

MORNING GLANCE



45,266	▼ -249	▼ -0.55%
225 mn	YTD 10.91%	1 Year 8.13%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,413.75	29.45	0.15% ▲
DSE 30	2,194.36	2.28	0.10% ▲
SHANGHAI	3,241.66	5.18	0.16% ▲
Hang Seng	19,471.00	120.38	0.62% ▲
Nikkei 225	32,577.50	158.17	0.49% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,440.21	24.10	0.32% ▲
DAX 30	16,141.03	118.03	0.74% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	34,395.14	47.71	0.14% ▲
S&P 500	4,510.04	37.88	0.85% ▲
NASDAQ	15,571.98	264.75	1.73% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,965.85	2.05	0.10% ▲
Oil-WTI (bbl)	77.02	0.13	0.17% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	276.46	1.02	0.37% ▼
EURO/PKR	308.56	2.65	0.87% ▲
GBP/PKR	360.55	1.41	0.39% ▲
AED/PKR	75.27	0.27	0.36% ▼

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

Market Outlook

The stock market on Thursday remained positive during the first half of the day. However, later on, it lost its impetus and concluded the session in the red zone amid profit-taking by the investors. The KSE-100 index made an intra-day high and low at 45,971 (456 points) and 45,256 (-259 points) respectively while closed at 45,267 by losing 248 points. Trading volume increased to 225mn shares as compared to 207mn shares on the previous trading day. Going forward, we expect the profit-taking to continue in the short term as all the technical indicators have been exhausted. Therefore, we advise our investors to take profits on strength and consider the dips as buying opportunities. The index is anticipated to face upcoming support at 44,700 and 44,300, while finding resistance at 46,000.

Key News

International

Asian markets to rally in US stocks on cooling inflation

Asian markets traded mostly higher on Friday following overnight gains in US stocks on upbeat sentiment after softer than expected US inflation data reinforced hopes that the Federal Reserve is approaching an interest-rate peak. In the US, data showed the producer price index climbed 0.1% in June, its smallest year-on-year gain since August 2020 and followed a 0.9% increase in May. [see more...](#)

Oil Set for Third Weekly Gain as African Outages Tighten Supply

Oil headed for a third weekly gain as supply disruptions in Africa and a reduction in shipments from Russia tightened the market. West Texas Intermediate futures rose above \$77 a barrel on Friday and are over 4% higher for the week. Libya's second-biggest oil field is in the process of shutting due [see more...](#)

Politics

Caretaker setup will be in place next month

The caretaker setup would be in place following the completion of the five-year term of the present National Assembly next month, outgoing Prime Minister Shehbaz Sharif announced on Thursday. In his televised address to the nation, the PM claimed that his coalition government [see more...](#)

Economy

First tranche of SBA; IMF transfers \$1.2bn to SBP account: Dar – Positive

The International Monetary Fund (IMF) has transferred \$1.2 billion to the State Bank of Pakistan (SBP) — the first tranche of the \$3 billion stand-by arrangement (SBA), announced Finance Minister Ishaq Dar Thursday. The IMF's executive board, on Wednesday, approved a \$3 billion SBA under a nine-month programme. In a televised statement, [see more...](#)

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Steps to broaden tax base – Neutral

The fiscal year 2024 budget advances a primary surplus of around 0.4 percent of GDP by taking some steps to broaden the tax base and increase tax collection from under taxed sectors, including the construction and agriculture sectors, said the International Monetary Fund (IMF). The Fund on its website uploaded, "Frequently Asked Questions on Pakistan," which included the key policy recommendations to increase revenue mobilisation. [see more...](#)

Pakistan bonds rise – Positive

Sovereign bonds and rupee gained on Thursday, with the 2027 and 2024 maturities hitting a 10 month and over-a-year high respectively, after the International Monetary Fund (IMF) approved a \$3 billion bailout for the country. The IMF executive board on Wednesday approved the standby arrangement, of which about \$1.2 billion will be immediately disbursed to help stabilise the cash-strapped South Asian economy. [see more...](#)

Forex reserves rise by \$61m – Positive

The total liquid foreign reserves held by the State Bank of Pakistan (SBP) increased by \$ 61 million to \$ 4.524 billion during the week ended on July 07, 2023. Subsequently, during the current week, the SBP received inflow of \$ 2.0 billion from the Kingdom of Saudi Arabia; \$ 1.0 billion from United Arab Emirates; and around \$ 1.2 billion from the IMF. These inflows will be reflected in the SBP's FX reserves for the week ending on July 14, 2023. [see more...](#)

July-May LSMI output declines 9.87pc YoY – Negative

The Large Scale Manufacturing Industries (LSMI) output has declined by 9.87 percent during July-May 2022-23 when compared with the same period of last year, says the Pakistan Bureau of Statistics (PBS). According to the provisional Quantum Index numbers of the Large Scale Manufacturing Industries (QIM), the LSMI output decreased by 14.37 per cent for May 2023 when compared with May 2022 and increased by 5.88 [see more...](#)

Govt likely to hike power tariff from Rs4 to 6 per unit today – Neutral

After the IMF has approved a \$3bn SBA loan and a \$1.2 billion tranche has been received by the State Bank of Pakistan (SBP), but the decision on an increase in base tariff is still awaited "IMF wants the government to raise the required hike in power tariff at any cost and the government has no option to escape it," the relevant top official told The News. However, The Neptra and [see more...](#)

WB approves \$100m for family planning in Punjab – Positive

The World Bank's Board of Executive Directors Thursday approved \$100 million for the Punjab Family Planning Programme to increase the utilisation of family planning services in Punjab, which is home to more than half of the country's population. The programme will provide timely access to quality family planning services free of charge, a handout from the lending institution said. [see more...](#)

Pakistan sells embassy building in US for \$7.1m - Neutral

Pakistan has finally sold a historic building in the US capital that has been vacant since 2003 for \$7.1 million, it emerged Thursday. A Pakistani businessman named Hafeez Khan took the property off the government's hands. The property classification of the Pakistan Embassy-owned building, which was up for sale for the past few months, was recently downgraded by the District of Columbia [see more...](#)

Airports' outsourcing; Only management controls being given, NA panel told – Neutral

The government of Pakistan has initiated a process to outsource the operations and management at Karachi, Islamabad, and Lahore airports to generate foreign exchange reserves for the ailing economy. The National Assembly Standing Committee on Aviation on Thursday was informed that the Pakistan Civil Aviation Authority (PCAA) is not [see more...](#)

APTMA demands separate power tariff category to increase exports – Neutral

The textile Industry has asked the government to allocate a separate power tariff category for the export industry by excluding cross-subsidies, stranded costs, and inflated system losses for achieving an exports target of \$50 billion in next 4 years. All Pakistan Textile Mills Association (APTMA) came up with the demand in a letter written to the [see more...](#)

Gold rates see major increase in Pakistan – Neutral

The rates of gold in Pakistan increased by Rs4,000 on Thursday in line with developments in the international market. The price of gold (24 carats) gained Rs4,000 per tola and Rs3,429 per 10 grams to settle at Rs200,000 and Rs178,326, respectively, according to data released by All-Pakistan Sarafa Gems and Jewellers Association (APSGJA). Meanwhile, the price of the yellow metal also jumped in the [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

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

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