

MORNING GLANCE



41,514	▼ -25	▼ -0.06%
41 mn	YTD 1.71%	1 Year -4.53%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,755.90	39.75	0.21% ▲
DSE 30	2,185.50	0.10	-
SHANGHAI	3,235.30	6.31	0.20% ▲
Hang Seng	19,546.00	137.58	0.71% ▲
Nikkei 225	33,698.00	195.58	0.58% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,602.74	7.96	0.10% ▲
DAX 30	16,310.79	80.11	0.49% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	33,979.33	232.79	0.68% ▼
S&P 500	4,372.59	3.58	0.08% ▲
NASDAQ	15,005.69	104.84	0.70% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,947.75	21.15	1.07% ▼
Oil-WTI (bbl)	68.16	0.11	0.16% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	287.18	0.79	0.27% ▼
EURO/PKR	310.16	1.02	0.33% ▼
GBP/PKR	362.73	0.89	0.25% ▲
AED/PKR	78.19	0.21	0.27% ▼

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

Market Outlook

The stock market on Wednesday 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 global energy giant Shell Petroleum on Wednesday made the strategic decision to sell its shares and decided to exit the Pakistani market. The KSE-100 index made an intra-day high and low at 41,744 (206 points) and 41,449 (90 points) respectively while closed at 41,514 by losing 24 points. Trading volume decreased to 41mn shares as compared to 62mn shares on the previous trading day. Going forward, the support for the index resides at 41,255 (200 DMA). Breaking this level would further drag the index towards 41,129 (50 DMA). Contrarily, the resistance for the index resides at 41,750.

Key News

International

Asian stocks stall as US rates seen higher for longer

Asian stock market news: Asian stocks braked around two-month highs on Thursday, while the dollar nursed modest losses, after the U.S. Federal Reserve chose not to hike interest rates for the first time in 17 months, even if it opened the door to more hikes ahead. Asian stock market news: Asian stocks braked around two-month highs on Thursday [see more...](#)

Oil edges lower as markets weigh China rate cuts, mixed Fed signals

Oil prices fell slightly in Asian trade on Thursday as major importer China enacted more interest rate cuts amid worsening economic conditions, while markets continued to digest mixed signals from the Federal Reserve. China's central bank cut rates on its medium-term loans for the first [see more...](#)

Politics

May 9 vandals to be tried in military courts as per int'l conventions: law minister

Law Minister Azam Nazeer Tarar on Wednesday clarified that cases against May 9 rioters would be proceed in the military courts as per the international conventions. A large number of workers and supporters of PTI staged almost [see more...](#)

Economy

IMF comes down hard on Pakistan's budget proposals – Negative

The International Monetary Fund (IMF) has expressed its dissatisfaction with the budget proposals announced by Finance Minister Ishaq Dar for fiscal year 2023-24, calling them a missed opportunity to broaden the tax base while criticising the new amnesty scheme that "creates a damaging precedent". "The draft FY24 Budget misses an [see more...](#)

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Time running out for Pakistan-IMF deal – **Negative**

The rating agency has expressed fear that the country might face default in case of failure of the IMF programme. Finance Minister Ishaq Dar did hold several sessions but has failed to convince the top IMF officials for the completion of the 9th review essential for securing a staff-level agreement for the release of the \$1.1bn tranche. Only two weeks are left for Pakistan to reach a deal with IMF or face failure that would have serious consequences [see more...](#)

US Congressman urges Biden administration to help Pakistan secure IMF loan – **Neutral**

As Pakistan continues to struggle with repercussions of fast-depleting foreign exchange reserves, US Congressman Al Green urged the Joe Biden-led government to play a role in “providing aid” to the South Asian nation through the International Monetary Fund (IMF) and World Bank. Speaking at Congress Finance Committee, Green said that Pakistan is a case study on the [see more...](#)

Post-flood rehabilitation: WB okays \$200m loan for KP merged areas – **Positive**

The World Bank has approved a \$200 million loan for rural infrastructure in the newly-merged areas of Khyber Pakhtunkhwa, especially for post-floods rehabilitation and reconstruction. A World Bank statement on Wednesday said, “As part of the programme agreed with Government of Pakistan to respond to devastating floods that hit the country in 2022 and build a [see more...](#)

Yields on treasury bills remain steady – **Negative**

Yields on market treasury bills remained steady on Wednesday in the first auction following the central bank left its key interest rate unchanged at 21 percent to rein in inflation and prevent economic growth from falling further. The government raised Rs2.2 trillion through an auction of treasury papers, much higher than the pre-auction target of Rs1.2 trillion. The cut-off yield on the three-year T-bill stood at 21.9999 percent, unchanged from the [see more...](#)

Petrol price likely to decline – **Neutral**

The price of motor spirit (MS) is likely to decline by Rs1.90 per litre but the high-speed diesel (HSD) price may increase by Rs3.50 per litre, effective from June 16, according to an estimate. The estimated price change in both petroleum products is based at the current rate of petroleum levy (PL) and general sales tax (GST). The government is charging Rs50 per litre PL on petrol and zero rate of GST. The Pakistan State Oil (PSO) exchange rate losses are [see more...](#)

Pakistan’s purchase within US cap – **Neutral**

The US State Department has said that Pakistan’s purchase of Russian oil at a discounted price proves the effectiveness of the US restrictions that have already deprived Moscow of about \$100 billion in oil revenues. On Wednesday, Pakistan’s US Ambassador Masood Khan told Dawn that the purchase would not create any misunderstanding between Pakistan and the United States as it’s within the US price cap. [see more...](#)

Shell decides to exit Pakistan market – **Negative**

Shell Petroleum, global energy giant on Wednesday made the strategic decision to sell its entire 77.42 percent holding in Shell Pakistan Limited and decided to exit the Pakistan market to “simplifying Shell’s portfolio.” “The Board of Directors of Shell Pakistan Limited (SPL), in a meeting of its Board held on June 14, 2023, have been notified by the Shell Petroleum Company Limited (SPCo) of its intent to sell its [see more...](#)

Govt to buy LNG from Azerbaijan – **Positive**

Pakistan on Wednesday approved a liquefied natural gas (LNG) purchase agreement framework with Azerbaijan, its finance ministry said. Pakistan has not procured any spot cargos of LNG for about a year after global prices spiked following Russia’s invasion of Ukraine. The country, which has a population of 220 million, had to impose lengthy power outages because of shortages of gas, which Pakistan [see more...](#)

Gas supply to industries, CNG outlets suspended – **Neutral**

Adhering to the clear instructions from the federal government, SSGC has stopped gas supplies to all industries including their units for power generation, fertilizer sector and CNG stations. This decision has been taken in the backdrop of possible striking of cyclone Biparjoy and considering the shortage of natural gas and RLNG. The gas supply has been suspended until further notice from 7am today, [see more...](#)

Taj Gasoline eyes 41 percent stake in cash-strapped Hascol – **Negative**

Taj Gasoline (Private) Limited on Wednesday announced an intention to acquire at least 41 percent stake in Hascol Petroleum Limited. In a notice to the Pakistan Stock Exchange, AKD Securities Limited, manager to the offer by Taj, made the announcement. “On behalf of the acquirer, we are pleased to submit a public announcement of intention to acquire [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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