

MORNING GLANCE



41,266	▼ -65	▼ -0.16%
49 mn	YTD 1.1%	1 Year -5.1%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,487.75	46.65	0.25% ▼
DSE 30	2,201.33	3.31	0.15% ▲
SHANGHAI	3,221.35	16.72	0.52% ▲
Hang Seng	18,770.00	553.09	3.04% ▲
Nikkei 225	31,380.00	231.99	0.74% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,490.27	44.13	0.59% ▲
DAX 30	15,853.66	189.64	1.21% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	33,061.57	153.30	0.47% ▲
S&P 500	4,221.02	41.19	0.99% ▲
NASDAQ	14,441.51	187.42	1.31% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,995.65	0.15	0.01% ▲
Oil-WTI (bbl)	70.25	0.15	0.21% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PAK	285.38	0.09	0.03% ▼
EURO/PAK	304.68	0.20	0.07% ▲
GBP/PAK	354.72	2.11	0.60% ▲
AED/PAK	77.70	0.02	0.03% ▼

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

Market Outlook

The stock market on Thursday remained volatile throughout the day and concluded the session in the red zone amid the coalition government planning to conclude IMF without completing pending reviews. The KSE-100 index made an intra-day high and low at 41,481.53 (151 points) and 41,227 (104 points) respectively while closed at 41,266 by losing 65 points. Trading volume decreased to 49mn shares as compared to 91mn shares on the previous trading day. Going forward, the support for the index resides at 40,920(50 DMA). Breaking this level would further drag the index towards 40,500. Contrarily, the resistance of the index resides at 41,317(200 DMA).

Key News

International

Asian markets trade higher following gains in US stocks; SGX Nifty in the green

Asian markets traded higher on Friday following a rally on Wall Street amid rising hopes that the US Federal Reserve will pause its interest rate hikes in June Comments from US Fed officials signaled that the Fed is likely to keep the interest rates steady, with Philadelphia Federal Reserve President Patrick Harker saying US central bankers should not raise interest rates at their next meeting. Meanwhile, the [see more...](#)

Respite for oil market amid rate hike worries

Oil steadied on Thursday as a potential pause in US interest rate hikes and the passing of a crucial vote on the US debt ceiling bill were offset by a report of rising inventories in the world's biggest oil consumer US Federal Reserve officials on Wednesday suggested interest rates could be kept on hold this month and the US House of Representatives passed a bill suspending the government's debt ceiling, improving [see more...](#)

Politics

FO rejects US Congressmen's concerns on rights violations

Pakistan on Thursday rejected concerns expressed by a number of US lawmakers over possible human rights violations following the arrest of hundreds of rioters involved in ransacking military installations and other state [see more...](#)

Economy

Pakistan to 'end existing IMF programme, plans to negotiate new deal - Negative

The coalition government is planning to conclude the International Monetary Fund's (IMF) \$6.5 billion Extended Fund Facility (EFF) without completing all pending reviews, sources told Geo News, adding that Pakistan has decided to negotiate a new programme with the lender "immediately after budget". The Sources said that while [see more...](#)

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IMF procrastination; MoS Aisha says there is no 'Plan-B' – Neutral

Minister of State for Finance, Aisha Ghaus Pasha Thursday said the agreement on 9th review was delayed because the International Monetary Fund (IMF) is not ready to reduce the external financing requirement to \$3 billion and categorically stated that there is no Plan-B and the government is committed to the IMF programme. This was stated by the state minister during a meeting of [see more...](#)

Forex reserves fall by \$218m - Negative

The country's total foreign exchange reserves further decreased by \$ 218 million during the last week. According to State Bank of Pakistan (SBP), the total liquid foreign reserves held by the country stood at \$ 9.513 billion as of May 26, 2023 compared to \$ 9.731 billion as on May 16, 2023. During the week under review, SBP reserves decreased by \$ 102 million to \$ 4.091 billion due to external debt payments. Net foreign exchange [see more...](#)

Jul-Apr: FBR suffers Rs428bn shortfall - Negative

The revenue shortfall of the Federal Board of Revenue (FBR) has reached Rs 428 billion during July-April (2022-23). According to the updated figures of revenue collection issued by the FBR on Thursday, the FBR has collected Rs 572 billion in May 2023 against a target of Rs 621 billion, reflecting a shortfall of Rs 49 billion. Despite all odds, the FBR has put in tremendous effort to achieve the revenue target for the month of May 2023 by [see more...](#)

Inflation rockets to 38pc amid economic slide - Negative

The Consumer Price Index (CPI)-based inflation increased to 38 percent on a year-on-year basis in May 2023 as compared to an increase of 36.4 percent in the previous month and 13.8 percent in May 2022, Pakistan Bureau of Statistics (PBS) said. On a month-on-month basis, it increased to 1.6 percent in May 2023 as compared to an increase of 2.4 percent in the previous month and an increase of 0.4 percent in May 2022. Average CPI [see more...](#)

Rupee strengthens against dollar after credit card settlement directive - Neutral

The rupee on Thursday gained ground in the open market against the dollar after the State Bank of Pakistan (SBP) allowed commercial banks to buy the greenback at the interbank market to settle international card payments. The dollar on Thursday closed at 299 in the open market, while it ended at 311 on May 31, 2023, per the Exchanges Companies Association [see more...](#)

Pakistan exports record 90,000 tons of fuel oil in May - Positive

Pakistan shipped 90,000 tons of fuel oil in May 2023 to reduce a huge stock built up over the last several months amid low demand in the country, industry sources told The News on Thursday. Fuel oil exports reached 250,000 tons in the last three months (March to May), according to the sources, who foresee more exports in the coming days as the [see more...](#)

Oil sales plunge by 40pc in May amid economic slowdown - Negative

The month of May witnessed a staggering 40 percent decline in oil sales compared to the same period last year, as the country grapples with an economic slowdown and a surge in the volume of Iranian smuggled petroleum products flooding the market, industry data showed on Thursday. According to sales figures of oil marketing companies, the sale [see more...](#)

LPG prices slashed by Rs37/kg for June - Positive

The government on Thursday lowered the prices of liquefied petroleum gas (LPG) by 15.88 percent or Rs37/kg for domestic and commercial consumers for June 2023 over the previous month. The decision comes after Saudi Aramco significantly reduced the prices of propane and butane, which Islamabad imports for local consumption. The revised price for a kilogram of LPG in June will be Rs197, down from [see more...](#)

Cement sales rise 9pc in May, signalling uptick in construction - Positive

Local cement sales in Pakistan increased by 9 percent to 3.433 million tonnes compared to the same period last year, indicating an uptick in construction and infrastructure activities in the country. After a long sluggish spell, the cement sector has rebounded with over a 19 percent growth in total cement dispatches compared to the previous year [see more...](#)

SilkBank approves MCB Bank's request for due diligence - Neutral

The Board of Directors of Silkbank Limited has reviewed and considered the MCB Bank request and granted its in-principle approval to the management of the Bank to seek regulatory approval from the State Bank of Pakistan and take the required steps for initiating the due diligence of the Bank. MCB Bank Limited had expressed its interest to [see more...](#)

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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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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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