

MORNING GLANCE



41,599	▲ 157	▲ 0.38%
54 mn	YTD 1.92%	1 Year -4.34%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,203.40	73.45	0.41% ▲
DSE 30	2,195.29	1.97	0.09% ▲
SHANGHAI	3,292.00	8.46	0.26% ▲
Hang Seng	19,551.00	100.43	0.52% ▲
Nikkei 225	30,806.50	1.85	0.01% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,756.87	14.57	0.19% ▲
DAX 30	16,275.38	112.02	0.69% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	33,426.63	109.28	0.33% ▼
S&P 500	4,191.98	6.07	0.14% ▼
NASDAQ	13,803.49	31.13	0.22% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,978.85	2.75	0.14% ▼
Oil-WTI (bbl)	71.52	0.41	0.58% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	285.82	0.20	0.07% ▲
EURO/PKR	308.11	0.78	0.25% ▼
GBP/PKR	354.76	0.8	0.22% ▼
AED/PKR	77.83	0.05	0.06% ▲

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

Market Outlook

The stock market on Friday remained volatile throughout the day and concluded the session in the green zone amid the ongoing political uncertainty as the police has secured the warrant to search the residence of former prime minister Imran Khan in order to detain the alleged terrorists. The index made an intra-day high and low at 41,629 (187 points) and 41,354 (-88 points) respectively while closed at 41,599 by gaining 157 points. Trading volume increased to 54mn shares as compared to 49mn shares on the previous trading day. Going forward, the resistance for the index resides at 42,100. Breaking this level would further push the index towards 42,500. Contrarily, the support for the index resides at 41,359 (200 DMA).

Key News

International

Asian equities under pressure as US debt talks cast shadow

Asian stocks and Wall Street futures fell on Monday as U.S. debt ceiling negotiations approached crunch time after stalling last week. Lingered worries around the banking industry and fresh geopolitical worries capped sentiment. U.S. President Joe Biden and House Republican Speaker Kevin McCarthy will meet to discuss the debt ceiling on Monday, less than two weeks before the June 1 deadline after [see more...](#)

Oil edges up on supply worries, G7 pledge to enforce Russian price caps

Oil prices edged up on Monday on a softer dollar and supply cuts from Canada and OPEC+ producers, while investors waited to see if a pledge by the Group of Seven (G7) nations to strictly enforce price caps on Russian energy would impact exports. Brent crude futures climbed 14 cents, or 0.2 percent, to \$75.72 a barrel by 0018 GMT while US West Texas [see more...](#)

Politics

Imran agrees to cooperate with NAB

PTI Chairman Imran Khan on Saturday agreed to attend the National Accountability Bureau (NAB) office in Rawalpindi on May 23 (Tuesday) in connection with a scandal involving £190 million -- earlier known as the Al-Qadir Trust case [see more...](#)

Economy

Pakistan, Russia sign deal to boost economic cooperation - Neutral

The deal was signed during a three-day economic conference for Muslim countries that concluded on Friday in Kazan, Russia. The conference brought together participants from 85 countries, fostering a platform for the exchange of business ideas Both countries signed the protocol relating to customs cooperation between Pakistan's Ministry of Commerce [see more...](#)

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Local, foreign assets; Rs9bn CVT collected so far- Neutral

The government has so far collected Rs9 billion on account of capital value tax (CVT) on local and foreign assets. Sources said that in a brief to the Senate Standing Committee on Finance, the Federal Board of Revenue (FBR) stated that Pakistan has been passing through harsh economic times for the last so many years and in order to enhance revenue collection and reduce the fiscal deficit, taxes are imposed which, unfortunately, are [see more...](#)

PBS extends census deadline again - Neutral

The Pakistan Bureau of Statistics (PBS) has once again extended the deadline for the ongoing 7th population and housing census-2023, the first-ever digital census. According to the official PBS documents, in pursuance of the decisions of the 14th meeting of census monitoring committee held on May 17, 2023, the chief census commissioner/chief statistician of PBS approved the continuation of census field operations till 22nd May [see more...](#)

ECC Approve Rs. 1.46bn through TSG for trade mission- Neutral

The Economic Coordination Committee (ECC) of the Cabinet has approved Rs.1.146 billion through technical supplementary grant (TSG) for trade missions abroad after it was told that depreciation of rupee led to shortfall in allocated budget for trade missions. The Ministry of Commerce in a proposal to the ECC stated that its mandate was to alleviate the adverse balance of payment situation through trade facilitation and enhancement [see more...](#)

Letters of credit: Banks asked to facilitate - Neutral

Finance Minister Ishaq Dar has directed commercial banks to facilitate export-oriented sectors to open LCs for raw material, machinery, spare parts and other items to restore the industry's supply line without any reference to SBP, well informed sources told Business Recorder Last month, Finance Minister held a meeting with a delegation of All Pakistan Textile Mills Association (APTMA) which was attended by Syed Naveed Qmar [see more...](#)

Financial bloodbath: PIA hemorrhages Rs97b in losses across 2022- Negative

Pakistan International Airlines (PIA) disclosed their annual earnings report for the year ending 2022 to the Pakistan Stock Exchange (PSX) on May 19. The firm concluded the year with a consolidated loss of Rs 97.23 billion and an unconsolidated loss of Rs 88 billion for year-on-year (YoY) increases of 82% and 76%, respectively. The consolidated earnings report, [see more...](#)

IIL goes green with installation of 1MW solar power system- Neutral

KARACHI-International Industries Limited (IIL), Pakistan's largest manufacturer & exporter of steel and polymer pipes, has announced the successful commissioning of a state-of-the-art 1MW solar power system at IIL Factory 1 in Karachi This initiative marks a significant step towards IIL's larger commitment to sustainability and reducing. [see more...](#)

July-April; Textile group exports dip 14pc to \$13.7bn YoY - Negative

The country's textile group exports declined by around 14.22 per cent during the first 10 months (July-April) of the current fiscal year 2022-23 and remained at \$13.709 billion as compared to \$15.981 billion during the same period of last year, the Pakistan Bureau of Statistics (PBS) said. The data of exports and imports released by the PBS revealed [see more...](#)

Tobacco industry; FBR anticipates Rs200bn collection on FED hike

The Federal Board of Revenue (FBR) has estimated to collect around Rs200 billion from the tobacco industry by the end of 2022-23 after a major increase in the federal excise duty (FED) rates on cigarettes. In the last fiscal year (2021-22), the tax collection from the tobacco industry stood at Rs 148 billion. A new study titled, "Higher tobacco tax helps [see more...](#)

DRAP allows drug makers to hike prices- Positive

The Drug Regulatory Authority of Pakistan (DRAP) has allowed pharmaceutical companies to increase 14 percent price for life-saving drugs and 20 percent in other drugs. According to a notification issued here on Friday, the authority has fixed new maximum retail prices (MRPs) of drugs and biologicals However, this approval is subjected to the specified conditions which include a one-time dispensation [see more...](#)

Rs72bn allocated for ministries under PSDP in fourth quarter - Positive

The Ministry of Planning, Development & Special Initiatives has authorised Rs72 billion for various ministries/divisions in the fourth quarter (April-June) of the current fiscal year (2022-2023) under the Public Sector Development Program (PSDP), which is Rs50 billion more as compared to the previous year. The Planning Ministry has authorized Rs566.85 [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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