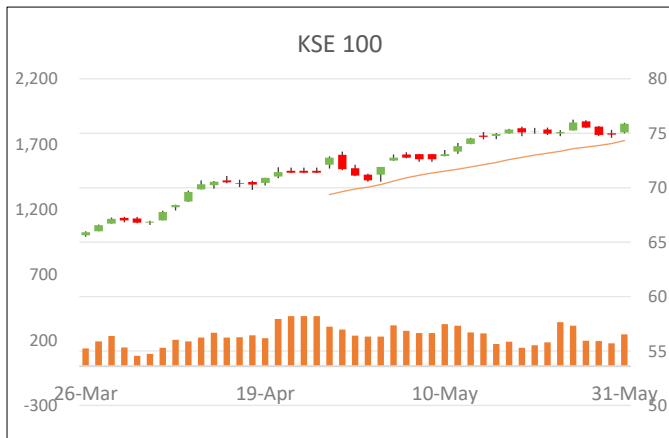


# MORNING GLANCE



75,878	▲ 1000	▲ 1.34%
244 mn	YTD 17.35%	1 Year 83.87%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	23,162.85	632.15	2.81% ▲
DSE 30	1,874.84	4.90	0.26% ▲
SHANGHAI	3,071.02	15.8	0.51% ▼
Hang Seng	18,493.00	413.39	2.29% ▲
Nikkei 225	38,906.00	410.50	1.07% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	8,275.38	44.33	0.54% ▲
DAX 30	18,483.07	13.72	0.07% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	38,686.32	574.84	1.51% ▲
S&P 500	5,277.51	42.03	0.80% ▲
NASDAQ	18,536.65	2.01	0.01% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,342.70	3.1	0.13% ▼
Oil-WTI (bbl)	77.00	0.01	0.01% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	278.70	0.20	0.07% ▲
EURO/PKR	302.95	1.73	0.57% ▲
GBP/PKR	354.30	0.45	0.13% ▼
AED/PKR	76.35	0.01	0.01% ▲

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

## Market Outlook

The stock market on Friday remained bullish throughout the day and concluded the session in the green zone amid optimism prevailing among the investors. The Benchmark KSE-100 index made an intra-day high and low at 75,953.74 (1,075.62 points) and 74,989.26 (111.14) respectively while closed at 75,878.47 by gaining 1,000.35 points. Trading volume increase to 244mn shares as compared to 176mn shares on the previous trading day. Going forward, we anticipate a positive outlook in the market amid recent cuts in petrol, diesel and gas prices but it would be advised to be cautious for potential volatility that could arise from uncertainties pertaining to upcoming federal budget. The index is anticipated to face upcoming resistance at 76,000 and once it breaks above this level then the market would be aiming for 77,000, while finding support at 75,300.

## Key News

### International

#### Asian Stocks Eye Early Gains as Rate Cut Bets Firm: Markets Wrap

Asian stocks gained on Monday, as a softer reading of the Federal Reserve's preferred measure for inflation bolstered rate-cut hopes. Equities in Australia, Japan and Hong Kong advanced. India's stock futures jumped as exit polls indicated a resounding victory for Prime Minister Narendra Modi's party. Mainland Chinese equities [see more...](#)

#### OPEC+ extends deep oil production cuts into 2025

OPEC+ agreed on Sunday to extend most of its deep oil output cuts well into 2025 as the group seeks to shore up the market amid tepid demand growth, high interest rates and rising rival U.S. production. Brent crude oil prices have been trading near \$80 per barrel in recent. [see more...](#)

### Politics

#### Blome reaffirms support to reform programme

The United States on Friday reaffirmed its support for Pakistan's ongoing economic reforms and expanding business-to-business links and fostering a conducive environment for American investors. This was conveyed by US Ambassador Donald Blome to Deputy Prime Minister and Foreign Minister Ishaq Dar in a meeting. [see more...](#)

### Economy

#### Govt announces cut in petrol, diesel rates - Positive

Federal government announces up to Rs 4.74 per liter reduction in petroleum product prices, effective June 1, 2024. In a statement issued by the Finance Division, the price of petrol has been reduced by Rs 4.74 per liter and high-speed diesel (HSD) by Rs 3.86 per liter. The Oil and Gas Regulatory Authority (OGRA) recommended a. [see more...](#)

## MORNING GLANCE

### Ogra announces cut in LPG price – **Positive**

The Oil and Gas Regulatory Authority (Ogra) on Friday announced Rs3.86 per kg reduction in the price of both commercial and domestic LPG cylinders with effect from June 1, 2024. The oil and gas regulator notified a decline in per kg price to Rs234.60 per kg instead of Rs238.46 in the previous month. According to the Ogra's notification, Rs45.62 or 1.62. [see more...](#)

### More fuel outlets coming up despite oil smuggling from Iran - **Neutral**

Pakistan State Oil (PSO) has developed 37 new retail outlets during 9MFY24, taking its total nationwide footprint to 3,555. The company completed the construction of seven storage tanks in 9MFY24. PSO, while highlighting its circular debt position, trends in crude oil prices, the country's stock market rebound [see more...](#)

### Oil, gas explorer awaits attractive shale gas policy - **Neutral**

OGDCL has already invested \$30 million to exploit the shale gas reserves and is now awaiting a lucrative policy to expedite the development work. The development of shale oil and gas fields has brought a revolution in the United States and Pakistan also sees a lot of potential in this respect. [see more...](#)

### Aramco completes acquisition of 40pc stake in 'GO' - **Neutral**

Aramco, one of the world's leading integrated energy and chemicals companies, has made further progress in its global retail expansion by completing the acquisition of a 40 percent equity stake in Gas & Oil Pakistan Ltd. ("GO"). GO is a diversified downstream fuels, lubricants and retail store operator in Pakistan with a network of more than 1,200 retail fuel stations. The acquisition, first announced in [see more...](#)

### Power generation from Thar coal reaches 2,640MW, set to hit 3,280MW by year's end – **Positive**

Thar coal is currently contributing approximately 2,640MW of electricity to the national grid from its two blocks, with power generation expected to reach about 3,280MW by the end of this year. Azhar Malik, Vice President of Site Operations at Sindh Engro Coal Mining Company (SECMC) for. [see more...](#)

### Nepra gives approval to additional financial burden on consumers - **Negative**

National Electric Power Regulatory Authority (Nepra) on Friday gave approval of additional financial burden of Rs 46.613 billion on consumers of Discos and KE's consumers under Quarterly Tariff Adjustment (QTA) for third quarter (Jan-March) of current fiscal year. Out of [see more...](#)

### Nepra supports over Rs60bn KE write-offs – **Neutral**

Chairman, National Electric Power Regulatory Authority (Nepra), Waseem Mukhtar has reportedly supported write-offs of over Rs 60 billion of K-Electric, saying that since Discos are government-owned, this loss is parked in the circular debt or is ultimately received from the consumers through the imposition of a surcharge, well informed [see more...](#)

### Budget FY2024-25; Rs681bn earmarked for power tariff-related subsidies? – **Neutral**

The Ministry of Finance (MoF) has reportedly earmarked Rs 681 billion for power tariff-related subsidies for the FY 2024-25, to be announced in the federal budget with the condition that no supplementary budget, regular or technical. [see more...](#)

### Power generation component of DBDP; PM likely to seek Chinese investment - **Neutral**

Prime Minister Shehbaz Sharif is likely to seek Chinese investment in power generation component of 4,500 MW Diamer Bhasha Dam Project (DBDP) as borrowing capacity from the international capital and financial market is constrained due to sovereign credit rating and economic vulnerabilities amidst ongoing challenges posed by [see more...](#)

### Ithmaar Holding to sell off part of Faysal Bank stake to GFH Financial Group - **Neutral**

Ithmaar Holding has decided to sell off a portion of its stake in Faysal Bank Limited (FBL) to GFH Financial Group BSC, as shareholders of the holding company have approved the transaction at its extraordinary general meetings (EOGM) held on May 28-29, 2024. The proposed sale [see more...](#)

# DISCLAIMER

This report has been prepared by Abbasi & Company (Private) Limited and is provided for information purposes only. Under no circumstances, this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Abbasi & Company (Private) Limited and or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Abbasi & Company (Private) Limited accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. In particular, the report takes no account of the investment objectives, financial situation and needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Abbasi & Company (Private) Limited Research Department and do not necessarily reflect those of the company or its directors. Abbasi & Company (Private) Limited as a firm may have business relationships, including investment-banking relationships, with the companies referred to in this report. Abbasi & Company (Private) Limited does not act as a market maker in the securities of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives do not have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company at the time of issuance of this report. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives are not currently serving or have served in the past three years as a director or officer of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives have not received compensation from the subject company in the previous 12 months. The subject company currently is not, or during the 12-month period preceding the date of publication or distribution of this report, was not, a client of Abbasi & Company (Private) Limited. We have not managed or co-managed a public offering or any take-over, buyback or delisting offer of securities for the subject company in the past 12 months and/or received compensation for corporate advisory services, brokerage services or underwriting services from the subject company in the past 12 months. Abbasi & Company (Private) Limited does not expect to receive or intend to seek compensation for corporate advisory services or underwriting services from the subject company in the next 3 months

All rights reserved by Abbasi & Company (Private) Limited. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Abbasi & Company (Private) Limited. Action could be taken for unauthorized reproduction, distribution or publication

## VALIDITY OF THE PUBLICATION OR REPORT

The information in this publication or report is, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report. The information may be subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the company, jurisdiction or financial instruments referred to in this report. The valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report and were based upon several estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein is not to be relied upon as a representation and/or warranty by Abbasi & Company (Private) Limited and/or its other associated and affiliated companies, that:

- I. Such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- II. There is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein

## DEFINITION OF TERMS

<b>TP</b>	Target Price	<b>DDM</b>	Dividend Discount Model	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>JPB</b>	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

## RATINGS CRITERIA

Abbasi & Company (Private) Limited employs a three-tier ratings system to rate a stock and sector, as mentioned below, which is based upon the level of expected return for a specific stock and outlook of sector. The rating is based on the following with stated time horizon

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.

## RESEARCH DISSEMINATION POLICY

Abbasi & Company (Private) Limited endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as email, fax mail etc. Nevertheless, all clients may not receive the material at the same time

## OTHER DISCLOSURES

The research analyst is primarily involved in the preparation of this report, certifies that:

- I. The views expressed in this report accurately reflect his/her personal views about the subject company/stock /sector and economy
- II. No part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report

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

Haroon Abdul Razzaq

Phone: (+92) 42 38302028

Ext: 116

Email: haroon@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