

# MORNING GLANCE



40,621	▼ -680	▼ -1.65%
93 mn	YTD -0.48%	1 Year -2.77%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,755.45	-	-
DSE 30	2,188.61	6.11	0.28% ▲
SHANGHAI	3,244.74	11.06	0.34% ▼
Hang Seng	19,659.00	253.89	1.28% ▼
Nikkei 225	33,193.50	176.92	0.53% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,588.48	54.24	0.71% ▼
DAX 30	16,201.20	156.43	0.96% ▼

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.)	1,961.15	1.15	0.06% ▼
Oil-WTI (bbl)	71.19	0.32	0.45% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PAKR	287.26	0.07	0.02% ▲
EURO/PAKR	313.91	0.31	0.10% ▼
GBP/PAKR	368.07	0.81	0.22% ▲
AED/PAKR	78.21	0.02	0.03% ▲

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

## Market Outlook

The stock market on Monday plunged over 600 points and concluded the session deep into the losses as Pakistan is not a part of the IMF's Executive Board's meeting schedule till June 29. The KSE-100 index made an intra-day high and low at 41,484 (183 points) and 40,610 (691 points) respectively while closed at 40,621 by losing 680 points. Trading volume increased to 93mn shares as compared to 60mn shares on the previous trading day. Going forward, the support for the index resides at 40,400. Breaking this level would further drag the index towards 40,000. Contrarily, the resistance for the index resides at 41,000.

## Key News

### International

#### SGX Nifty to China's lending rate cut - key triggers for Indian stock market

Asian markets traded mixed on Tuesday as China cut its loan prime rate, while the US stock futures started the holiday-shortened week lower. The Chinese central bank decided to cut its key policy rate for the first time in 10 months in a move to prop up growth, amid signs of slowing recovery in the world's second largest economy. [see more...](#)

#### Oil prices dip as markets weigh China rate cut, weak economic outlook

Oil prices retreated in Asian trade on Tuesday as investors weighed another interest rate cut in China against increasing pessimism over its economic prospects this year, while caution over U.S. monetary policy also persisted. Both contracts retreated on Monday after concerns over China largely offset signs of tighter supply from Saudi Arabian [see more...](#)

### Politics

#### No political differences with PMLN: Bilawal

Pakistan Peoples Party (PPP) Chairman and Foreign Minister Bilawal Bhutto Zardari on Monday responded to the reports of rifts between his party and Pakistan Muslim League Nawaz (PMLN), saying that there are no "no political differences" between the ruling parties. The PPP's committee will meet Prime Minister Shehbaz Sharif today once again. There is no political difference with the PMLN, however, there [see more...](#)

### Economy

#### Pakistan not on IMF board's agenda – Negative

The International Monetary Fund (IMF) Executive Board has issued meetings scheduled till June 29, but Pakistan is not on the agenda as the 9th review under the Extended Fund Facility (EFF) programme remains pending. The current IMF programme of \$6.5 billion is scheduled to end on June 30, 2023, with around \$2.6 billion remaining undisbursed. According to the IMF Executive Board calendar [see more...](#)

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### **Pakistan records current account surplus of \$255 million in May – Neutral**

Pakistan recorded a current account surplus of \$255 million in May, up from \$78 million a month earlier, the central bank data showed on Monday, thanks to increased exports. This is the third consecutive month of current account surpluses, which are largely due to a narrowing of the country's trade deficit following import restrictions. In addition, exports rose significantly this time [see more...](#)

### **Government selects three assets for Islamic bond issue – Negative**

The cash-strapped government has selected three assets to be used to issue local-currency-denominated Islamic bonds in an effort to meet its financing needs and boost Islamic banking in Pakistan. These assets include the Islamabad Expressway (from Faisal Mosque Chowk to T-Chowk near Rawat), the Islamabad Metro (Islamabad Portion), and the Islamabad Sports [see more...](#)

### **Super tax waiver, tax on real estate, agri sectors in phases proposed – Neutral**

The Senate, on Monday, proposed 55 recommendations and changes in the Finance Bill 2023 including the abolition of super tax and gradual imposition of taxes on the real estate and agricultural sectors. Moreover, the Senate has also submitted 31 recommendations regarding the public sector development programme. The recommendations on the Finance Bill, [see more...](#)

### **Over Rs41.367trn charged expenditure to be tabled in NA – Neutral**

The federal government would table more than Rs41.367 trillion charged expenditure included in Demands for Grants and Appropriations for the financial year ending on 30th June 2024 for discussion in the ongoing budget session of the National Assembly under clause (1) of Article 82 of the Constitution. Finance Minister Ishaq Dar would table more than Rs41.367 trillion charged [see more...](#)

### **Second oil shipment from Russia faces one-week delay – Neutral**

The arrival of the second tanker of Russian crude oil carrying 55,000 tonnes to Pakistan has been delayed by one week, The News learnt on Monday. Expected arrival of the tanker was June 20, 2023. "This tanker will now be arriving by the end of this month," sources in the shipping sector familiar with the matter revealed. Talking about the reason for the delay, the sources said that the arrival of the second tanker had to be postponed [see more...](#)

### **PSMC halts production on inventory shortage – Negative**

Inventory shortage continues to trouble the auto industry as Pak Suzuki Motor Co. Ltd (PSMC) announced another shutdown for two weeks at both its car and bike plants on Monday. The company made the announcement in a statement released to the Pakistan Stock Exchange. "Due to shortage of inventory level, the management of the company has decided to shut-down motorcycle and automobile [see more...](#)

### **SAZEW makes strategic land acquisition for future growth at Rs9m per kanal – Positive**

Sazgar Engineering Works Limited (PSX: SAZEW) has purchased a piece of land measuring nearly 16 Kanals at the rate of Rs9 million per Kanal adjacent to the company's four-wheeler project considering the future business requirements, the company's filing on PSX showed. The company is a premier CNG 4 Stroke Auto Rickshaw [see more...](#)

### **Flood allocation; Sindh's reservations will be addressed without delay: Dar – Neutral**

Finance Minister Ishaq Dar on Monday assured Pakistan People's Party (PPP) – a key ruling coalition partner – that Sindh's reservations over the budget 2023-24 in connection with funds for rehabilitation of 2022 flood victims would be addressed without any delay. Speaking in the National Assembly while responding to a point raised by Nafisa [see more...](#)

### **July-May period; Release of Rs703.6bn funds authorised for uplift projects – Neutral**

The Ministry of Planning, Development and Special Initiatives has authorised the release/disbursement of Rs703.6 billion funds including Rs136 billion foreign exchange component from July to May of the financial year 2022-23, whereas, Rs485.5 billion expenditures were made against Rs714.2 billion total budgeted allocations for the Public Sector [see more...](#)

### **Rs750bn Balochistan budget presented – Neutral**

The Balochistan budget for the financial year of 2023-24 has been approved. The Rs750 billion budget comprises Rs437b non-development expenditure and Rs229 billion development allocation while the deficit stands at Rs49 billion. The salary of Balochistan employees from grade 1 to grade 16 has been increased by 35 percent and the salary of employees from grades 17 to 22 by 30 percent. [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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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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