

MORNING GLANCE



45,920	▲ 522	▲ 1.15%
206 mn	YTD 12.51%	1 Year 14.58%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,745.00	234.15	1.17% ▼
DSE 30	2,196.79	3.49	0.16% ▼
SHANGHAI	3,169.97	2.23	0.07% ▲
Hang Seng	18,846.00	230	1.21% ▼
Nikkei 225	32,811.50	497.00	1.54% ▲
EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,663.73	17.68	0.23% ▲
DAX 30	16,177.22	27	0.17% ▼
USA	Value	Pts	Chg. (%)
DOW JONES	35,227.69	2.51	0.01% ▲
S&P 500	4,536.34	1.47	0.03% ▲
NASDAQ	15,425.67	40.41	0.26% ▼
Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,963.00	3.6	0.18% ▼
Oil-WTI (bbl)	76.89	0.18	0.23% ▼
Currencies	Value	Chg.	Chg. (%)
USD/PKR	286.81	1.66	0.58% ▲
EURO/PKR	319.13	0.54	0.17% ▼
GBP/PKR	369.13	0.72	0.20% ▲
AED/PKR	78.09	0.45	0.58% ▲

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

Market Outlook

The stock market on Friday Surged over 500 points and conclude the session in the green zone amid the revocation of the super tax that terminated all notices in this regard as well as reports of keeping the policy rate the same. The KSE-100 index made an intra-day high and low at 46,122.16 (724 points) and 45,391.55 (-7 points) respectively while closed at 45,921 by gaining 522 points. Trading volume increased to 206mn shares as compared to 157mn shares on the previous trading day. Going forward, we expect the profit-taking to continue in the short term as all the technical indicators have been exhausted. Therefore, we advise our investors to take profits on strength and consider the dips as buying opportunities. The index is anticipated to face upcoming support at 45,550 and 45,300 while finding resistance at 46,200.

Key News

International

Mixed trend in Asian markets to Wall Street corporate earnings

Asian markets traded mixed on Monday ahead of key economic data in the region and an action packed week of earnings and central bank meetings this week. Markets anticipate a 25 basis points interest rate hike from the US Federal Reserve and European Central Bank later this week and possibly the end of the tightening cycle in both. [see more...](#)

Oil prices dip amid Fed fears, rate hike jitters

Oil prices fell on Monday as investors locked in some profits after strong gains in the prior week, while strength in the dollar, before a closely-watched Federal Reserve meeting, also weighed. The prospect of tighter supplies put prices close to their highest levels in nearly three months, as [see more...](#)

Politics

PML-N proposes Dar as interim PM, but PPP disagrees

As PML-N supreme leader Nawaz Sharif intends to see party stalwart and confidant Ishaq Dar as the interim prime minister, the PPP has expressed strong reservations saying a "man from the Sharif family" is not suitable to lead the 'neutral' setup. [see more...](#)

Economy

Pakistan has to repay \$2.44bn external debt in July - Neutral Pakistan's external debt servicing requirement stands at \$2.44 billion during the ongoing month (July 2023) including non-guaranteed debt of \$2.07 billion to China. Another \$1 billion safe deposits from China is also due, so Pakistan and China are currently working on the rollover of around \$3 billion bilateral debt within the ongoing month. Official data exclusively available with The News revealed that Pakistan [see more...](#)

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Rs200m TSG approved for SIFC secretariat - Neutral

A meeting of the Economic Coordination Committee (ECC) of the Cabinet has approved a technical supplementary grant of Rs200 million for the operationalisation of the Special Investment Facilitation Council (SIFC) Secretariat. The meeting of the ECC dated July 20, 2023 (Thursday), presided over by Finance Minister Ishaq Dar was submitted a summary by the Prime Minister Office Special Investment Facilitation Council Secretariat. The ECC [see more...](#)

Assets worth Rs2.3tr identified for new Sovereign Wealth Fund - Neutral

The government has identified at least seven state assets with a net worth of Rs2.3 trillion to be transferred into a new Pakistan Sovereign Wealth Fund for raising funds through the sale of shares and using their earnings for capital investments. Senior finance ministry officials informed The Express Tribune that the outgoing government is in the final stage of establishing [see more...](#)

FBR withholds Rs400bn in tax refunds amid IMF concerns - Neutral

The Federal Board of Revenue (FBR) has held back over Rs400 billion in tax refunds to reduce the volume of shortfall in annual revenue collection in the outgoing FY23. The FBR's decision to withhold tax refunds has sparked significant concerns and drawn a strong reaction from the International Monetary Fund (IMF). In response to the situation, the IMF [see more...](#)

Fiscal year 2022-23; Govt borrows \$10.84bn from multiple sources - Neutral

The government has borrowed \$10.844 billion from multiple financing sources including \$2.206 billion from foreign commercial banks during the fiscal year 2022-23 compared to \$16.974 billion borrowed during the same period of 2021-22, showing a decline of around 37 percent. The government had budgeted foreign assistance of \$22.817 billion for the fiscal year 2022-23 [see more...](#)

China dominated Pakistan's FDI with \$432.7 million in FY 23 - Neutral

In the Financial Year 2023 (from July 2022 to June 2023), Pakistan received the highest Foreign Direct Invest (FDI) worth US\$ 432.7 million from China, Gwadar Pro reported on Sunday quoting the State Bank of Pakistan (SBP)'s latest figures. In FY 2023, Pakistan received \$1.4377 billion in FDI with China leading with 30.09% of the total FDI coming to the country. [see more...](#)

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Rupee to weaken further as importers' dollar demand persists - Negative

The rupee may extend its losses next week, as importers step up their purchases of dollars to pay for goods and services, while the government resists taking measures to curb the currency's slide, in line with the International Monetary Fund's bailout condition to let the exchange rate reflect market forces. During the outgoing week in the [see more...](#)

PM appoints new PC Board - Neutral

Prime Minister Shehbaz Sharif has approved a new board for the Privatisation Commission – comprising politically affiliated and professional individuals – which may not create a major impact after the government has started short-circuiting the established privatisation route. The development came on the heels of the dissolution of the existing board that had been constituted nine years ago [see more...](#)

SNGPL directed to supply gas/RLNG without any subsidy - Positive

Ministry of Energy (Petroleum Division) has directed Sui Northern Gas Pipeline Limited (SNGPL) to supply gas/RLNG to five export-oriented sectors without any subsidy. In a letter to Managing Director, SNGPL, Director-General of Gas (Petroleum) Division has informed that no subsidy has been budgeted for [see more...](#)

Base power tariff; Nepra all set to approve increase of up to Rs7.50 per unit - Neutral

The National Electric Power Regulatory Authority (Nepra) is all set to accord final approval for massive raise in electricity base rates up to Rs 7.50 per unit (27 percent) for already under financial stress domestic consumers for FY 2023-24, to be effective from July 1, 2023. Tariff of industry, commercial sector, agriculture tube-wells, AJK, public lighting and [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

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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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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