

MORNING GLANCE



76,208	▲ 3411	▲ 4.69%
345 mn	YTD 17.86%	1 Year 83.57%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	23,464.95	66.05	0.28% ▲
DSE 30	1,812.19	9.13	0.51% ▲
SHANGHAI	3,017.67	11.25	0.37% ▼
Hang Seng	17,959.00	153.63	0.85% ▼
Nikkei 225	38,970.50	257.00	0.66% ▲
EUROPE	Value	Pts	Chg. (%)
FTSE 100	8,163.67	51.81	0.63% ▼
DAX 30	18,263.94	366.92	1.97% ▼
USA	Value	Pts	Chg. (%)
DOW JONES	38,647.10	65.11	0.17% ▼
S&P 500	5,433.74	12.71	0.23% ▲
NASDAQ	19,575.72	110.54	0.57% ▲
Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,320.50	2.50	0.11% ▲
Oil-WTI (bbl)	78.23	0.39	0.50% ▼
Currencies	Value	Chg.	Chg. (%)
USD/PKR	278.80	0.1	0.04% ▼
EURO/PKR	300.52	-	-
GBP/PKR	354.82	-	-
AED/PKR	76.34	-	-

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

Market Outlook

The stock market on Thursday maintained extremely bullish momentum throughout the day, gained 3,410 points in a single day, and concluded the session in the green zone amid optimism as IMF expresses satisfaction over budget 2024-25. The Benchmark KSE-100 index made an intra-day high and low at 76,338.14 (3,540.71 points) and 73,329.79 (532.36) respectively while closed at 76,208.16 by gaining 3,410.73 points... Trading volume increase to 345mn shares as compared to 107mn shares on the previous trading day. Going forward, we anticipate the market to remain positive as the IMF's satisfaction with the 2024-2025 budget has overshadowed any potential negative impact on the PSX. The index's is currently at its resistance at 76,200 and once it closes above this level then it could rally till 77,500, while finding resistance at 73,000 and 76,200 if it closes above this price level..

Key News

International

Asian Stocks Decline as Japan Slips Before BOJ: Markets Wrap

Asian stocks fell, weighed down by Chinese and Australian shares, while the yen weakened as markets awaited the outcome of the Bank of Japan's two-day policy meeting. The MSCI Asia Pacific Index pared a loss of as much as 0.4%, while the Japanese currency dropped for a fifth day in the [see more...](#)

Oil prices on track for weekly gain on solid demand outlook

Oil prices fell on Friday but were on track for their first weekly gain in four weeks as markets assessed the impact of higher-for-longer U.S. interest rates versus solid outlooks for crude and fuel demand this year. Brent crude futures were down 72 cents, or 0.87%, to \$82.04 a barrel at. [see more...](#)

Politics

Pakistan will not attend 'Ukraine peace summit': FO

Foreign Office said on Thursday that Pakistan will not attend the "Ukraine peace summit" due to "a host of factors, including scheduling challenges", being hosted by Switzerland on June 15-16 on the peace proposals of Ukrainian President Volodymyr Zelenskyy. Speaking. [see more...](#)

Economy

Govt to raise up to \$1bn thru global bonds – Neutral

Pakistan plans to raise up to \$1 billion through international bonds in the 2025/26 fiscal year, Finance Minister Muhammad Aurangzeb told Reuters, adding that up to \$300 million will be raised through Chinese markets "The first bond market we will access is the Chinese panda bond market, and our inaugural bond will raise the yuan [see more...](#)

MORNING GLANCE

No amount from IMF loans budgeted for budgetary support - Negative

The government has budgeted no amount from the International Monetary Fund (IMF) loans for budgetary support for next fiscal year, 2024-25, against Rs 696 billion budgeted for the current fiscal year, which was later revised to zero. A total of Rs 5.906 trillion is budgeted from external resources. [see more...](#)

Aurangzeb vows to raise tax-to-GDP ratio to 13pc – Neutral

Finance Minister Muhammad Aurangzeb, Thursday, defended taxation measures taken in the budget for the next fiscal year and does not want anyone to object to the progressive tax system as a 10 percent tax-to-GDP ratio was simply unsustainable. The finance minister addressing a post-budget press conference along with the State Minister for Finance and chairman. [see more...](#)

Petrol price likely to come down - Positive

The ex-depot petrol prices may come down by Rs9.23 per litre and high-speed diesel (HSD) by Rs4.02 per litre next fortnight starting from June 16 till June 30, 2024. The reduction in ex-depot petrol price would likely be reduced by Rs9.28 per litre and HSD Rs4.02 per litre from June 16, 2024, as the.. [see more...](#)

Rs9bn approved for clearing OMCs' PDCs; ECC allows export of 0.15 MMTs of surplus sugar - Positive

The Economic Coordination Committee (ECC) of the Cabinet has allowed export of 0.15 million MTs of surplus sugar and approved Rs9 billion for clearing the outstanding claims of Oil Marketing Companies (OMCs) including PSO on account of price differential claims. The ECC meeting presided. [see more...](#)

HSD import permission to M/s GO; 5 refineries lodge protest with Ogra – Neutral

The country's five refineries have protested with chairman Oil and Gas Regulatory Authority (OGRA) for allowing the import of HSD to M/s Gas and Oil Pakistan's (GO), instead of urging OMCs to uplift the locally-produced HSD and MOGAS. In a joint letter to OGRA Chairman Masroor Khan, top men of. [see more...](#)

Wind projects' tariff issues stay unresolved; Islamabad should not expect any investment from DFC: US team - Negative

United States Treasury Department delegation led by Assistant Secretary Brent Neiman on Thursday discussed at the highest level the power sector issues including circular debt, which has choked the entire sector.. [see more...](#)

550MW floating solar energy project launched - Positive

Pakistan's first and one of the world's largest 550MW floating solar energy project has been launched in Sindh. Sindh Energy Minister Syed Nasir Hussain Shah said this project will be an important milestone of affordable electricity as per the vision of PPP Chairman Bilawal Bhutto. Sindh Energy Minister Syed Nasir Shah on Thursday. [see more...](#)

Tractor manufacturing company; LTO Lahore detects Rs13.286bn ST discrepancies - Negative

On the directions of the President of Pakistan, the Large Taxpayer Office (LTO), Lahore has concluded the audit of a leading tractor manufacturing company, detecting serious sales tax discrepancies to the tune. [see more...](#)

Tax to be collected from retailers from July: Aurangzeb – Neutral

Minister for Finance Muhammad Aurangzeb has said that the government began registration of retailers on a voluntary basis in April and invited them to register themselves through an application, which was only done by 75 people. "In May, the FBR's workforce mobilised.. [see more...](#)

FBR to get sweeping powers to impose penalties - Negative

The FBR has proposed in the Finance Bill 2024-25 some major and drastic powers for imposing penalties and imprisonment on tax frauds. According to the bill tabled in parliament, under Section 191-A of the Income Tax Ordinance, the FBR sought powers for prosecution for failure to furnish information in return. [see more...](#)

DISCLAIMER

This report has been prepared by Abbasi & Company (Private) Limited and is provided for information purposes only. Under no circumstances, this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Abbasi & Company (Private) Limited and or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Abbasi & Company (Private) Limited accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. In particular, the report takes no account of the investment objectives, financial situation and needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Abbasi & Company (Private) Limited Research Department and do not necessarily reflect those of the company or its directors. Abbasi & Company (Private) Limited as a firm may have business relationships, including investment-banking relationships, with the companies referred to in this report. Abbasi & Company (Private) Limited does not act as a market maker in the securities of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives do not have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company at the time of issuance of this report. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives are not currently serving or have served in the past three years as a director or officer of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives have not received compensation from the subject company in the previous 12 months. The subject company currently is not, or during the 12-month period preceding the date of publication or distribution of this report, was not, a client of Abbasi & Company (Private) Limited. We have not managed or co-managed a public offering or any take-over, buyback or delisting offer of securities for the subject company in the past 12 months and/or received compensation for corporate advisory services, brokerage services or underwriting services from the subject company in the past 12 months. Abbasi & Company (Private) Limited does not expect to receive or intend to seek compensation for corporate advisory services or underwriting services from the subject company in the next 3 months

All rights reserved by Abbasi & Company (Private) Limited. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Abbasi & Company (Private) Limited. Action could be taken for unauthorized reproduction, distribution or publication

VALIDITY OF THE PUBLICATION OR REPORT

The information in this publication or report is, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report. The information may be subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the company, jurisdiction or financial instruments referred to in this report. The valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report and were based upon several estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein is not to be relied upon as a representation and/or warranty by Abbasi & Company (Private) Limited and/or its other associated and affiliated companies, that:

- I. Such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- II. There is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein

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

RATINGS CRITERIA

Abbasi & Company (Private) Limited employs a three-tier ratings system to rate a stock and sector, as mentioned below, which is based upon the level of expected return for a specific stock and outlook of sector. The rating is based on the following with stated time horizon

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.

RESEARCH DISSEMINATION POLICY

Abbasi & Company (Private) Limited endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as email, fax mail etc. Nevertheless, all clients may not receive the material at the same time

OTHER DISCLOSURES

The research analyst is primarily involved in the preparation of this report, certifies that:

- I. The views expressed in this report accurately reflect his/her personal views about the subject company/stock /sector and economy
- II. No part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report

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

PREPARED BY

Haroon Abdul Razzaq

Phone: (+92) 42 38302028

Ext: 116

Email: haroon@abbasiandcompany.com

RESEARCH DEPARTMENT

6 - Shadman, Lahore

Phone: (+92) 42 38302028; Ext: 116, 117

Email: research@abbasiandcompany.com

web: www.abbasiandcompany.com

HEAD OFFICE

6 - Shadman, Lahore

Phone: (+92) 42 38302028

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com