation with the private and public sectors. He was speaking at a meeting at the Lahore Chamber of Commerce and Industry. LCCI Senior Vice-President [see more...](#)

MORNING GLANCE

IMF to release \$900m when govt removes fuel price caps - Neutral

Pakistan and the IMF have worked out the outlines for the release of over \$900 million in funds that would come through once Pakistan removes its fuel subsidies, a Pakistani source directly involved in talks in Qatar said, requesting anonymity. The talks in Qatar capital Doha on the resumption of a funding programme concluded on Wednesday. An IMF official said in a statement that considerable progress had been made, [see more...](#)

2023 elections to cost Rs 47.4bn, NA told - Neutral

Parliamentary Affairs Minister Murtaza Javed Abbasi on Thursday told the National Assembly that the Election Commission of Pakistan was preparing for the general elections in the country in 2023 that would cost nearly Rs47.4 billion. In a written reply to a question of Sheikh Rohail Asghar, Abbasi said preparations were on for delimitation of constituencies and updating voters lists. According to expenditure [see more...](#)

FBR to reform income tax, GST on IMF diktat - Neutral

The International Monetary Fund (IMF) has asked the Federal Board of Revenue (FBR) to fetch Rs7.2 trillion in taxes in the upcoming budget, for which personal income tax (PIT) and harmonisation of general sales tax (GST) were being targeted. "Discussions are underway as the FBR pitched up its tax collection target in the range of Rs6.9 trillion, but the IMF insists upon stretching FBR's tax collection in the range of Rs7.2 [see more...](#)

Repatriation of profits, dividends rises to \$1.46bn in July-April - Neutral

Repatriation of profits and dividends on foreign investment in Pakistan increased 11.58 percent to \$1.464 billion in 10 months of this fiscal year, driven by higher earnings, the central bank data showed on Thursday. The repatriated amount stood at \$1.312 billion in the corresponding period of last year. [see more...](#)

Forex reserves down \$11m - Negative

The country's total liquid foreign exchange reserves decreased by \$11 million during last week. According to the weekly foreign exchange reserves report issued by the State Bank of Pakistan (SBP) Thursday, the total foreign exchange reserves held by the country stood at \$ 16.150 billion as of May 20, 2022 from \$16.161 billion as of May 13, 2022. During the week under review, the SBP reserves decreased by \$ 75 million to \$ 10.089 billion [see more...](#)

POL products' prices hiked by Rs30 per litre - Negative

The government has announced to increase petroleum products' prices by Rs30 per litre from Thursday with their implementation from midnight in an effort to revive the International Monetary Fund (IMF) programme. The increase in petroleum prices was announced by Finance Minister Miftah Ismail at a hurriedly-called press conference. He expressed the hope that now reaching an understanding on staff-level agreement with the IMF [see more...](#)

Global banks stop trade credit for oil imports by Pakistani firms - Negative

Foreign banks have stopped offering trade credit for oil imports to Pakistani refineries, and some suppliers are seeking payment upfront to avoid potential problems resulting from political standoff in the country, industry sources said on Wednesday. They said politically-tense Pakistan is likely to face fuel shortages in days to come as international [see more...](#)

Pakistan mulls gas import deal with countries including Russia - Positive

Pakistan said it is considering to sign a liquefied natural gas (LNG) purchase agreement with various countries including Russia as it seeks to secure supply and ease a crippling shortage. The government "will go for the most favorable deal," the Ministry of Energy said in a statement to Bloomberg News. Pakistan is mulling a [see more...](#)

PSMC plans to enter Hybrid, Electric vehicle - Positive

Considering the immense potential for the business opportunities in the Electric Vehicle (EV), Pak Suzuki Motor Company (PSMC) is planning to enter the category of Hybrid and EV, the management of the company informed while holding a corporate briefing session on Wednesday. Amid higher car prices, an increase in interest rates, and a [see more...](#)

Ministry to oppose export of sugar - Negative

The Commerce Ministry has reportedly decided to oppose export of sugar as any such decision will inflate prices in the domestic market, well informed sources in the Ministry told Business Recorder. On May 25, 2022, India imposed a ban on export of sugar from June 1, 2022 despite bumper crop. This is first time in the history of Pakistan when sugar production is documented due to implementation of Track and [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

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To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

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- 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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