



41,195	▼ -404	▼ -0.97%
47 mn	YTD 0.93%	1 Year -5.27%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,314.40	111.00	0.61% ▲
DSE 30	2,195.29	1.97	0.09% ▲
SHANGHAI	3,285.41	11.06	0.34% ▼
Hang Seng	19,677.50	0.67	-
Nikkei 225	31,278.50	191.68	0.62% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,770.99	14.12	0.18% ▲
DAX 30	16,223.99	51.39	0.32% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	33,286.58	140.05	0.42% ▼
S&P 500	4,192.63	0.65	0.02% ▲
NASDAQ	13,849.74	46.25	0.34% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,963.00	14.2	0.72% ▼
Oil-WTI (bbl)	72.46	0.41	0.57% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	287.00	1.18	0.41% ▲
EURO/PKR	310.42	2.31	0.75% ▲
GBP/PKR	356.76	2.00	0.56% ▲
AED/PKR	78.52	0.69	0.89% ▲

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

## Market Outlook

The stock market on Monday plunged over 400 points and concluded the session in the red zone amid the delay in the resumption of the IMF program & ongoing political uncertainty which led to negative market sentiment. The index made an intra-day high and low at 41,690 (91 points) and 41,155 (-444 points) respectively while closed at 41,195 by losing 404 points. Trading volume decreased to 47mn shares as compared to 54mn shares on the previous trading day. Going forward, the support for the index resides at 40,985 (50 DMA). Breaking this level would further drag the index towards 40,500. Contrarily, the resistance for the index resides at 41,365 (200 DMA).

## Key News

### International

#### Asian shares rise, US stock futures gain on 'productive' debt talks

Asian markets traded higher Tuesday following mixed cues from the US stocks after President Joe Biden and House Speaker Kevin McCarthy said they had a "productive talk" on the debt ceiling. The negotiations between US President Joe Biden and House Speaker Kevin McCarthy on how to raise the US government's \$31.4 trillion debt ceiling failed to [see more...](#)

#### Oil Edges Higher as Traders Track Talks to Head Off US Default

Oil rose after US leaders including President Joe Biden sounded a broadly positive tone on solving the debt-limit impasse, aiding risk appetite. West Texas Intermediate for July gained above \$72 a barrel after that contract added 0.5% on Monday. House Speaker Kevin McCarthy said he and Biden had a productive talk, although a deal to avert a [see more...](#)

### Politics

#### SC takes up ECP review plea on Punjab polls today

The Supreme Court will take up today's (Tuesday) hearing in the review petition of the Election Commission of Pakistan (ECP) challenging its order of April 4, setting date May 14 for holding the election in the province of Punjab. A three-member bench of the apex court headed by Chief [see more...](#)

### Economy

#### Russia to commence direct shipping service by 25<sup>th</sup> - Neutral

A direct containerized shipping service between Karachi and Saint Petersburg is going to be launched by May 25, 2023, signalling a transformative shift in bilateral trade between Pakistan and Russia. The launch of a direct containerized shipping service between Karachi and Saint Petersburg is set to reshape trade relations between both countries, with immense business opportunities and the potential [see more...](#)

## MORNING GLANCE

### Gold, silver prices soar - Neutral

Gold prices on Monday saw a big hike with silver regaining momentum on the local market, traders said. Gold prices surged by Rs2000 to Rs237300 per tola and Rs1714 to Rs203446 per 10 grams. Up by Rs50 and Rs42.87, silver was traded for Rs2900 per tola and Rs2486.28 per 10 grams, respectively. On the global market, gold prices stood at \$1972 per ounce and silver for \$22.76 per 10 grams, traders added. [see more...](#)

### Jul-Apr mobile phone imports stand at \$473.287m - Neutral

The country imported mobile phones worth \$473.287 million during the first 10 months (July-April) of the current fiscal year 2022-23, registering a negative growth of 73.84 percent when compared to \$1.809 billion during the same period of last year. Pakistan's mobile phone imports declined by 28.69 percent on a month-on-month (MoM) basis in April 2023 and stood at \$10.587 million compared to imports of \$14.846 million in [see more...](#)

### PSW automates import of pesticides - Neutral

Pakistan Single Window (PSW) has launched a new service to facilitate the import and clearance of pesticides in Pakistan, a statement said on Monday. As part of the service, PSW has deployed the unified registration system enabling electronic registration of pesticide products and premises with the Department for Plant Protection (DPP). The URS enables real-time validation of pesticide products and premises at the time of [see more...](#)

### Internet, IT devices; SBP advocates cut in duties and taxes - Neutral

The State Bank of Pakistan (SBP) has asked for reduction of the duties and taxes on internet and IT devices for rapid growth of IT sector. According to SBP, fast evolving IT industry requires consistent and concerted efforts to be led by the Prime Minister office or a dedicated Ministry for coordination among public and private institutions. In Pakistan, the driven by both [see more...](#)

### OCTOPUS Skip Cash Payout for Future Growth - Neutral

Octopus Digital Limited (OCTOPUS) skip cash payout as management focus to preserve cash for business growth and deploy funds for future Research and Development (R&D) expenditures. Share price of the company drop PKR 1.48 or 3.37 percent in today's trading at Pakistan Stock Exchange to close the day at PKR 42.44, "Given the Current Pakistan economy situation and Company's growth plan in the digital drive [see more...](#)

### Pakistan's auto industry lays off thousands as sales down 70pc in a year - Negative

Pakistan's automotive industry has laid off thousands of employees in recent months as the sale of vehicles and spare parts has declined most due to a government ban on the import of raw materials, a massive depreciation of the rupee and soaring inflation, Arab News reported on Monday. Pakistan is facing its most daunting economic crisis [see more...](#)

### Swelling circular debt also affects NPPs - Negative

As the country's energy sector is facing a cumulative circular debt of stock of over Rs 4 trillion, Nuclear Power Plants (NPPs) are also victim of indecisions of federal government entities with respect to payment of overdue receivables. Of Rs 4 trillion total circular debts, Rs 2.6 trillion is related to power sector whereas the stock of petroleum sector stands at Rs 1.7 trillion. The organizational affairs of Pakistan's [see more...](#)

### Rs67bn loss caused thru misuse of subsidized RLNG for EoUs - Negative

Directorate General of Audit Petroleum and Natural Resources has found shortcomings in supply of subsidized RLNG to Export Oriented Units (EoUs), which was massively misused as no monitoring mechanism was framed by the ministry of Commerce (MoC) and Federal Board of Revenue (FBR) for checking exports and foreign remittances [see more...](#)

### Inflation set to hit record high of 37 percent in May - Negative

Inflation in Pakistan is expected to peak at a record high of 37 percent in May 2023, as rising food, energy, and other costs drive price gains in the country to the highest in the region, a brokerage report said on Monday JS Global said consumer price index (CPI) is expected to reach 37.27 percent year-on-year (YoY) in May. In April 2023, CPI was recorded at [see more...](#)

### PKR declines further - Negative

The Pakistani rupee registered losses against the US dollar for the fourth consecutive session, depreciating 0.26% in the inter-bank market on Monday. At close, the currency settled at 286.56, a loss of Re0.74 as per the State Bank of Pakistan (SBP). In the open-market, the US dollar hit a record level of 306 against the rupee. At close, the US dollar settled at Rs305, up by Rs4 as compared to Rs301 on Friday [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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