

MORNING GLANCE



45,042	▼ -26	▼ -0.06%
149 mn	YTD 10.36%	1 Year 7.05%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,711.45	146.95	0.75% ▲
DSE 30	2,197.03	2.67	0.12% ▲
SHANGHAI	3,197.27	12.36	0.39% ▼
Hang Seng	19,029.00	384.78	1.98% ▼
Nikkei 225	32,375.50	15.76	0.05% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,406.42	28.15	0.38% ▼
DAX 30	16,068.65	36.42	0.23% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	34,585.35	76.32	0.22% ▲
S&P 500	4,522.79	17.37	0.39% ▲
NASDAQ	15,713.28	147.68	0.95% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,963.10	6.70	0.34% ▲
Oil-WTI (bbl)	74.39	0.31	0.42% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	279.26	1.46	0.53% ▲
EURO/PKR	313.92	2.42	0.78% ▲
GBP/PKR	365.68	2.26	0.62% ▲
AED/PKR	76.03	0.15	0.20% ▲

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

Market Outlook

The stock market on Monday remained volatile throughout the day and managed to close flat as PRL, Air Link look to acquire a majority stake in Shell Pakistan. The KSE-100 index made an intra-day high and low at 45,283.30 (215 points) and 45,013.98 (-54 points) respectively while closed at 45,043 by losing 25 points. Trading volume increased to 149mn shares as compared to 113mn shares on the previous trading day. Going forward, the support for the index resides at 44,500. Breaking this level would further drag the index towards 44,000. Contrarily, the resistance for the index resides at 45,300.

Key News

International

Asian stocks pressured by China jitters, India outperforms

Most Asian stocks moved in a flat-to-low range on Tuesday amid persistent concerns over slowing economic growth in China, while Indian stocks eyed new highs on the back of a positive earnings season. Regional financial stocks saw some buying ahead of key earnings from some of the biggest American banks this week, including Bank of America (NYSE:BAC), Morgan Stanley (NYSE:MS) and [see more...](#)

Oil prices rise on China stimulus hopes, U.S. inventories awaited

Oil prices rose on Tuesday, steadying from recent losses as markets bet that worsening growth in China will invite more stimulus measures from the government, while focus also turned to readings on U.S. crude supplies. Crude markets logged steep losses in the prior session after data showed that economic growth in China- the world's largest oil importer- slowed substantially in the second quarter. [see more...](#)

Politics

Nearly impossible to hold elections under 2023 census: experts

It is too late now to hold the coming general elections on time under the 2023 digital census, say legal and political experts, given the time needed for reallocation of seats in the National Assembly and for the ECP to delimit constituencies in provinces. Geo talkshow host Shahzeb Khanzada [see more...](#)

Economy

UK to raise Pakistan's aid to £133m from next fiscal – Positive

The UK has decided to increase Pakistan's financial aid threefold from the next financial year 2024-25, jacking it up from the existing 41.5 million pounds to around 133 million pounds on an annual basis. In an exclusive interview with The News, UK's aid arm known as the Foreign, Commonwealth and Development Office (FCDO) head in Pakistan Jo Moir said that the major chunk of provisional [see more...](#)

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Pakistan bond divergence shows IMF programme concerns – Neutral

The divergence between different Pakistan bond maturities has been widening since news emerged last month of an International Monetary Fund cash injection, showing investors remain unconvinced about the nation's ability to pay long-term. Prices of the nation's \$1 billion debt due April 2024 have jumped to about 80 cents on the dollar from about 50 cents in late June, [see more...](#)

PKR: back-to-back losses – Negative

The Pakistani rupee sustained back-to-back losses against the US dollar, depreciating another 0.6% on Monday. At close, the currency settled at 279.26, a decrease of Rs1.67, as per the State Bank of Pakistan (SBP). During the previous week, the rupee settled with a marginal appreciation of 0.11% to end at 277.59 in the inter-bank market as euphoria over the International Monetary Fund (IMF) programme faded and made [see more...](#)

PRL, Air Link look to buy Shell Pakistan's 77.42pc stake – Positive

Pakistan Refinery Limited (PRL) and Air Link Communication have expressed their interest to jointly acquire 77.42 percent shares and control of Shell Pakistan Limited. Next Capital Limited, manager to the offer, has submitted a Public Announcement of Intention (PAI) on behalf of PRL and Air Link Communication Limited on July 17, 2023, to acquire 77.42 percent shares and control of Shell Pakistan Limited by PRL and Air Link [see more...](#)

OCAC assails Ogra's HSD price cut decision – Negative

The Oil Companies Advisory Council (OCAC) blamed the Oil and Gas Regulatory Authority (OGRA) that forced reduction and manipulation in the high-speed diesel (HSD) in recent price reviews generated an inventory loss of Rs11 billion to the industry and warned uninterrupted fuel supply could not be possible under the present situation. In a letter to the OGRA chairman, the OCAC chairman alleged that the price of HSD for the second [see more...](#)

Base power tariff hike; PD yet to secure cabinet's nod – Neutral

The Power Division has reportedly yet not secured the federal cabinet's nod for an increase in the base electricity tariff by Rs4.96 per unit across the country for FY 2023-24 to be applicable from July 1, 2023, well-informed sources told Business Recorder. The Power Division, sources said, has prepared its summary for the federal cabinet on the basis of the National Electric Power Regulatory Authority (Neptra)'s determination, which [see more...](#)

KE interested in power off-take from ACWA's RE projects – Neutral

K-Electric (KE) has shown interest in development and offtake of power from renewable energy (RE) projects of 3,000 MW to be developed by M/s ACWA Power, which is mainly focusing on Saudi Arabia. The power utility has expressed its intention in a letter to the Minister for Planning, Development and Special Initiatives, Ahsan Iqbal. The KE, being the [see more...](#)

AEDB merged with PPIB – Neutral

The government has merged Alternative Energy Development Board (AEDB) with the Private Power and Infrastructure Board (PPIB) after final approval of amendments already cleared by the parliament aimed at providing one-window facility to investors. According to the PPIB, upon promulgation of the Private Power and Infrastructure Board (Amendment) Act, 2023 notified through the Gazette of Pakistan, [see more...](#)

Domestic edible oil, ghee output grew by 12.75% and 10.44% in 11 months – Neutral

Domestic production of cooking oil, and vegetable ghee during the 11 months of the financial year that ended on June 30, 2023, increased by 12.57 per cent and 10.44 per cent respectively as compared to the output of the corresponding period of last year. During the period from July-May, 2022-23 about 513,206 metric tons of edible oil were produced [see more...](#)

LHC suspends order stopping transfer of land to army – Neutral

A division bench of the Lahore High Court (LHC) on Monday suspended an order of a single bench restraining the Punjab caretaker government from leasing land to the Pakistan Army for corporate farming on a 20-year-lease in three districts of Punjab. Earlier, a law officer pleaded that there was a contradiction in the court's verdict, asserting that [see more...](#)

Pakistan, Uzbekistan, Afghanistan finalize inter-regional railway track – Neutral

The route of the trilateral railway track Uzbekistan-Afghanistan-Pakistan (UAP) project has been finalized and its joint protocol will be signed tomorrow. The route was finalized during a high-level meeting between the officials of Pakistan, Afghanistan and Uzbekistan. The key objective of the UAP project was to build a missing rail link by [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

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- 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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