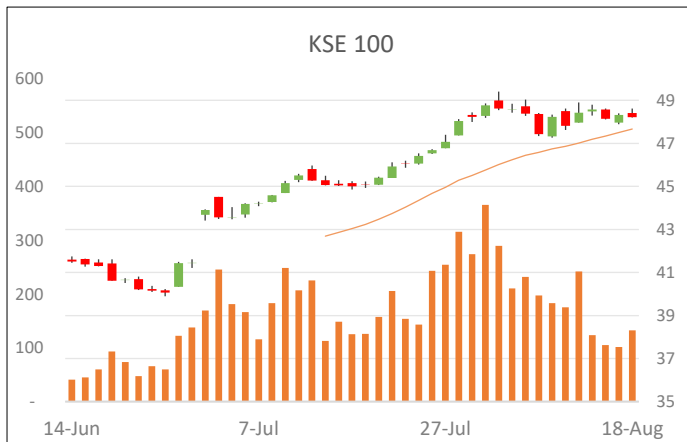


# MORNING GLANCE



48,218	116	▲ 0.37%
132 mn	YTD 18.4%	1 Year 10.64%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19310.15	55.1	0.28% ▼
DSE 30	2,121.67	13.01	0.62% ▲
SHANGHAI	3,114.13	17.83	0.57% ▼
Hang Seng	17,712.00	196	1.09% ▼
Nikkei 225	31,727.50	265.00	0.84% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,262.43	47.78	0.65% ▼
DAX 30	15,574.26	102.64	0.65% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	34,500.66	25.83	0.07% ▲
S&P 500	4,369.71	0.65	0.01% ▼
NASDAQ	14,694.84	20.97	0.14% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,919.90	3.40	0.18% ▲
Oil-WTI (bbl)	81.31	0.65	0.81% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	296.00	1.28	0.43% ▲
EURO/PKR	320.75	-	-
GBP/PKR	375.55	-	-
AED/PKR	80.29	-	-

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 momentum and reversed all of its intra-day gains, while concluding the session in the red zone amid Pakistan's current account deficit clocks in at \$809mn in July, highest since October 2022. The KSE-100 index made an intra-day high and low at 48,615.14 (289 points) and 48,196 (-253 points) respectively while closed at 48,218 by losing 116 points. Trading volume increased to 132mn shares as compared to 101mn shares on the previous trading day. Going forward, we expect the market to remain volatile as there is no apparent trend in the market. The index has a nearby support at 47,900. Breaking this level can further drag it towards 47,300. However, the current resistance of the index resides at 48,600.

## Key News

### International

#### Asian shares head for 3rd week of losses on China woes, US rates

Most Asian stocks sank on Monday after China cut its key lending rates by a smaller-than-expected margin, while anticipation of more cues on U.S. monetary policy also kept sentiment subdued. Chinese stocks were by far the worst performers for the day, given that a smaller-than-expected rate cut from the People's Bank of [see more...](#)

#### Oil prices climb on expectations of lower OPEC+ exports in August

Oil prices rose on Monday as global supply is tightening with lower exports from Saudi Arabia and Russia, offsetting nagging concerns about global demand growth amid high interest rates. Brent climbed 75 cents to \$85.55 a barrel by 0301 GMT, while U.S. West Texas Intermediate [see more...](#)

### Politics

#### SC judge proposes full court to hear Imran's case on NAB law

When Friday's proceedings started, Chief Justice of Pakistan (CJP) Umar Ata Bandial, who was heading the three-judge bench, observed that his fellow judge wanted to say something. Taking the floor next, Justice Shah [see more...](#)

### Economy

#### Rupee to face more pressure as import, dividend payments resume – Neutral

The rupee is expected to remain under pressure next week due to growing demand for dollars as a result of the clearing of backlogs in import and dividend payments, traders said. Fears that the caretaker administration will be in place for a long time and that this year's elections may not be held as planned are likely to weigh [see more...](#)

## MORNING GLANCE

### Foreign portfolio investors make a comeback after IMF loan – Positive

The central bank's latest data suggests that foreign inflows into the Pakistan Stock Exchange (PSX) and the debt market surged 19% or slightly over Rs54 billion (\$183 million at the exchange rate of Rs295/\$) in the first seven weeks of current fiscal year, totaling around Rs344 billion (\$1.16 billion). In the prior fiscal year, they had emerged as net sellers of securities worth Rs29.53 [see more...](#)

### Saudi team arrives in Islamabad – Neutral

A delegation from Saudi Arabia, headed by Saudi Minister for Haj and Umrah Dr Tawfig bin Fawzan Al-Rabiah, arrived here on a four-day visit to Pakistan. Caretaker Minister for Religious Affairs Aneeq Ahmed, former minister senator Talha Mahmood and other officials received the delegation at the Islamabad International Airport. The delegation also comprises senior officials of Saudi Haj and Umrah Ministry, Aviation and Tourism departments. [see more...](#)

### Preparation of quarterly national accounts: Revised GDP growth under PDM govt may turn out to be over negative 1pc - Neutral

Pakistan's revised GDP growth for the last financial year will be turned from slightly positive to a massive negative growth of over minus one per cent to comply with the IMF's condition for dissemination of quarterly national accounts. The GDP growth rate under the PDM-led Shahbaz Sharif government had shown a provisional number [see more...](#)

### Caretaker setup to ensure fiscal discipline: PM – Neutral

Caretaker Prime Minister Anwaar-ul-Haq Kakar has stated that the interim government would try to support the new initiatives that the law and the constitution allow us to do so, especially the Special Investment Facilitation Council (SIFC). While speaking at the maiden cabinet meeting of the caretaker government on Friday, he said the interim government will try to ensure fiscal discipline and the sanctity of taxpayers' money. He [see more...](#)

### There's no circular debt settlement plan as yet: OGDCL - Neutral

The Board of Directors of the Oil and Gas Development Company Limited (OGDCL) stated that media reports have recently addressed the issue of circular debt settlement. They would like to clarify that, as of this date, we have not received any formal communication from the relevant authorities. Thus, any information in circulation about a settlement plan might be speculative. "We encourage stakeholders and [see more...](#)

### July C/A deficit stands at \$809m - Negative

Pakistan's current account deficit stood at \$809 million in July 2023 as compared to a deficit of \$1.261 billion during the same month of 2022. The country's current account was in surplus of \$334 million in June 2023 while in the fiscal year FY23 the current account deficit stood at \$2.56 billion. The country's current account maintained a surplus for previous four consecutive months leading [see more...](#)

### No diesel imports in July as refineries struggle with low demand, high stocks - Neutral

Pakistan did not import any high-speed diesel (HSD) in July, as domestic demand slumped due to an economic slowdown and smuggling from Iran, industry officials said on Saturday. HSD is mainly used by the transport and agriculture sectors, which account for about 70 percent of the country's diesel consumption. However, both sectors have been hit [see more...](#)

### Pakistan sets cap on fiscal incentives for refinery upgrade projects – Neutral

Pakistan has imposed a cap of 22 percent of the project cost on fiscal incentives for local refineries that will import used plant, machinery, and equipment (PME) under the notified refining policy of 2023, documents revealed on Friday. The government had also set a 25 percent cap on fiscal incentives for local refineries that will import new [see more...](#)

### PMG, HSD sectors: OMAP says concerned at pricing mechanism – Neutral

The Oil Marketing Association of Pakistan (OMAP) has raised concerns on the pricing mechanism associated with the PMG and HSD sectors in Pakistan. Chairman OMAP Tariq Wazir Ali in a letter written to chairman Oil and Gas Regulatory Authority highlighted a noticeable incongruity between the premiums extended to the state-owned oil [see more...](#)

### Power tariff may go up by another Rs4.37 – Negative

The government has planned yet another increase of Rs4.37 per unit in electricity prices to recover an additional Rs122 billion from consumers in the next four months, which will take the total additional burden on them to Rs721 billion in this fiscal year alone. But despite the planned increase, there will still be a Rs392 billion addition in the flow of the circular debt that will be offset with reduction [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

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

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