

## MORNING GLANCE



45,067

















▼ -200

▼ -0.44%

113 mn

YTD 10.42%

1 Year 7.11%

ASIA	Value	Pts	Chg. (%)
 NIFTY 50	19,564.50	150.75	0.78% ▲
 DSE 30	2,197.03	2.67	0.12% ▲
 SHANGHAI	3,201.51	36.19	1.12% ▼
 Hang Seng	19,206.00	207.78	1.07% ▼
 Nikkei 225	32,391.26	28.07	0.09% ▼
EUROPE	Value	Pts	Chg. (%)
 FTSE 100	7,434.57	5.64	0.08% ▼
 DAX 30	16,105.07	35.96	0.22% ▼
USA	Value	Pts	Chg. (%)
 DOW JONES	34,509.03	113.89	0.33% ▲
 S&P 500	4,505.42	4.62	0.10% ▼
 NASDAQ	15,565.60	6.38	0.04% ▼
Commodities	Value	Chg.	Chg. (%)
 Gold (t oz.)	1,956.05	8.35	0.43% ▼
 Oil-WTI (bbl)	74.68	0.64	0.85% ▼
Currencies	Value	Chg.	Chg. (%)
 USD/PKR	277.80	1.34	0.48% ▲
 EURO/PKR	311.50	2.94	0.95% ▲
 GBP/PKR	363.42	2.87	0.80% ▲
 AED/PKR	75.88	0.61	0.81% ▲

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

### Market Outlook

The stock market on Friday remained positive for most of the day. However, later on, it lost the 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 45,488.45 (221 points) and 45,043 (-224 points) respectively while closed at 45,068 by losing 199 points. Trading volume decreased to 113mn shares as compared to 225mn 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 45,500.

### Key News

#### International

##### Asia shares slip as China data underwhelms

Asian shares slipped on Monday as a mixed bag of Chinese economic data was not as bad as some feared, but still fanned market impatience with the lack of major fiscal stimulus from Beijing. China reported economic growth of 0.8 per cent in the second quarter, above the 0.5 per cent forecasted, while the annual pace slowed more than expected to 6.3 per [see more...](#)

##### Oil Extends Decline as Major Libyan Field Resumes Production

Oil fell for a second day as a major Libyan field resumed output and as China's economic growth missed expectations. Global benchmark Brent dropped toward \$79 a barrel after losing 1.8% on Friday. Production was restarted at Sharara, one of Libya's biggest oil fields, after protesters left the site, a person familiar with the matter said. Before the [see more...](#)

#### Politics

##### Political parleys on the menu as PM meets allies

Prime Minister Shehbaz Sharif spent the better part of Saturday in intensive discussions with old allies and some new political players, as the ruling coalition scrambles to generate a consensus on [see more...](#)

#### Economy

##### Economic stability; SBA to anchor govt's instant efforts: IMF - Neutral

Resolving Pakistan's structural challenges will likely require continued reforms over the medium-term to underpin the needed economic transformations, strengthen inclusive growth prospects and create an environment conducive to renewed private capital inflows. This was stated by IMF Director Communication Julie Kozack during a press [see more...](#)

## MORNING GLANCE

### Bonds' surge belies reform hurdles - Neutral

Investors have piled back into bonds in Pakistan and Argentina following cash infusions and optimism over multilateral support, but the two nations have secured only enough help to limp to autumn elections, experts said. The rally in international bonds issued by the two countries has intensified over the past two weeks, seeing returns on Pakistan's bonds soar to above 45% and Argentina's close in on 30% year-to-date, [see more...](#)

### IMF loan helps Pakistan unlock another \$5.6bn in funding - Positive

Pakistan is set to draw in \$5.6 billion in additional financing after securing a loan from the International Monetary Fund (IMF), a move seen as helping the South Asian nation avoid a default and boosting its foreign-exchange reserves. The new funding includes \$3.7 billion of commitments from bilateral partners including Saudi Arabia and the United Arab Emirates, Nathan [see more...](#)

### IMF calls for plan to tax real estate, agri sectors – Neutral

Along with approving a \$3 billion loan for Pakistan, the International Monetary Fund (IMF) has set the conditions for a second review. Sources say that the IMF has asked the government of Pakistan for a plan to impose taxes on real estate and agricultural sector. According to the sources, the IMF has said that the property sector and agriculture sector should [see more...](#)

### Roshan Digital Account Inflows Cross \$6.3 Billion in June - Neutral

Foreign exchange inflows through the Roshan Digital Accounts (RDAs) were recorded at a total of \$6.35 billion by the end of June 2023, according to the State Bank of Pakistan (SBP). According to the central bank data, till the end of June, funds of \$1.452 billion have been repatriated with funds of \$3.77 billion utilized locally. The total repatriated and utilized amount stands at \$5.229 billion with net repatriable liability at \$1.121 billion. [see more...](#)

### \$8.3bn in remittances, exports lost in FY23 – Neutral

Pakistan suffered a massive \$8.3 billion loss due to significant declines in remittances and exports during the outgoing fiscal year as the PMLN-led coalition government preferred appeasing the International Monetary Fund for a \$1.2bn tranche. Pakistan lost much more than what it gained from the IMF borrowings and inflows from other sources due to a lack of attention towards these two important inflows. [see more...](#)

### Importer dollar demand likely to curb rupee's gains from IMF inflows - Neutral

Pakistan rupee witnessed an improved market sentiment during the outgoing week as the country received inflows from the IMF and friendly countries, but the currency market is likely to trade range-bound next week over an increased importer dollar demand, traders and analysts said. The rupee appreciated against the dollar in the week as Pakistan [see more...](#)

### PKR declines – Neutral

After three consecutive gains, the Pakistani rupee registered losses against the US dollar, depreciating 0.41% on Friday. At close, the currency settled at 277.59, a decrease of Rs1.13, as per the State Bank of Pakistan (SBP). On Thursday, the rupee registered a gain against the US dollar, inching up 0.37% to settle at 276.46 in the inter-bank market. In a key development, the International Monetary [see more...](#)

### Petrol price slashed by Rs9, HSD's by Rs7 - Positive

The federal government has reduced petroleum products prices by up to Rs9 per litre. In a televised press conference, Finance Minister Ishaq Dar announced the reduction in petroleum products prices, saying no changes have been made in Petroleum Levy (PL). The petroleum products prices will remain effective from 16 to 31 July, 2023. Dar said Rs9 per liter reduction has been made in petrol prices, [see more...](#)

### IMF condition; Hike in gas prices on the cards – Negative

The federal government is all set to hike the gas price to meet the International Monetary Fund (IMF) condition. As per details, the petroleum division has informed Oil and Gas Development Authority (OGRA) about working on the gas prices. After the increase in power tariffs, gas prices will now be increased. Sources within the power ministry said that the government has given written assurance to IMF [see more...](#)

### More burden on masses: Govt increases duration of peak hours - Neutral

The government has decided to increase the duration of electricity's peak hours in a bid to meet the conditions of the International Monetary Fund (IMF), Daily Jang reported Sunday, effective from July 1. Peak hours are the hours of the day during which electricity demand is the highest. During this period, people are charged the highest amount per [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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### PREPARED BY

Muhammad Umair Javed

Phone: (+92) 42 38302028

Ext: 117

Email: umairjaved@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