

MORNING GLANCE



45,009	▼ -34	▼ -0.07%
125 mn	YTD 10.27%	1 Year 8.8%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,749.25	37.80	0.19% ▲
DSE 30	2,200.36	3.33	0.15% ▲
SHANGHAI	3,189.72	8.1	0.25% ▼
Hang Seng	18,721.00	294.72	1.55% ▼
Nikkei 225	32,738.50	244.61	0.75% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,453.69	47.27	0.64% ▲
DAX 30	16,125.49	56.84	0.35% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	34,951.93	366.58	1.06% ▲
S&P 500	4,554.98	32.19	0.71% ▲
NASDAQ	15,841.35	128.07	0.82% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,980.65	0.15	0.01% ▼
Oil-WTI (bbl)	75.47	0.19	0.25% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	283.04	3.78	1.35% ▲
EURO/PKR	318.36	4.44	1.41% ▲
GBP/PKR	370.33	4.65	1.27% ▲
AED/PKR	77.06	1.03	1.35% ▲

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

Market Outlook

The stock market on Tuesday opened on a positive note. However, later on, it lost the impetus and managed to close flat as Investors are expecting a correction because the market had gained a significant number of points in the last few sessions. The KSE-100 index made an intra-day high and low at 45,240.21 (198 points) and 44,848.39 (-194 points) respectively while closed at 45,009 by losing 33 points. Trading volume decreased to 125mn shares as compared to 149mn 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 markets gain following rally in US stocks

Asian markets traded higher on Wednesday following overnight rally in US stocks amid better than expected quarterly results from Wall Street. In the US, strong results from banks helped Dow Jones register its seventh-straight session of gains, its longest streak since March 2021. The index closed at its highest level since April. 2022 Data showed retail sales rose less than expected in June on a fall in [see more...](#)

Oil steadies with China stimulus, U.S. inventories in focus

Oil prices moved little in Asian trade on Wednesday after strong gains in the prior session, as traders awaited more signals on stimulus spending in major importer China, while official data on U.S. inventories was also due later in the day. Crude prices rose sharply on Tuesday after Chinese officials said that the government will shortly roll out more policies to support up local consumption, as data showed this [see more...](#)

Politics

No decision yet on NA dissolution date: govt

Minister for Information and Broadcasting Marriyum Aurangzeb, on Tuesday, denied speculations about the National Assembly dissolution date, saying no decision has been taken on the date of dissolution of the National Assembly. Responding to media reports regarding the dissolution of the Lower House, she said [see more...](#)

Economy

China rolls over \$600m loan – Positive

China has rolled over a \$600 million loan to Pakistan, helping shore up the South Asian country's foreign exchange reserves following a long-awaited deal with the International Monetary Fund (IMF), Prime Minister Shehbaz Sharif said on Tuesday. China had already rolled over more than \$5 billion in loans to Pakistan in the last three months, helping it avert a default as negotiations to secure the IMF bailout [see more...](#)

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Lol to IMF: govt pledges fiscal discipline – Neutral

The government has committed to the International Monetary Fund (IMF) that it would restrain non-priority spending including through energy sector measures aimed at credibly containing energy sector subsidies, the public wage bill, and pensions. In a Letter of Intent (LoI) jointly signed by Finance Minister Ishaq and State Bank of Pakistan (SBP) Governor Jameel Ahmed, it was stated that since the completion of the combined seventh [see more...](#)

No more tax amenities, exemptions; 10 structural benchmarks set for SBA – Neutral

The International Monetary Fund (IMF) has set 10 structural benchmarks (SBs) for stand-by arrangement (SBA) including not granting further tax amenities as well as avoiding the practice of issuing new preferential tax treatments or exemptions. The Fund in its latest country report on Pakistan stated that programme performance will be monitored through quantitative [see more...](#)

IMF conditions outlined in country report: Pakistan won't let interbank, open rates premium go above 1.25pc – Negative

Pakistan has signed an agreement with the IMF for keeping the average premium between the interbank and open market on an exchange rate not more than 1.25 percent during any consecutive five business day period. The IMF has also warned that Pakistan's economic challenges are complex and multifaceted requiring steadfast implementation of agreed policies and continued [see more...](#)

Pakistan assures US of complete implementation of IMF programme – Positive

While extending thanks to the United States for playing its role in convincing the International Monetary Fund (IMF) for getting a \$3 billion Standby Arrangement (SBA), Pakistan has assured the USA of complete implementation of the Fund's programme. There would be no problem with the external account during the tenure of the caretaker setup. Economic teams [see more...](#)

8pc of GDP; IMF projects \$28.361bn gross external financing needs – Negative

The International Monetary Fund (IMF) has projected Pakistan's gross external financing needs at \$28.361 billion for the fiscal year 2023-24 which is eight percent of the GDP. The IMF in its report titled, "Country report, Request For A Stand-By Arrangement," noted that the country's external financing need would be \$30.4 billion in the fiscal year 2024-25. The Fund stated that [see more...](#)

Key policy rate; Govt ready to consider further action in MPC meeting: IMF – Negative

The government has committed to the International Monetary Fund (IMF) that the policy rate was raised to 22 percent on June 26, 2023, and it stands ready to consider further action in the next Monetary Policy Committee (MPC) meeting in July and the coming months, until inflation expectations are on a clear downward path. [see more...](#)

FDI falls 25pc in FY23 – Negative

Pakistan's foreign direct investment (FDI) inflows dropped 25 percent to \$1.456 billion in the 12 months of the last fiscal year, the central bank data showed on Tuesday. Net FDI fell 58 percent to \$114 million in June from \$271 million a year earlier. A decline in FDI is also occurring globally. Due to several unavoidable events, such as the Russia-Ukraine war, rising food and energy prices, financial unrest, and [see more...](#)

June C/A surplus stands at \$334m – Positive

The country posted a current account surplus of \$334 million in June 2023 compared to \$220 million in May 2023, marking the fourth consecutive monthly surplus. The sequential improvement of \$114 million in monthly current account balance came on the back of lower imports of goods/services (down 18 percent), which offset the impact of decline in export of goods/services (down 16 percent), along [see more...](#)

PKR declines further – Negative

The Pakistani rupee maintained its downward trajectory against the US dollar for the third consecutive session, depreciating 1.34% on Tuesday, as euphoria over foreign exchange inflows in the country subsided and gave way to economic fundamentals. At close, the currency settled at 283.04, a decrease of Rs3.78, as per the State Bank of Pakistan (SBP). On Monday, the rupee sustained back-to-back [see more...](#)

Textile group exports decline 14.63pc to \$16.501bn YoY – Negative

The country's textile group exports declined by around 14.63 percent during the fiscal year 2022-23 and stood at \$16.501 billion as compared to \$19.329 billion during the fiscal year 2021-22, the Pakistan Bureau of Statistics (PBS) said. The country's overall exports during the fiscal year 2022-23 totaled \$27.735 billion (provisional) against \$31.782 [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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