

# MORNING GLANCE



|        |            |               |
|--------|------------|---------------|
| 78,225 | ▲ 485      | ▲ 0.62%       |
| 203 mn | YTD 20.98% | 1 Year 60.42% |

| ASIA       | Value     | Pts    | Chg. (%) |
|------------|-----------|--------|----------|
| NIFTY 50   | 24,717.70 | 293.2  | 1.17% ▼  |
| DSE 30     | 1,900.85  | 14.66  | 0.78% ▲  |
| SHANGHAI   | 2,905.34  | 27.05  | 0.92% ▼  |
| Hang Seng  | 16,945.51 | 359.45 | 2.08% ▼  |
| Nikkei 225 | 35,917.50 | 2182   | 5.73% ▼  |

| EUROPE   | Value     | Pts    | Chg. (%) |
|----------|-----------|--------|----------|
| FTSE 100 | 8,174.71  | 108.65 | 1.31% ▼  |
| DAX 30   | 17,661.22 | 421.83 | 2.33% ▼  |

| USA       | Value     | Pts    | Chg. (%) |
|-----------|-----------|--------|----------|
| DOW JONES | 39,737.26 | 610.71 | 1.51% ▼  |
| S&P 500   | 5,346.56  | 100.12 | 1.84% ▼  |
| NASDAQ    | 18,440.85 | 449.54 | 2.38% ▼  |

| Commodities   | Value    | Chg. | Chg. (%) |
|---------------|----------|------|----------|
| Gold (t oz.)  | 2,486.10 | 5.30 | 0.21% ▲  |
| Oil-WTI (bbl) | 74.14    | 2.17 | 2.84% ▼  |

| Currencies | Value  | Chg. | Chg. (%) |
|------------|--------|------|----------|
| USD/PKR    | 279.05 | 0.1  | 0.04% ▼  |
| EURO/PKR   | 300.93 | 1.96 | 0.65% ▼  |
| GBP/PKR    | 354.00 | 3.48 | 0.97% ▼  |
| AED/PKR    | 76.29  | 0.22 | 0.29% ▼  |

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

## Market Outlook

The stock market on Friday remained positive throughout the day and concluded the session in the green zone amid increased buying interest driven by positive investors' sentiment. The Benchmark KSE-100 index made an intra-day high and low at 78,434.16 (693.86 points) and 77,926.53 (186.23 points) respectively while closed at 78,225.98 by gaining 485.68 points. Trading volume increased to 203mn shares as compared to 97mn shares on the previous trading day. Going forward, we expect the market to remain positive as trading volume is beginning to increase in the market. The index is anticipated to face upcoming resistance at 78,500 and 78,700, while finding support at 78,000.

## Key News

### International

#### Global Stock Rout Intensifies, Powering Bond Rally

A global stocks selloff deepened on Monday as concerns grew that the Federal Reserve is behind the curve with policy support for a slowing US economy, sending investors into the safety of bonds. Japanese shares plunged as traders priced in more domestic rate hikes. The Topix and Nikkei indexes were set slid about 20% from record highs [see more...](#)

#### Oil Swings Near Seven-Month Low as Stock Drop Offsets Iran Risk

Oil fluctuated near a seven-month low as a selloff in wider financial markets countered rising tensions in the Middle East, with traders watching for a potential retaliatory strike on Israel by Iran. Brent futures traded around \$77 a barrel after closing at their lowest level [see more...](#)

### Politics

#### Imran Khan says not having good ties with army would be a folly

The incarcerated Pakistan Tehreek-e-Insaf (PTI) founder, Imran Khan, who blames the military for his ouster and 12-month-old imprisonment on what he calls trumped-up charges, has now said that not having "excellent" relations with the army would be a folly. Given Pakistan's geographical position and the military's significant role in the private sector, it would be foolish not to foster such a relationship," Khan wrote in responses to Reuters' questions [see more...](#)

### Economy

#### SIFC-driven initiatives propel Pakistan's exports to new heights – Positive

Pakistan's exports experienced a remarkable surge in the fiscal year 2023-2024, largely thanks to the efforts of the Special Investment Facilitation Council (SIFC), according to recent data from the Pakistan Bureau of Statistics (PBS). Exports of goods increased by 10.54%, reaching \$30.64 billion, compared to the previous year. In contrast, imports [see more...](#)

## MORNING GLANCE

### **RDA inflows hit \$8.255bn mark – Neutral**

Gross inflows of Pakistan Roshan Digital Accounts (RDA) reached \$8.25 billion at the end of June 2024, the State Bank of Pakistan (SBP) reported on Friday. During the last fiscal year (FY24), on account of RDA Pakistan received gross inflows amounted to \$ 1.9 billion from \$6.350 billion in June 2023 to reach \$ 8.255 billion in June 2024. [see more...](#)

### **Weekly SPI inflation down 0.12pc – Positive**

Amid protests over inflated bills, Pakistan Bureau of Statistics (PBS) claimed that Sensitive Price Index (SPI)-based inflation for the week ended August 1, 2024, decreased by 0.12 per cent, mainly due to a decrease in the prices of electricity charges for Q1 (15.80 per cent), bananas (4.87 per cent), diesel (3.81 per cent), petrol [see more...](#)

### **Petroleum policy: New PD terms could discourage \$5bn potential investment - Negative**

The Petroleum Division has prepared a framework for allocation of gas to third party proposing amendments that can create hurdle to \$5 billion investment in oil and gas exploration, sources said. The representatives of exploration companies met Prime Minister Shehbaz Sharif and pledged [see more...](#)

### **Ogra urged to conduct probe: OCAC concerned at discounted sale of imported oil by OMC – Neutral**

The Oil Companies Advisory Council (OCAC) has expressed its concern over the sale of imported oil at a discounted rate in the market by one of the OMCs, seeking a proper probe by the Oil and Gas Regulatory Authority (Ogra) to [see more...](#)

### **Govt considering importing coal from Kyrgyzstan – Neutral**

Pakistan is likely to explore the possibility of importing coal from Kyrgyzstan for power generation till power plants are shifted to Thar coal, well-informed sources told Business Recorder. Sharing the details, sources said the ambassador of Pakistan to the Kyrgyz Republic called on Talaibek Baigaziev, Kyrgyz Deputy Minister of Energy, and discussed cooperation on [see more...](#)

### **Continuous supply of 150MMCFD RLNG to KE: SNGPL urges PPL to explore possibility - Neutral**

The Sui Northern Gas Pipeline Company (SNGPL) has warned that less retention of Re-gasified Liquefied Natural Gas (RLNG) by Sui Southern Gas Pipeline Company Limited (SGGCL) will have financial implications, suggesting PPL to explore The Sui Northern Gas Pipeline Company (SNGPL) has [see more...](#)

### **Apr-Jun quarter: Nepra approves Rs6.69bn negative adjustment for KE - Neutral**

The National Electric Power Regulatory Authority (Nepra) has approved negative adjustment of Rs6.690 billion for KE for the quarter April-June 2023, under QTA mechanism, which will be adjusted in the new Multi-Year Tariff (MYT) for the period from 2023-24 to FY 2029-30. [see more...](#)

### **July cement despatches decline 6.81pc to 3.01m tons YoY - Negative**

Cement despatches declined by 6.81% in July 2024 showing declining trend for consecutive 11 months due to sluggish economic activity in the country. Total Cement despatches during July 2024 were 3.010 million tons against 3.230 million tons [see more...](#)

### **Govt mulling raising GST on tractors to 14pc - Negative**

The federal government is planning to raise sales tax on tractors from 10 to 14 percent. In the last budget (2024-25), a sales tax exemption was withdrawn on tractors, and a 10 percent sales tax was imposed. Sources told Business Recorder that the Federal [see more...](#)

### **Jan-Jun: 17.34m mobile handsets made locally - Neutral**

The local manufacturing/ assembling plants manufactured/ assembled 17.34 million mobile handsets during the first half (January-June) of the calendar year 2024 compared to 0.84 million imported commercially. Official data revealed that the locally manufactured/assembled 4.26 million mobile handsets in June compared to 0.08 million [see more...](#)

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## 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

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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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