

MORNING GLANCE



40,065	▼ -87	▼ -0.22%
60 mn	YTD -1.84%	1 Year -6.21%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,665.50	105.75	0.56% ▼
DSE 30	2,187.74	1.68	0.08% ▲
SHANGHAI	3,197.90	42.46	1.31% ▼
Hang Seng	18,889.97	328.38	1.71% ▼
Nikkei 225	32,781.54	483.34	1.45% ▼
EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,461.87	40.16	0.54% ▼
DAX 30	15,829.94	158.22	0.99% ▼
USA	Value	Pts	Chg. (%)
DOW JONES	33,727.43	219.28	0.65% ▼
S&P 500	4,348.33	33.56	0.77% ▼
NASDAQ	14,891.48	150.84	1.00% ▼
Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,935.90	5.60	0.29% ▲
Oil-WTI (bbl)	69.50	0.01	0.01% ▼
Currencies	Value	Chg.	Chg. (%)
USD/PKR	286.74	0.01	0.00% ▲
EURO/PKR	311.67	3.5	1.11% ▼
GBP/PKR	364.60	1.44	0.39% ▼
AED/PKR	78.06	-	-

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 red zone amid the uncertainty over the resumption of IMF programme as Prime Minister assured the lender's chief that Pakistan is "fully committed" to the ongoing Extended Fund Facility. The KSE-100 index made an intra-day high and low at 40,236 (84 points) and 39,894 (258 points) respectively while closed at 40,065 by losing 87 points. Trading volume decreased to 60mn shares as compared to 66mn shares on the previous trading day. Going forward, the support for the index resides at 39,800. Breaking this level would further drag the index towards 39,650. Contrarily, the resistance for the index resides at 40,300.

Key News

International

Stocks fall, dollar up as investors weigh more rate hikes

Global stock indexes fell and the U.S. dollar rose on Friday as investors digested comments from Federal Reserve officials that signalled further interest rate hikes ahead. Major U.S. stock indexes posted losses for the week, with the Nasdaq snapping an eight-week winning streak. The S&P 500 ended a five-week streak of gains. San Francisco Fed Bank President Mary Daly said in an interview with Reuters that two [see more...](#)

Oil dips on demand worries as more rate hikes likely

Oil prices settled lower on Friday, posting a weekly decline as traders worried interest rate hikes could sap demand despite signs of tighter supplies including lower U.S. crude stocks. In a second straight day of losses, Brent crude closed down 29 cents, or 0.4%, to \$73.85 a barrel. U.S. West Texas Intermediate (WTI) crude fell 35 cents, or 0.5%, at \$69.16. On Thursday, Brent dropped about \$3 a barrel [see more...](#)

Politics

NA passes bill limiting disqualification of lawmakers to five years

The National Assembly on Sunday passed a bill seeking an amendment to the Elections Act 2017, aimed at limiting the disqualification of lawmakers to five years with retrospective effect. The Act — titled Elections (Amendment) Bill [see more...](#)

Economy

Anomalies in finance bill threaten economy, livelihoods – Neutral

Concerns are mounting among businessmen across various sectors as they call on Finance Minister, Ishaq Dar, to swiftly address the alarming anomalies present in the finance bill for the fiscal year 2024. These anomalies, if left unattended, could potentially have adverse effects on the economy and the livelihoods of countless individuals [see more...](#)

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US-India statement dangles FATF sword over Pakistan, again – Neutral

The joint US-India statement has not only urged Pakistan to take 'immediate action' against all terrorist groups, but also left open the option of asking the Financial Action Task Force (FATF) to further tighten its anti-money-laundering and terrorism financing standards. The statement, issued after a White House meeting between President Joe Biden and Indian Prime Minister [see more...](#)

US supports Pakistan's working with IMF: Blome - Neutral

US Ambassador to Pakistan Donald Blome on Friday said that United States likes 'very much' to see Pakistan succeed in the ongoing programme with International Monetary Fund (IMF) to overcome its current financial and economic challenge. Also, he said the US is not pressing Pakistan to 'choose' between economic relations with China or United States. Trade ties among many partners are the key to economic prosperity. [see more...](#)

NA approves federal budget of upcoming fiscal year - Neutral

The National Assembly on Sunday approved the federal budget for the upcoming fiscal 2023-24 as Pakistan tries to secure the crucial International Monetary Fund (IMF) deal in a final effort to clinch a much-delayed rescue package. Under the Finance Bill 2023-24, which was approved with a majority vote, the tax collection target has increased from Rs9,200 billion to Rs9,415 billion and pension payment increased from Rs761 billion to Rs801 billion [see more...](#)

Dar presents over Rs41.367trn charged expenditure in NA – Neutral

Finance Minister Ishaq Dar on Saturday presented more than Rs41.367 trillion charged expenditure included in Demands for Grants and Appropriations for the financial year ending on 30th June 2024 in the National Assembly for discussion under clause (1) of Article 82 of the Constitution. The Lower House of the Parliament discussed more than Rs41.367 trillion charged [see more...](#)

UAE firm to pay \$50m upfront to Karachi Port - Positive

Federal Minister for Maritime Affairs Faisal Sabzwari said on Friday that Abu Dhabi Ports (AD Ports) of the UAE will pay \$50 million upfront to the Karachi Port and will invest \$102 million for expansion in the next three to five years under a deal reached between AD Ports and Karachi Port Trust (KPT). Addressing a press conference, Sabzwari said that AD Ports will invest in reinforcement and restructuring by acquiring more area [see more...](#)

SBP withdraws all import restrictions - Positive

The State Bank of Pakistan (SBP) on Friday announced withdrawal of all restrictions on imports to facilitate the industrial sector. In December last year, the SBP asked banks to prioritize/facilitate imports related to essential items, energy, agriculture inputs, imports by export-oriented industry, and imports on deferred payment basis. However on Friday, the SBP has decided to withdraw these [see more...](#)

Inflows increase as rupee stabilises in open market - Positive

The inflows of dollars increased significantly during the week ended on Friday, as the rupee's appreciation against the greenback has narrowed the price gap between the open and interbank markets, currency dealers said. The dollar was traded in the range of Rs288 to Rs291 in the open market on Saturday, which narrowed the dollar price gap with interbank market. According to currency dealers, inflows from [see more...](#)

Expert speaks about PKR's real effective exchange rate – Neutral

Pakistan Real Effective Exchange Rate (REER) could have been Rs322 by the end of June 2023 as most important determinant of change in currency's value is the position of the country's foreign exchange reserves. This was stated Dr Hafeez Pasha, an academician and former finance minister while speaking at 'Paisa Bolta Hai with Anjum Ibrahim'. [see more...](#)

Rise in LNG chain circular debt feared - Negative

Pakistan State Oil (PSO) has voiced fear that circular debt related to the liquefied natural gas (LNG) supply chain, which has already piled up to Rs447 billion, will continue to increase. In a recent corporate briefing on the company's performance in first nine months. In a recent corporate briefing on the company's performance in first nine months of financial year 2022-23 and its operational dynamics, PSO highlighted [see more...](#)

Energy solutions; UAE commits investment package; MoUs signed – Positive

In a groundbreaking development, the United Arab Emirates (UAE) has committed a substantial investment package to accelerate the adoption of sustainable energy solutions in Pakistan, further strengthening their bilateral ties. The Water and Power Development Authority (WAPDA) and the private office of Sheikh Ahmed Dalmoock [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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The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

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