











MORNING GLANCE









45,398	▲ 303	▲ 0.67%
157 mn	YTD 11.23%	1 Year 12.21%

ASIA	Value	Pts	Chg. (%)
 NIFTY 50	19,800.45	178.7	0.89% ▼
 DSE 30	2,200.28	2.51	0.11% ▲
 SHANGHAI	3,170.94	1.42	0.04% ▲
 Hang Seng	19,058.00	133.94	0.71% ▲
 Nikkei 225	32,387.50	77.5	0.24% ▼

EUROPE	Value	Pts	Chg. (%)
 FTSE 100	7,646.05	57.85	0.76% ▲
 DAX 30	16,204.22	95.29	0.59% ▲

USA	Value	Pts	Chg. (%)
 DOW JONES	35,225.18	163.97	0.47% ▲
 S&P 500	4,534.87	30.85	0.68% ▼
 NASDAQ	15,466.09	360.26	2.28% ▼

Commodities	Value	Chg.	Chg. (%)
 Gold (t oz.)	1,972.75	1.85	0.09% ▲
 Oil-WTI (bbl)	76.23	0.58	0.77% ▲

Currencies	Value	Chg.	Chg. (%)
 USD/PKR	285.15	1.35	0.48% ▲
 EURO/PKR	319.67	1.12	0.35% ▲
 GBP/PKR	368.41	0.79	0.21% ▲
 AED/PKR	77.64	0.37	0.48% ▲

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

Market Outlook

The stock market on Thursday Surged over 300 points and concluded the session in the green zone as IHC Orders Exclusion of Certain Income from Super Tax Calculation. The KSE-100 index made an intra-day high and low at 45,451.64 (357 points) and 45,067.95 (-27 points) respectively while closed at 45,398 by gaining 303 points. Trading volume increased to 157mn shares as compared to 126mn shares on the previous trading day. Going forward, the support for the index resides at 45,000. Breaking this level would further drag the index towards 44,800. Contrarily, the resistance for the index resides at 45,750.

Key News

International

Fall in Asian markets to mixed US stocks

Asian markets declined on Friday following mixed cues from US stock indices and after the release of Japan's inflation data. Japan's core inflation rate, excluding those for fresh food, rose 3.3%, official data showed. The inflation rate is marginally higher than May's figure of 3.2%. However, this was for the 15th straight month that the inflation rate was above the Bank of Japan's 2% target. The country's headline inflation. [see more...](#)

Oil rises after whipsaw week on China stimulus, tighter supply

Oil prices rose on Friday after wild swings through the week as markets weighed tightening supplies and uncertainty over demand, with focus now shifting squarely towards a Federal Reserve meeting next week. Crude prices were set to end higher for the week as new stimulus measures from China ramped up hopes of improving fuel demand in the [see more...](#)

Politics

Elections under previous delimitations: ECP

The Election Commission of Pakistan (ECP) Thursday announced that the elections would be held under the previous census and delimitation of constituencies Speaking here at a briefing, primarily held on political financing, Special Secretary ECP Zafar Iqbal Hussain and other officials said fresh delimitation of constituencies was not possible before the elections. He made it clear it was unlikely that [see more...](#)

Economy

Pakistan faces debt crisis as IMF warns of high risks – Neutral Pakistan's debt sustainability is under serious threat as the International Monetary Fund (IMF) warned of exceptionally high risks from elevated debt levels, large financing needs and low reserves. The IMF, which extended a \$3 billion loan program to Pakistan earlier this month, estimated that the country's non-Paris Club external debt obligations reached \$31 billion, including \$23.9 billion owed to [see more...](#)

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IMF demands 'swift action' to recapitalise four banks – **Negative**

The International Monetary Fund (IMF) has said delays in structural reforms — such as “resolving” the four undercapitalised banks — can hamper stability in the country’s financial sector. The resolution of a bank means restructuring a failing lender in a situation where regulators believe there’s no prospect of its recovery. In a detailed Staff Report prepared by an IMF team for the July 12 meeting of its Executive Board [see more...](#)

Super tax: IHC says Section 4C ‘as it stands now’ ultra-vires constitution – **Positive**

The Islamabad High Court (IHC) on Thursday approved the petitions filed by various companies and organisations and declared section 4C (Super Tax on High Earning Persons) of the Income Tax Ordinance 2001, “as it stands now”, ultra-vires the constitution. The verdict, which could potentially dent the government’s tax revenue target, was delivered by [see more...](#)

Sovereign dollar bonds extend decline – **Negative**

Sovereign dollar bonds extended a decline on Thursday, with Tradeweb data showing shorter-dated maturities falling as much as 1.3 cents. The slide began on Wednesday after the government said it will launch criminal proceedings against former prime minister Imran Khan for allegedly exposing official secrets. The 2024 and 2025 notes have fallen nearly 5 cents from last week’s high, forfeiting the gains they [see more...](#)

Forex reserves hit \$14bn mark – **Positive**

The country’s total liquid foreign exchange reserves rose to \$ 14 billion by the end of last week, supported by arrival of inflows from the IMF and other friendly countries. According to weekly report issued by the State Bank of Pakistan (SBP) on Thursday, the total liquid foreign exchange reserves held by the country surged to \$ 14.065 billion as of July 14, 2023 compared to \$ 9.838 billion on July 7, 2023. [see more...](#)

5th consecutive fall: rupee settles at 285.15 against US dollar – **Negative**

Pakistani rupee’s fall continued against the US dollar for the fifth successive session, as it depreciated 0.47% on Thursday. At close, the currency settled at 285.15, a decrease of Rs1.35, as per the State Bank of Pakistan (SBP). On Wednesday, the rupee sustained losses against the US dollar for the fourth straight session, depreciating 0.27% to settle at 283.80 in the inter-bank [see more...](#)

Petroleum dealers to go on strike from tomorrow – **Negative**

Pakistan Petroleum Dealers Association (PPDA) has announced that it will observe nationwide strike from July 22, 2023 with shutting down petrol stations all over the country. Pakistan Petroleum Dealers Association Chairman Abdul Sami Khan, while speaking at press conference on Thursday said it is not possible for petroleum dealers to run their business on current rates. [see more...](#)

HSD price cut; Ogra says has no mandate to review or amend govt policy – **Neutral**

The Oil and Gas Regulatory Authority (OGRA) has asked the Oil Companies Advisory Council (OCAC) and Oil Marketing Companies (OMCs) to approach/submit their proposals in writing in case of any grievances which might have impacted them rather to practice other unscrupulous tools through media to malign the organisation, which [see more...](#)

MARI, UEPL secure 44%, 46% working interest in Kalchas South Block – **Positive**

The management of Mari Petroleum Company Limited (PSX: MARI) has announced that the government has approved the assignment of 44% working interest in Kalchas South Block (2869-14) to MPCL along with the assignment of 46% working interest to United Energy Pakistan Ltd (UEPL), the company’s filing on the PSX revealed today. [see more...](#)

Nepra approves positive adjustment of Rs1.90/unit for May – **Negative**

The National Electric Power Regulatory Authority (Nepra) has approved positive adjustment of Rs 1.90 per unit for May 2023 under monthly FCA mechanism, amid dissenting notes by Chairman and Member Sindh against each other’s opinions under the head additional notes. The Authority conducted a public hearing on July 05, 2023 on the data [see more...](#)

Pakistan phasing out imported fuels from power generation mix – **Positive**

Pakistan is gradually reducing its reliance on imported fuels to address the main cause of depleting foreign reserves, with May numbers showing a significant decline in the share of furnace oil in the energy mix. The country is currently grappling with a historic financial crisis as its foreign reserves dwindle, leaving only enough to cover one month’s [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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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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