

MORNING GLANCE



40,152	▼ -69	▼ -0.17%
66 mn	YTD -1.63%	1 Year -5.43%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,771.25	85.6	0.45% ▼
DSE 30	2,186.06	1.24	0.06% ▲
SHANGHAI	3,197.90	42.46	1.31% ▼
Hang Seng	18,844.00	374.35	1.95% ▼
Nikkei 225	32,703.50	561.38	1.69% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,502.03	57.15	0.76% ▼
DAX 30	15,988.16	34.97	0.22% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	33,946.71	4.81	0.01% ▼
S&P 500	4,381.89	16.20	0.37% ▲
NASDAQ	15,042.32	174.87	1.18% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,921.35	2.35	0.12% ▼
Oil-WTI (bbl)	68.97	0.54	0.78% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	286.73	0.25	0.09% ▼
EURO/PKR	315.17	1.53	0.49% ▲
GBP/PKR	366.04	0.90	0.25% ▲
AED/PKR	78.06	0.07	0.09% ▼

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

Market Outlook

The stock market on Thursday remained volatile throughout the day and concluded the session in the red zone amid the delay in the resumption of the IMF program as the Prime minister expressed hope that the funds allocated under the EFF would be released as soon as possible. The KSE-100 index made an intra-day high and low at 40,379 (158 points) and 40,091 (129 points) respectively while closed at 40,152 by losing 69 points. Trading volume increased to 66mn shares as compared to 48mn shares on the previous trading day. Going forward, the support for the index resides at 40,000. Breaking this level would further drag the index towards 39,700. Contrarily, the resistance for the index resides at 40,450.

Key News

International

Asia stocks slide as growth outlook darkens

Asian stocks headed for their worst week in three months on Friday as a string of hotter-than-expected inflation prints and hawkish central bank surprises made investors nervous about the economic toll of taming runaway prices. MSCI's broadest index of Asia-Pacific shares outside Japan (.MIAPJ0000PUS) fell 0.7% and is down 3.6% for the week, its worst since March. Trade was lightened by a holiday in China. Hong [see more...](#)

Oil resumes slide on demand worries after UK rate hike

Oil prices fell for a second straight session and were headed for a weekly decline of more than 3% on Friday, as a higher-than-expected interest rate hike in Britain and warnings about looming rate rises in the U.S. ignited concerns over demand. futures slipped 51 cents, or 0.4%, to \$73.76 a barrel, while U.S. West Texas Intermediate (WTI) crude futures were [see more...](#)

Politics

New bench formed: SC seeks details of May 9 violence detained persons

The chief justice noted that according to the petitioners around 4,000 people have been detained across the country whether under the Maintenance of Public Order (MPO), the Official Secrets Act, or the Anti-Terrorism Act. Even children have been arrested. The telephone calls are tapped and meetings are surveilled [see more...](#)

Economy

PM briefs IMF chief, hopes for release of stalled funds – Neutral

Prime Minister Shehbaz Sharif on Thursday briefed International Monetary Fund's managing director Kristalina Georgieva on the economic outlook of the cash-strapped South Asian nation, hoping for the release of critical stalled funds. The meeting on the sidelines of the Global Financing Summit in Paris came with about a week [see more...](#)

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Cabinet approves framework pact with UAE – Positive

The Federal Cabinet has approved framework agreement between the government of the United Arab Emirates (UAE) and the government of Pakistan, according to which control of four berths will be handed over to the (ADP) Abu Dhabi Ports and Terminal Operator for 25 years to be extended for another 25 years. The Terminal Operator will invest \$ 102 million in the next five years whereas KTP's liability of \$ 50 million will [see more...](#)

Govt to lease four out of 33 berths to UAE for \$220m – Positive

AD Ports Group of the United Arab Emirates (UAE) signed an agreement Thursday to take over the running of part of main Karachi docking facility in a deal worth an immediate \$220 million, the company said. The deal will come as a shot in the arm for Pakistan, with the economy on the brink of collapse and the government desperate for big-ticket foreign investment to help service crippling debt. AD Ports Group has formed. [see more...](#)

JDS programme; Japan announces 315m yen grant aid – Positive

The government of Japan on Thursday announced grant aid worth 315 million Japanese yen (around \$2.25 million) for the Human Resource Development Scholarship (JDS) programme in Pakistan. ITO Takeshi, Charge'd Affaires ad interim of Japan to the Islamic Republic of Pakistan and Muhammad Humair Karim, additional secretary of the Ministry of Economic Affairs, signed the Exchange of Notes on this programme at a ceremony on Thursday. [see more...](#)

Pakistan receives another \$300m from China – Positive

The country's total liquid foreign exchange reserves fell by \$515 million during the last week, mainly due to external debt servicing. However, Pakistan has received another inflow amounting to \$ 300 million from China. According to State Bank of Pakistan (SBP), the total liquid foreign exchange reserves held by the country stood at \$ 8.864 billion as of June 16, 2023 compared to \$ 9.378 billion on June 6, 2023. During the week under review, the [see more...](#)

Pakistan has to repay \$10.35bn in debt servicing till Dec – Negative

The risk of default on external debt repayments will emerge within the first six months (July-Dec), as Pakistan will have to repay \$10.35 billion in foreign debt servicing till end of December 2023. In order to avert a balance of payment crisis, including repayment of external debt and obligations, Pakistan requires injections of \$4 to \$6 billion immediately in case there is no revival of the [see more...](#)

Lucky Cement moves Rs116bn into 'separate capital reserves' – Positive

Lucky Cement Limited has reclassified revenue reserves of Rs116 billion into separate capital reserves to "more accurately reflect the nature of the reserves", a statement said on Thursday. The move will make the funds undistributable by way of dividends. The company shared the development through a notice to the Pakistan Stock [see more...](#)

Master plan for flood-hit areas' reconstruction next month: Dar – Neutral

Finance Minister Ishaq Dar on Thursday announced that a master plan for the rehabilitation and reconstruction of flood-hit areas would be prepared by the 15th of next month. Speaking in the National Assembly, he said the decision to this effect was taken in recent meetings with the senior leadership of the Pakistan Peoples Party and other coalition [see more...](#)

Income tax collection shows 41pc growth: FBR – Positive

Federal Board of Revenue (FBR) has surpassed the income tax annual target 10 days ahead of the close of the ongoing financial year. According to the FBR Twitter handle, so far it has collected Rs3,035 billion against the target of Rs3,026 billion, showing 41 percent unprecedented growth as compared to the last year. "Inland Revenue Service FBR surpasses income tax annual target of Rs3,026 [see more...](#)

APTMA seeks resumption of RCET scheme – Neutral

All Pakis-tan Textile Mills Association (APTMA) has sought resumption of gas and electricity at concessional rates under the scheme - Regionally Competitive Energy Tariffs (RCET) to avert closure of export industry which will lead to significant unemployment, loss of export revenue and further deterioration in the Balance of Payments. In a letter to Prime Minister, Shehbaz Sharif, Pattern [see more...](#)

SBP unveils revised regulations for EMIs – Neutral

The State Bank of Pakistan (SBP) on Wednesday issued revised regulations for Electronic Money Institutions (EMIs) with the aim to enhance outreach and scope of these innovative fintech-enabled payment companies. The updated regulations now allow EMIs to offer their customers, including minors and freelancers, increased monthly wallet limits, offer new payment services such as payments aggregation, [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:

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- 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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