

# MORNING GLANCE



41,538	▼ -245	▼ -0.59%
62 mn	YTD 1.77%	1 Year -4.48%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,716.15	114.65	0.62% ▲
DSE 30	2,185.40	7.49	0.34% ▼
SHANGHAI	3,235.15	1.47	0.05% ▲
Hang Seng	19,503.00	18.42	0.09% ▼
Nikkei 225	33,347.50	328.85	1.00% ▲

  

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,594.78	24.09	0.32% ▲
DAX 30	16,230.68	132.81	0.83% ▲

  

USA	Value	Pts	Chg. (%)
DOW JONES	34,212.12	145.79	0.43% ▲
S&P 500	4,369.01	30.08	0.69% ▲
NASDAQ	14,900.85	116.55	0.79% ▲

  

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,959.95	1.35	0.07% ▲
Oil-WTI (bbl)	69.38	0.04	0.06% ▼

  

Currencies	Value	Chg.	Chg. (%)
USD/PKR	287.97	0.34	0.12% ▲
EURO/PKR	311.18	1.25	0.40% ▲
GBP/PKR	361.84	0.22	0.06% ▼
AED/PKR	78.40	0.09	0.11% ▲

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

## Market Outlook

The stock market on Tuesday opened on a bullish note. However, later on, it lost the impetus and reversed all of its intra-day gains while concluded the session in the red zone amid Cyclone Biparjoy less than 500kms away from Karachi as Sindh braces for heavy rains. Th KSE-100 index made an intra-day high and low at 42,026 (243 points) and 41,523 (260 points) respectively while closed at 41,539 by losing 245 points. Trading volume decreased to 62mn shares as compared to 83mn shares on the previous trading day. Going forward, the support for the index resides at 41,259 (200 DMA). Breaking this level would further drag the index towards 41,096 (50 DMA). Contrarily, the resistance for the index resides at 42,000.

## Key News

### International

#### Asian stocks follow Wall St higher as US inflation cools

Asian stock markets followed Wall Street higher on Wednesday after a cooler reading on U.S. inflation fueled hopes the Federal Reserve will postpone a possible interest rate hike. Shanghai, Tokyo, Hong Kong and Sydney rose. Wall Street's benchmark S&P 500 index gained 0.7% to a 14-month high after government data Tuesday showed U.S. [see more...](#)

#### Oil prices dip after unexpected rise in US crude stocks

Oil prices inched lower on Wednesday after industry data showed an unexpected rise in U.S. crude stocks, signalling weak demand to markets already worried about recession and disappointing Chinese economic data. Brent crude futures eased 27 cents, or 0.4%, to \$74.01 a barrel by 0019 GMT. U.S. West Texas Intermediate (WTI) crude was at [see more...](#)

### Politics

#### Western diplomats seeking relief for May 9 arsonists upset authorities

Some Western diplomats have approached key authorities here seeking relief for the arsonists and attackers of May 9, ignoring what the powerful capitals like Washington and London did when they were met with similar situations in the past. Informed sources said the government has [see more...](#)

### Economy

#### IMF raises objections to budget – Negative

The IMF has raised serious objections over the budgetary framework for 2023-24 and asked the government to increase both tax and non-tax revenues efforts, the Ministry of Finance high-ups informed the Senate Standing Committee on Finance and Revenues on Tuesday. One senior Ministry of Finance official conceded before the Senate Standing Committee on Finance and Revenues that the IMF was not satisfied [see more...](#)

## MORNING GLANCE

### **Pakistan won't move Paris Club: MoS – Neutral**

Minister of State for Finance, Dr Aisha Ghaus Pasha Tuesday stated that Pakistan would neither go the Paris Club nor the country would default on payments to multilateral, international agencies or commercial banks. Talking to mediapersons after the Senate Standing Committee on Finance meeting, the minister said as already stated by the finance minister, we will make payments as and when they would become due. The state minister [see more...](#)

### **July-May remittances plunge 13pc to \$24.83bn YoY – Negative**

Inflows of workers' remittances registered a sharp decline of 13 percent during the first 11 months of this fiscal year (FY23). The State Bank of Pakistan (SBP) Tuesday reported that, on a cumulative basis, Pakistan received home remittances amounting to \$24.83 billion during July-May of FY23 compared to \$28.49 billion in the same period of the last fiscal year, showing a decline of \$ 3.66 billion. Analysts said the decline in remittances [see more...](#)

### **Increase in foreign remittance limit may stoke money-laundering: SECP – Negative**

The Securities and Exchange Commission of Pakistan (SECP) has expressed serious apprehension that the chances of money laundering may increase after the enhancement of the monetary limit of foreign remittance from five million rupees to rupee equivalent of US\$100,000. SECP Commissioner Abdul Rehman Warraich informed the Senate Standing Committee on [see more...](#)

### **\$7bn Chinese, Saudi deposits; Rs402bn paid as cost of rollovers – Neutral**

The federal government is said to have paid over Rs 402 billion (approximately \$1.7billion @ Rs 235/USD) cost of rollovers of \$7 billion Chinese and Saudi deposits, well informed sources in Finance Division told Business Recorder. As per Rules of Business, 1973, the Ministry of Economic Affairs is responsible for, amongst other, external debt management, including authorization [see more...](#)

### **Rupee gains in open market after banks provide \$5m to exchange firms – Neutral**

The rupee posted significant gains in the open market on Tuesday after banks provided \$5 million to the exchange companies, dealers said. The local unit rose 7 rupees or 2.29 percent against the dollar, according to rates published by the Exchange Companies Association of Pakistan (ECAP). The rupee was trading at 298 per dollar, compared with 305 on Monday. [see more...](#)

### **Govt seeks spot LNG cargoes, inks supply deal with Azerbaijan – Neutral**

Pakistan has issued two tenders seeking spot liquefied natural gas (LNG) cargoes for the first time in nearly a year on Tuesday, while also announcing a deal that will see Azerbaijan provide the country with one LNG cargo per month. Dependent on gas for power generation and running short of foreign exchange to pay for imports, the country has [see more...](#)

### **More crude oil will be imported from Russia: Musadik – Neutral**

Minister of State for Petroleum, Dr Musadik Malik on Tuesday said additional crude oil would be imported from Russia as the first cargo carrying 100,000 tons of Russian oil has reached Pakistan. He announced that regular import of Russian crude oil would be started and Pakistan might import from Russia up to one-third of total fuel imports. The minister [see more...](#)

### **Discos' tariff; Nepra approves Rs1.61 per unit positive adjustment for April – Negative**

National Electric Power Regulatory Authority (Nepra) has approved positive adjustment of Rs 1.61 per unit for Discos consumers for April 2023 under monthly Fuel Charges Adjustment (FCA) mechanism, total impact of which will be Rs 15.6 billion excluding surcharges and taxes. The Authority conducted a public hearing on May 31, 2023 [see more...](#)

### **Barter trade; Pakistan, Iran for boosting banking channels – Positive**

Pakistan and Iran on Tuesday stressed the importance of enhancing banking channels while highlighting the significant opportunities for bilateral trade through barter arrangements. A high-level delegation from Iran led by Ali Fekri, Deputy Minister and Head of OIETAI called on the Federal Minister for Economic Affairs, Sardar Ayaz [see more...](#)

### **Weakened Biparjoy barrelling towards coastal areas – Neutral**

Over 57,000 people were evacuated from the coastal areas of Thatta, Sujawal and Badin districts of Sindh and moved to relief camps as the extremely severe cyclonic storm (ESCS) Biparjoy moved closer to Pakistani and Indian coasts, officials said on Tuesday and urged people left behind in villages and towns to leave their homes on the coast to avoid any [see more...](#)

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<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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The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

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