

# MORNING GLANCE



45,095	▲ 86	▲ 0.19%
126 mn	YTD 10.48%	1 Year 11.65%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,833.15	83.90	0.42% ▲
DSE 30	2,197.77	2.59	0.12% ▼
SHANGHAI	3,189.37	9.47	0.30% ▼
Hang Seng	19,000.00	47.69	0.25% ▲
Nikkei 225	32,524.50	371.53	1.13% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,588.20	134.51	1.80% ▲
DAX 30	16,108.93	16.56	0.10% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	35,061.21	109.28	0.31% ▲
S&P 500	4,565.72	10.74	0.24% ▲
NASDAQ	15,826.35	15	0.09% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,988.80	8.40	0.42% ▲
Oil-WTI (bbl)	75.42	0.13	0.17% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	283.80	0.76	0.27% ▲
EURO/PKR	318.55	0.19	0.06% ▲
GBP/PKR	367.62	2.71	0.73% ▼
AED/PKR	77.27	0.21	0.27% ▲

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

## Market Outlook

The stock market on Wednesday remained volatile throughout the day and concluded the session in the green zone as IMF spells out stringent conditions for \$3b breather. The KSE-100 index made an intra-day high and low at 45,227.49 (218 points) and 44,928.02 (-81 points) respectively while closed at 45,095 by gaining 86 points. Trading volume increased to 126mn shares as compared to 125mn shares on the previous trading day. Going forward, the support for the index resides at 44,800. Breaking this level would further drag the index towards 44,500. Contrarily, the resistance for the index resides at 45,350.

## Key News

### International

#### Asian markets to rally in US banking stocks

Asian markets traded mostly lower on Thursday, shrugging off positive cues from US stock markets, ahead of key economic data in the region. The US markets ended higher with the blue-chip Dow registering its eighth straight day of gains amid release of corporate earnings. In Asia, China left benchmark lending rates unchanged. The one-year loan prime rate (LPR) was kept at 3.55%, while the five-year LPR was [see more...](#)

#### Oil moves little amid mixed demand signals, stronger dollar

Oil prices steadied in Asian trade on Thursday, coming under pressure from concerns over sluggish U.S. summer demand and economic weakness in China, while a recovery in the dollar also weighed. Crude prices marked wild swings this week as markets weighed weak Chinese economic data, the prospect for more stimulus measures in the country, and mixed readings on U.S. inventories. [see more...](#)

### Politics

#### Imran to face trial under secrets act for cipher plot: Rana Sana

The former Principal Secretary of Imran Khan, who had gone missing for some time, made headlines on Wednesday after he accused the ex-prime minister of using the US cipher to create a false narrative against the military establishment and the-then opposition. Azam Khan, who has been "missing" since last month, recorded his statement under [see more...](#)

### Economy

#### IMF Warns Pakistan May Have to Restructure Debt If Goals Not Met – Neutral

The International Monetary Fund said Pakistan's external debt has swelled to \$100 billion, warning the nation could well become the next country to restructure its debt if it doesn't hit bailout program goals. Risks to debt sustainability have become more pronounced due to the scarcity of international financing and large funding needs, the IMF said in [see more...](#)

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### **Pakistan's central bank faces a tough call on monetary policy – Neutral**

Pakistan's central bank faces a tough choice on whether to raise its key interest rate this month as inflation pressures ease but the IMF urges caution on loosening monetary policy. Financial market participants are divided over whether the State Bank of Pakistan (SBP) will increase its benchmark interest rate on July 31 given that inflation is expected to soften further in the months ahead. [see more...](#)

### **Fiscal year 2023: GDP growth weighed down by tighter monetary, fiscal policies: ADB – Neutral**

GDP growth in Pakistan in fiscal year 2023 (ended 30 June 2023) was weighed down by tighter monetary and fiscal policies to safeguard macroeconomic stability, pervasive inflation, and significant damage from flooding, says the Asian Development Bank (ADB). The bank in its latest report, "Asian Development Outlook, robust growth with moderating inflation" stated [see more...](#)

### **Pakistan dollar bonds fall as investors fear political risk – Negative**

Pakistan sovereign bonds dropped as much as 2 cents on the dollar on Wednesday, with shorter-dated maturities falling the most after the government said the country will open criminal proceedings against former prime minister Imran Khan. The 2025 fell just over two cents at 1127 GMT, according to Tradeweb data, still trading over 60 cents on the dollar after a rally [see more...](#)

### **Ukrainian FM arrives in Pakistan today on first-ever visit – Neutral**

Since the establishment of diplomatic ties between Pakistan and Ukraine in 1993, a ministerial visit from Kiev will take place for the first time when its Foreign Minister Dmytro Kuleba would arrive on July 20-21. [see more...](#)

### **Ailing SOEs come under sharper govt focus – Neutral**

Prime Minister Shehbaz Sharif on Wednesday directed that the reforms of the loss-making institutions must be ensured on a priority basis. He stated this while chairing a review meeting on the ongoing reforms in state-owned enterprises (SOEs). The meeting was informed about the progress of the ongoing reforms in these institutions including the corporations. The meeting was informed during a briefing that the process of reforms in the SOEs is in progress. The meeting was further informed that in order to provide a modern system and the best facilities, [see more...](#)

### **Rupee on losing streak, interbank rate closes at 283.80/dollar – Negative**

The rupee extended losses for the fourth consecutive session in the interbank market on Wednesday, as it fell 0.27 percent to 283.80 against the dollar. In the open market, the rupee ended at 29 per dollar, unchanged from the previous close. "The rupee is under pressure due to an increase in the demand for dollars for import and dividends payments [see more...](#)

### **E&P firms sound alarm over cash flow plight – Negative**

The local exploration and production (E&P) companies have rung alarm bells saying they are on the verge of financial collapse because of severe cash flow situation. This has been triggered in the wake of default by Sui companies on payments amounting to Rs1,317 billion. The state-owned companies, such as OGDCL, PPL and GHPL, have threatened to suspend production operations [see more...](#)

### **KE's licence renewed for 6 months – Positive**

The National Electric Power Regulatory Authority (NEPRA) has provisionally renewed KE's distribution licence for six months. According to NEPRA's order, provisional renewal of KE's distribution licence will be for six months from the date of expiry or till the time the final determination of the authority in the matter is made whichever is earlier. Per Authority's order, K-Electric Limited submitted application on [see more...](#)

### **Electricity: govt hasn't enhanced peak hours – Neutral**

The government has not enhanced peak hours for electricity consumers in the country as it is neither mentioned in Discos' tariff determinations recently issued by the Nepra nor is it in the plan of authorities, well informed sources told Business Recorder. There were speculations in social media that the government has enhanced peak hours' duration by two hours along with the increase in basic electricity tariff [see more...](#)

### **215,752 tonnes of sugar exported in FY23 – Neutral**

Pakistan exported a significant quantity of 215,752 tonnes of sugar during the February-June period of the outgoing FY23 against zero foreign sales in the comparable period the preceding year, causing a surge in domestic retail prices of the sweetener, showed data compiled by the Pakistan Bureau of Statistics (PBS). The sugar industry had been demanding permission for the export of surplus volumes since [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

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