



41,782	▼ -122	▼ -0.29%
83 mn	YTD 2.37%	1 Year -3.92%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,601.50	38.10	0.21% ▲
DSE 30	2,185.40	7.49	0.34% ▼
SHANGHAI	3,226.92	1.92	0.06% ▼
Hang Seng	19,350.00	54.31	0.28% ▼
Nikkei 225	32,967.50	533.50	1.64% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,570.69	8.33	0.11% ▲
DAX 30	16,097.87	148.03	0.93% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	34,066.33	189.55	0.56% ▲
S&P 500	4,338.93	40.07	0.93% ▲
NASDAQ	14,784.30	255.94	1.76% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,972.25	2.55	0.13% ▲
Oil-WTI (bbl)	67.31	0.19	0.28% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PAKR	287.63	0.70	0.24% ▲
EURO/PAKR	309.93	1.05	0.34% ▲
GBP/PAKR	362.06	2.08	0.58% ▲
AED/PAKR	78.31	0.19	0.24% ▲

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

Market Outlook

The stock market on Monday remained volatile throughout the day and concluded the session in the red zone ahead of the MPC meeting. The benchmark KSE-100 index made an intra-day high and low at 42,092 (125 points) and 41,715 (189 points) respectively while closed at 41,783 by losing 121 points. Trading volume increased to 83mn shares as compared to 79mn shares on the previous trading day. Going forward, we expect the market to remain volatile as the MPC had decided to keep the interest rate unchanged. The support for the index resides at 41,500. Breaking this level would further drag the index towards 41,265 (200 DMA). Contrarily, the resistance for the index resides at 42,300.

Key News

International

Global market: SGX Nifty, inflation to IIP data - key triggers for Indian stock market

Asian markets traded higher on Tuesday following an overnight rally on Wall Street ahead of the US inflation data and Federal Reserve's policy meeting. The Federal Open Market Committee is widely expected to keep interest rates unchanged, in the 5%-5.25% range. The European Central Bank and the Bank of Japan will deliver their rate. [see more...](#)

Oil Holds Near Three-Month Low as Demand Concerns Reverberate

Oil held near its lowest level in almost three months on persistent concerns over the demand outlook in China and the US. West Texas Intermediate futures steadied above \$67 a barrel, after losing more than 7% over the previous three sessions, while global benchmark Brent hovered near its lowest close since December 2021. Chinese trade data [see more...](#)

Politics

NA demands trial of May 9 rioters under Army Act

The National Assembly on Monday passed a resolution demanding the trial of May 9 rioters which also include women – if found involved in attacks on military and state installations under the Pakistan Army Act, 1952. The resolution, a copy of which is available with Business [see more...](#)

Economy

SBP leaves policy rate unchanged – Neutral

The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) has decided to keep the policy rate unchanged at 21 percent as the committee expecting decline in inflation from next month. The meeting of the MPC was held on Monday and chaired by Jameel Ahmed Governor SBP. After increasing the key policy rate by 725 basis points during this fiscal year, The MPC in its meeting has decided to [see more...](#)

MORNING GLANCE

IMF conveyed three conditions to PM before budget – Neutral

The IMF's Managing Director has replied back to Prime Minister Shehbaz Sharif before the announcement of the budget for 2023-24 and conveyed to Islamabad clearly the fulfilment of three conditions for striking staff-level agreement. These three conditions from the IMF included meeting external financing requirements in line with the Fund assessment, presenting and approving the budget for 2023-24 aligned with the IMF [see more...](#)

SBP chief says Pakistan not considering bilateral debt restructuring – Neutral

Central bank governor said the country is not considering a bilateral debt restructuring, sources that attended an analyst briefing following the monetary policy decision told Reuters. "As of now there is no plan to enter into any debt restructuring," the sources cited State Bank of Pakistan (SBP) governor Jameel Ahmad as saying. "Absolutely no doubt about it. We are not [see more...](#)

Payment made in Chinese currency: govt – Neutral

Pakistan paid for its first government-to-government import of discounted Russian crude in Chinese currency, the South Asian country's petroleum minister said on Monday, a significant shift in its US dollar-dominated export payments policy. Discounted crude offers respite as Pakistan faces an acute balance of payments crisis, risking a default on its debt obligations. The foreign exchange reserves held by the central bank are scarcely [see more...](#)

Heavier Russian crude to give 50pc FO; POL price cuts not likely – Negative

Russian crude oil will produce more furnace oil (FO) than high speed diesel (HSD), which would not reduce the prices of petroleum products domestically, The News learnt on Monday. According to the oil industry players, arrival of the first cargo of Russian crude oil has been celebrated from the top level of the government to the media. However, the anticipated [see more...](#)

Electricity rates standardization; Subsidy will be allocated: Dastgir – Neutral

Federal Minister of Power Khurram Dastgir announced on Monday that significant efforts are underway to completely eliminate load shedding. Furthermore, to standardize electricity rates, a subsidy of Rs 579 billion will be allocated in the upcoming fiscal year. The minister was speaking at a press conference held at the headquarters of Lahore Electric Supply Company (Lesco). [see more...](#)

Karachi: thunder-storms likely – Neutral

Temperature on Monday grew to the season's highest levels of 41 Celsius in the city, as the Met Office forecast warm weather with thunderstorms for the metropolis on Tuesday. It said that the hot weather with chances of scattered thunderstorms and rain in the afternoon and evening hours is expected. Temperature may remain up to 39 Celsius and humidity 65 percent. "Continental air is prevailing [see more...](#)

Sinosure reduces coverage for Pakistan's projects to 70pc from 95pc – Negative

Chinese national insurance company M/s Sinosure has reduced its coverage for Pakistan's projects to 70 per cent from 95 per cent and banks are now asking for 25 per cent coverage from third party. This was revealed by the representative of CHIC Pak Power (Private) Company Limited (CPPCL) at a public hearing which continued for nearly [see more...](#)

Car sales plunge 80pc in May – Negative

Pakistan's passenger car sales (PAMA members) plunged by 80 percent year-on-year in May 2023 due to non-production days, higher prices of cars and a decline in purchasing power, data showed on Monday. However, sales increased on month-on-month basis. Arif Habib Research in a report said that Pakistan's monthly volumetric sales rebound was primarily driven by improved sales of Paks Suzuki Motor [see more...](#)

Suzuki Shuts Down Bike Production Plant Again – Negative

Due to the ongoing economic crisis, Pak Suzuki Motor Company (PSMC) is once more in a difficult situation. Due to a lack of inventory, the company has decided to suspend motorcycle assembly for 5 days. The official notification states that the motorcycle assembly will be suspended from June 12 to June 16. With the dollar rate in a topsy-tervy state once again, Suzuki may increase the bike prices following the [see more...](#)

KPT revises tariff rates – Neutral

Karachi Port Trust (KPT)'s board of trustees has rationalised and revised the tariff schedule, it said on Monday. According to KPT, the step was taken in wake of the incremental increase in the prices of fuel consequently causing corresponding increase in the cost of labour and port operations. It is estimated that the increase in tariff structure will help improve the financial position of Karachi [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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