

MORNING GLANCE



44,207	▲ 28	▲ 0.06%
116 mn	YTD 8.31%	1 Year 5.6%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,331.80	165.5	0.85% ▼
DSE 30	2,191.46	1.42	0.06% ▼
SHANGHAI	3,210.22	13.61	0.43% ▲
Hang Seng	18,579.50	213.80	1.16% ▲
Nikkei 225	32,244.50	143.92	0.44% ▼
EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,256.94	23.56	0.32% ▼
DAX 30	15,603.40	74.86	0.48% ▲
USA	Value	Pts	Chg. (%)
DOW JONES	33,734.88	187.38	0.55% ▼
S&P 500	4,398.95	12.64	0.29% ▼
NASDAQ	15,036.85	52.6	0.35% ▼
Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,931.05	1.45	0.08% ▼
Oil-WTI (bbl)	73.53	0.33	0.45% ▼
Currencies	Value	Chg.	Chg. (%)
USD/PKR	277.90	0.86	0.31% ▲
EURO/PKR	302.24	1.69	0.56% ▲
GBP/PKR	353.93	1.70	0.48% ▲
AED/PKR	75.66	0.24	0.32% ▲

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

Market Outlook

The stock market on Friday remained volatile throughout the day and concluded the session in the green zone as the IMF seeks assurances from political parties on a commitment to new SBA. The KSE-100 index made an intra-day high and low at 44,294 (115 points) and 44,087 (-92 points) respectively while closed at 44,207 by gaining 28 points. Trading volume decreased to 116mn shares as compared to 166mn shares on the previous trading day. Going forward, we expect the market to remain positive as the Pakistan Tehreek-e-Insaf chief Imran Khan expressed support for the bailout deal with the International Monetary Fund (IMF) after a meeting with officials of the lender on Friday. The resistance for the index resides at 44,500. Breaking this level would further push the index towards 44,800. Contrarily, the support for the index resides at 44,000.

Key News

International

Asia shares edge higher, China disinflation a drag

Asian share markets edged cautiously higher on Monday as investors looked ahead to a key reading on U.S. inflation and the start of another corporate earnings season. Chinese consumer price figures surprised on the soft side with inflation falling in June and essentially unchanged from a year before. The miss implies there is plenty of scope [see more...](#)

Oil eases ahead of China, US data, but OPEC+ cuts support market

Oil prices dipped in early Asian trade on Monday as investors tread cautiously ahead of fresh economic data from top consumers the United States and China this week, while expected crude supply cuts from Saudi Arabia and Russia supported the market. futures fell 22 cents, or 0.3%, to [see more...](#)

Politics

NA to be dissolved within a month: Khawaja Asif

Defence Minister Khawaja Asif has announced that the National Assembly would be dissolved within a month after completion of its constitutional term. Addressing a workers convention here, the defence minister said all preparations for elections are already underway and soon the [see more...](#)

Economy

Pakistan, IMF agree to end supplementary grants provision - Neutral

The International Monetary Fund (IMF) and Pakistan have agreed to disallow supplementary grants during the ongoing financial year under the \$3 billion Stand-by Arrangement (SBA). In a significant development, the IMF has slapped a ban on supplementary grants for the current fiscal year in a bid to place very tight fiscal discipline. A senior official of the [see more...](#)

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Key objectives under new programme; To govt's chagrin, IMF team calls on PTI chairman - Neutral

The International Monetary Fund (IMF) has approached the major political parties in Pakistan, including Pakistan Tehrik-e-Insaf (PTI), to seek assurances of their support for the key objectives and policies under a new Fund-supported programme ahead of the approaching national elections. This was confirmed by Esther Perez Luis, IMF Resident Representative in Pakistan [see more...](#)

IMF assured of \$8b external payments – Positive

Pakistan has provided the International Monetary Fund (IMF) with a financing plan for external payments, in which Islamabad has informed the global lender that it will arrange \$8 billion for the purpose instead of \$6 billion. According to sources in the finance ministry, the IMF had asked Pakistan for assurances of \$6 billion for external payments. However, they added that Pakistan had given the IMF assurances of \$8 billion for external [see more...](#)

Govt okays policy to woo foreign investors. - Neutral

In a move to boost foreign and domestic investments, the government has approved a new investment policy for 2023 to attract investors by adopting best practices and providing an optimal investment climate. The policy was created in accordance with Prime Minister Shehbaz Sharif's formation of the Special Investment Facilitation Council, an apex body that includes the army chief and provincial chief ministers. [see more...](#)

Third-party participation; CPEC: draft modalities finalised – Neutral

Ministry of Foreign Affairs (MoFA) has finalized draft modalities for third-party participation in China Pakistan Economic Corridor (CPEC) to attract investment from countries or entities other than China, well-informed sources in Ministry of Planning, Development and Special Initiatives told Business Recorder. This was disclosed at a CPEC progress meeting presided over [see more...](#)

Services' trade deficit narrows by 88pc in 11 months - Neutral

The services' trade deficit shrank by 88.26 percent during the first eleven months of the fiscal year 2022-23 as compared to the corresponding period of previous year, Pakistan Bureau of Statistics has reported. The services trade deficit was recorded at \$607.67 million during July-May (2022-23) against the deficit of \$5,175.24 million during July-May (2021-22). The exports of services during the period [see more...](#)

Foreign suppliers' accounts through customs -bonded storage facilities – Neutral

The Directorate General of Oil (Petroleum Division) has issued guidelines for import of crude oil on foreign suppliers' account through custom bonded storage facilities to be sold at local level or re-export to other countries. On June 27, 2023, Economic Coordination Committee (ECC) approved the guidelines on a summary of Petroleum Division [see more...](#)

Nepra set to hike base tariff – Negative

In order to ensure smooth approval of \$3 billion loan by the IMF Executive Board, the National Electric Power Regulatory Authority (NEPRA) is set to increase electricity base tariff for the ongoing financial year 2023-24. The regulator, according to one of the top officials, has worked out three options for the increase in base tariff, including jacking a base tariff by less than Rs8 per unit less than Rs7 (Rs6.90) per unit [see more...](#)

Provisional tariff; KAPCO again moves Nepra for early approval - Neutral

M/s Kot Addu Power Company Limited (KAPCO) has again approached the power regulator for early approval of provisional tariff as National Power Control Centre (NPCC), the System Operator is repeatedly emphasizing the requirement of KAPCO units to meet system demand. In a letter to Registrar Nepra, Chief Executive [see more...](#)

CPEC IPPs; Finance Division asks PD to adjust Rs20.726bn as advance payment – Neutral

The Finance Division has asked the Power Division to adjust Rs 20.726 billion as advance payment to CPEC IPPs against next five months of current financial year (2023-24) as decided by the federal government, official sources told Business Recorder. Citing the Power Division's letter of June 22, 2023 on implementation of Revised Circular Debt [see more...](#)

GE warns TPS Guddu management against LC opening delay – Neutral

M/s General Electric (GE) has cautioned the management of Thermal Power Station (TPS) Guddu that any delay in opening of Letter of Credit (L/C) may have cascading effect on delivery of mandatory spare parts for necessary rehabilitation of TPS-14. In a letter to Chief Executive Officer, Central Power Generation Company Ltd, Genco-II, TPS Guddu, [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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- II. Dividend Discount Model
- III. Relative Valuation Model
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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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