

MORNING GLANCE



41,301	▼ -68	▼ -0.16%
60 mn	YTD 1.19%	1 Year -1.99%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,826.00	137.90	0.74% ▲
DSE 30	2,182.50	1.42	0.07% ▲
SHANGHAI	3,253.13	20.2	0.62% ▼
Hang Seng	19,821.75	218.62	1.09% ▼
Nikkei 225	33,671.50	34.58	0.10% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,642.72	14.46	0.19% ▲
DAX 30	16,357.63	67.51	0.41% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	34,299.12	108.94	0.32% ▼
S&P 500	4,409.59	16.25	0.37% ▼
NASDAQ	15,083.92	101.56	0.67% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,967.25	3.95	0.20% ▼
Oil-WTI (bbl)	70.89	1.04	1.45% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	287.19	0.18	0.06% ▼
EURO/PKR	314.22	3.03	0.97% ▲
GBP/PKR	367.26	3.57	0.98% ▲
AED/PKR	78.19	0.05	0.06% ▼

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

Market Outlook

The stock market on Friday opened on a positive 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 the delay in the resumption of the IMF program as the Finance Minister blames 'geopolitics' for stalled IMF loan. The KSE-100 index made an intra-day high and low at 41,613 (244 points) and 41,280 (89 points) respectively while closed at 41,301 by losing 68 points. Trading volume increased to 60mn shares as compared to 45mn shares on the previous trading day. Going forward, the support for the index resides at 41,245 (200 DMA). Breaking this level would further drag the index towards 41,185 (50 DMA). Contrarily, the resistance for the index resides at 41,550.

Key News

International

SGX Nifty to Asian shares - key triggers for the Indian stock market

Asian markets traded mostly lower on Monday while US stock futures were in the green on Monday. Japan's markets were hovering near 33-year highs. Investors will focus on China's loan prime rate decision on Tuesday, along with Federal Reserve chairman Jerome Powell's testimony before the House Financial Services Committee and the Senate. [see more...](#)

Oil retreats as markets await more China rate cuts, Fed cues

Oil prices fell in Asian trade on Monday as markets awaited more interest rate cuts from China, while U.S. monetary policy remained in focus before an upcoming testimony from Federal Reserve Chair Jerome Powell this week. Crude markets saw a dose of profit taking after logging strong gains last week, as signs of strong refinery demand in China [see more...](#)

Politics

Ruling party scrambles to appease allies

As differences among the ruling coalition over the budget for FY24 and other issues have started coming to the fore, Prime Minister Shehbaz Sharif has decided to convene a meeting of his allies in a bid to appease them, sources told Dawn. The government has been facing criticism from almost all coalition partners on the budget during the budget debate [see more...](#)

Economy

Stockbrokers lose faith: Cancel licences at PSX – Negative

The stock trading industry in Pakistan is facing a gradual decline as at least eight stockbrokers have applied to cancel their licenses at the Pakistan Stock Exchange (PSX) this week. The combination of high interest rates, political drama, economic uncertainty, government mismanagement, and an aggravated economic situation has left stockbrokers disappointed. Speaking to the Express Tribune, former [see more...](#)

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Bonus share, super tax; Senate panel rejects all sections of Finance Bill – Neutral

The Senate Standing Committee on Finance and Revenue Friday unanimously rejected all the sections of the Finance Bill 2023 related to bonus share and super tax. The committee meeting, chaired by Senator Saleem Mandviwalla, successfully concluded its deliberations and recommendations on the Finance Bill, 2023-2024. The committee took deferred items and considered [see more...](#)

Buyback spree continues on PSX – Positive

The buyback spree continues on the Pakistan Stock Exchange (PSX) as TPL Properties Ltd, which builds residential and commercial projects through real estate investment trusts (REITs), announced in the outgoing week that it'd purchase up to 50 million of its shares starting from August 2. The buyback exercise, which will be carried out using the firm's distributable profits, will continue until Jan 29, 2024. Afterwards, the property developer will [see more...](#)

In case there's no deal with IMF: Efforts under way to obtain \$3-4bn from friendly countries - Neutral

Under the much-hyped Plan B, Pakistan is left with no option but to make a request to its bilateral partners for additional deposits of \$3 billion in case no deal is struck with the International Monetary Fund (IMF) till end June 2023. The IMF programme is scheduled to expire on June 30, 2023. Both sides, the IMF and Pakistan, had gone public despite showing their [see more...](#)

Reserves, IMF term; \$1bn Chinese loan received - Positive

Pakistan on Friday night received \$1 billion inflows from China as loan to build the depleting foreign exchange reserves. Pakistan recently requested China for the fast-track refinancing of maturing commercial loans of \$1.3 billion not only to build the country's foreign exchange reserves but also meet the IMF's condition of \$6 billion financing for release of the next loan tranche. Finance Minister Ishaq Dar, recently in a meeting with Pang [see more...](#)

China to roll over \$300m in three to four days: Dar – Positive

Finance Minister Ishaq Dar said on Saturday that Pakistan cleared the dues of Chinese banks ahead of time to secure refinancing, though the arrangement came at no extra cost to the country. Besides, another \$300 million would be rolled over in three to four days, he said. Mr Dar's statement came a day after the government announced that about \$2.3 billion in Chinese loans would be rolled over before the ongoing fiscal year ends [see more...](#)

Reconstruction of flood-hit areas; Country to get \$4bn from \$9bn pledged at Geneva moot: officials – Neutral

Pakistan is to receive \$4 billion out of over \$9 billion pledged during the Geneva conference in January 2023 to rebuild destroyed infrastructure owing to the devastating floods of 2022, senior government officials privy to the developments said. According to senior government officials dealing with the matters related to the rebuilding of the infrastructure [see more...](#)

FY2023-24 budget; Govt describes tax exemptions as growth 'triggers' - Neutral

Tax exemptions in budget for next year are "triggers" for economic growth but the government is not "doctrinaire" about its spending plans, the finance ministry said on Friday in response to International Monetary Fund concern. On Thursday, the IMF expressed dissatisfaction with Pakistan's recently presented budget, a blow for the cash [see more...](#)

Over \$7bn lost in exports, remittances - Negative

As the PDM government keeps struggling to secure \$1.1 billion from the International Monetary Fund (IMF), the country lost \$7.15bn on account of shrinking exports and remittances during the first 11 months of FY23. Despite missing out on targets for the outgoing fiscal year, the government has fixed higher exports and remittances projections for FY24. Exports plunged by \$3.491bn, or [see more...](#)

Massive debt servicing to put pressure on investment spending in FY24 - Negative

ISLAMABAD-Debt servicing will put a lot of pressure on Pakistan's investment spending over the next fiscal year (2023-24) as the country will have to return \$22 billion in outstanding loans. According to Columbia Threadneedle Investments, an American asset management firm, Pakistan will have to repay five times more debt than its existing [see more...](#)

Only shares being sold; Shell not winding up its operations: Dar - Neutral

Finance Minister Ishaq Dar Saturday said Shell Petroleum is not winding up its operations in Pakistan, instead it is selling its shares to another foreign direct investor and the government had been aware of it. In a news statement through state-owned news channel, the finance minister said Shell International would transfer its share [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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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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