

MORNING GLANCE

ASIA	Value	Pts	Chg. (%)
KSE 100	47,318.00	368.96	0.77% ▼
NIFTY 50	15,775.45	66.05	0.42% ▲
DSE 30	2,327.66	4.18	0.18% ▲
SHANGHAI	3,396.56	34.97	1.04% ▲
Hang Seng	26,124.50	703.50	2.77% ▲
BIST 100	1,360.75	1.20	0.09% ▲
MOEX	3,782.28	49.18	1.32% ▲
CSE All-Share	8,096.98	-	-
Nikkei 225	27,791.50	209.84	0.76% ▲
KLCI	1,517.10	1.71	0.11% ▲

Source: Investing.com

EUROPE	Value	Value	Pts
FTSE 100	7,016.63	20.55	0.29% ▲
DAX 30	15,570.36	51.23	0.33% ▲
CAC 40	6,609.31	77.39	1.19% ▲
FTSE MIB	25,261.67	175.12	0.70% ▲
SMI 20	12,073.23	52.14	0.43% ▲

Source: Investing.com

USA	Value	Value	Pts
DOW JONES	34,930.93	127.59	0.36% ▼
S&P 500	4,400.64	0.82	0.02% ▼
NASDAQ 100	15,018.10	61.13	0.41% ▲
US Dollar Index	92.16	0.16	0.18% ▼

Source: Investing.com

GULF	Value	Value	Pts
ADX General	7,170.96	1.93	0.03% ▲
Tadawul All-Share	10,933.73	17.06	0.16% ▲
QE General	10,708.37	39.97	0.37% ▲
Premier Market	7,104.29	10.14	0.14% ▲

Source: Investing.com

Commodity	Value	Value	Chg.
Gold (t oz.)	1,815.30	15.60	0.87% ▲
Silver (t oz.)	25.27	0.40	1.59% ▲
Oil-WTI (bbl.)	72.67	0.28	0.39% ▲
Oil-Brent (bbl.)	74.11	0.24	0.32% ▲
Steel Scrap (tons)	487.00	0.50	0.10% ▲
Cotton (lb.)	90.69	0.20	0.22% ▲

Source: Investing.com

Currency	Value	Value	Chg.
USD/PKR	162.70	1.00	0.62% ▲
EURO/PKR	190.00	0.50	0.26% ▲
GBP/PKR	224.00	3.00	1.36% ▲
JPY/PKR	1.44	-	-
CNY/PKR	23.65	-	-
AED/PKR	44.00	0.50	1.15% ▲
SAR/PKR	43.00	0.50	1.18% ▲
CAD/PKR	128.00	1	0.78% ▼
AUD/PKR	118.50	0.50	0.42% ▲

Source: Forex.com.pk



Market Outlook

KSE-100 on Wednesday opened on a positive note. However, later on it lost the impetus and concluded the session deep into the red zone amid surge in COVID-19 cases. The index made an intra-day high and low at 47,875 (188 points) and 47,242 (-445 points) respectively while closed at 47,318 by losing 369 points. Trading volume has been decreased to 129mn shares as compared to 162mn shares on the previous day. Going forward, we expect the market to remain volatile amid surge in COVID-19 cases. The index is likely to test its support at 47,000, breaking this level would further drag the index towards 46,300. However, the resistance for the index resides at 48,000.

Key News

International

Asian Stocks Up Over Chinese Effort to Calm Markets, Fed Decision

Asia Pacific stocks were up on Thursday morning, after China took action to calm recent market turbulence, while the U.S. Federal Reserve said more economic progress was needed before it begins asset tapering. Japan's Nikkei 225 was up 0.48% by 10:43 PM ET (2:43 AM GMT) and South Korea's KOSPI inched up 0.03%. [see more...](#)

Oil Up, U.S. Crude Oil Supplies Drop to Lowest Level Since January 2020

Oil was up Thursday morning in Asia as the latest data showed a draw in U.S. crude oil supplies to their lowest level since January 2020. Brent oil futures were up 0.34% to \$74.12 by 11:43 PM ET (3:43 AM GMT) and WTI futures gained 0.37% to \$72.66. [see more...](#)

Politics

PTI's Tareen Group MPA Nazir Chohan arrested again

FIA Cyber Crime Wing Wednesday arrested PTI's Jehangir Tareen Group MPA Nazir Chohan from Kot Lakhpat Jail in a case registered against him by PM's adviser Shahzad Akbar. Nazeer was about to be released from jail after a release order reached jail [see more...](#)

MORNING GLANCE

Economy

MoF for ensuring sustainability of new growth strategy - Neutral

There is a need to ensure that the new growth strategy is sustainable without any macroeconomic imbalances, according to monthly "Economic Update and Outlook" for July 2021. [see more...](#)

Profit, dividend: Foreign investors repatriate \$1.622bn in FY21 - Neutral

Foreign investors repatriated \$1.622 billion on account of profit and dividend during the last fiscal year (FY21). With improved economic activities, the repatriation of profit and dividend by foreign investors rose by 20 percent in July-June FY21. [see more...](#)

NEPRA Reduces Power Tariff - Positive

The National Electric Power Regulatory Authority (NEPRA) has announced a slight reduction of Rs. 0.21 per unit in the price of electricity. The notification issued in this regard on Wednesday detailed that the reduction has been approved on account of the monthly fuel cost adjustment (FCA) for June 2021 and will be adjusted in the billing month of August 2021. [see more...](#)

FFL increases authorized share capital by Rs8bn - Positive

The shareholders of Fauji Foods Limited (FFL), at their Extraordinary General Meeting (EOGM), held on Jul 28, 2021, have resolved that the authorized share capital of the Company be increased from Rs10billion divided into 1bn ordinary shares of Rs10 each to Rs18bn divided into 1.2bn ordinary shares of Rs10 each. [see more...](#)

Auction Result: SBP Sells T-Bills worth Rs.703.71 Billion - Neutral

The State Bank of Pakistan (SBP) conducted an auction on Wednesday in which it sold Market Treasury Bills (MTBs) worth Rs.703.71 billion for 3 and 6 months. [see more...](#)

Gunvor and PetroChina place lowest offers for Pakistan LNG tender - Positive

Gunvor and PetroChina placed the lowest offers for a tender by Pakistan LNG to buy four liquefied natural gas (LNG) cargoes for delivery in September, two industry sources said on Wednesday. [see more...](#)

Profitability of cement giants may tumble by ~37% QoQ in 4QFY21 - Neutral

Being a crucial building block of growth and development, cement sector has a huge economic impact owing to its diverse supply chain which contributes significantly to the GDP. The infrastructural development and construction activities including allied sectors i.e, steel, wood, tiles etc. are heavily relied on the performance of the cement sector. [see more...](#)

Overall Consumer Confidence Index up by 8.5pc in July: SBP - Positive

The State Bank of Pakistan-led Consumer Confidence Survey July 2021 has revealed that the overall Consumer Confidence Index (CCI) has increased by 8.5 percent in July 2021 and overall inflation expectations declined by 1.7 percent in the current wave compared to the previous survey conducted in May 2021. [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

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