

MORNING GLANCE



41,029

▼ -88

▼ -0.21%

67 mn

YTD 0.52%

1 Year -5.65%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,321.15	35.75	0.20% ▲
DSE 30	2,195.08	0.73	0.03% ▼
SHANGHAI	3,185.58	15.68	0.49% ▼
Hang Seng	18,746.92	369.01	1.93% ▼
Nikkei 225	31,094.50	293.37	0.95% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,570.87	56.23	0.74% ▼
DAX 30	15,793.80	48.33	0.31% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	32,764.65	35.27	0.11% ▼
S&P 500	4,151.28	36.04	0.88% ▲
NASDAQ	13,938.53	334.05	2.46% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,947.60	3.90	0.20% ▲
Oil-WTI (bbl)	71.61	0.22	0.31% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	285.74	1.39	0.48% ▼
EURO/PKR	306.65	2.86	0.92% ▼
GBP/PKR	353.66	3.12	0.87% ▼
AED/PKR	77.81	0.38	0.49% ▼

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 macroeconomic uncertainty as the Finance minister hinted at the expiry of the IMF programme on June 30 without its revival due to "restricted time". The index made an intra-day high and low at 41,219 (102 points) and 40,957 (-160 points) respectively while closed at 41,030 by losing 88 points. Trading volume increased to 67mn shares as compared to 40mn shares on the previous trading day. Going forward, the support for the index resides at 40,800. Breaking this level would further drag the index towards 40,500. Contrarily, the resistance for the index resides at 41,358 (200 DMA).

Key News

International

Asian shares rise following Wall Street tech rally, progress in US debt talks

Asian markets traded mostly higher on Friday following an overnight rally on Wall Street amid signs of progress in debt-ceiling talks. Rally in tech stocks led by Nvidia fueled gains in the US markets. US President Joe Biden and Republican lawmaker Kevin McCarthy on Thursday were edging close to a deal, with the parties just \$70 billion apart on [see more...](#)

Russia's Deputy Prime Minister Sees Brent Oil Price Above \$80 At Year-End

Brent Crude prices are set to be slightly higher than \$80 per barrel at the end of this year, thanks to rising demand in the summer and production reductions from OPEC+, Russian Deputy Prime Minister Alexander Novak told Izvestiya in an interview published on Thursday. Early on Thursday, Brent was trading at \$77.21, down by 1.47% on the day. [see more...](#)

Politics

Names of IK, wife and others' placed on PNIL

The government has placed the names of several Pakistan Tehreek-e-Insaf (PTI) leaders, and former parliamentarians including PTI chief Imran Khan and his wife Bushra Bibi, on the Provisional National Identification List (PNIL) to prevent them from leaving the country. Sources said that following the request of the Federal Investigation Agency, the [see more...](#)

Economy

Pakistan pins hopes on Chinese help in debt crunch - Neutral Pakistan expects China to roll over more than \$2 billion in debt due next month, but is still bracing itself for other repayment deadlines that risk tipping the country into default. With a crucial IMF lending programme stalled, Pakistan has about \$3.7 billion in overseas debt due this month and in June against its current foreign reserves of just \$4.3 billion [see more...](#)

MORNING GLANCE

Geneva climate moot; There's 'full clarity' about \$10.9bn foreign aid pledges: minister - Neutral

The Ministry of Economic Affairs, on Thursday, announced that there is now almost complete clarity regarding the nature of the foreign assistance pledges of \$10.9 billion made during the International Conference on Climate Resilient Pakistan Federal Minister for Climate Change Senator Sherry Rehman chaired the second meeting of the International Partners Support [see more...](#)

Forex reserves down \$206m - Negative

The country's total liquid foreign exchange reserves declined by another \$206 million during the last week. According to weekly report issued by the State Bank of Pakistan (SBP) on Thursday, the total liquid foreign exchange reserves held by the country stood at \$9.731 billion as of May 19, 2023 compared to \$9.937 billion on May 12, 2023. During the week under review, the SBP's reserves decreased by \$ 119 million to \$ 4.193 billion due to [see more...](#)

Govt targets importing one-third of crude oil needs from Russia - Neutral

State Minister for Petroleum Mussadik Malik said on Thursday that the government targets to import one-third of the country's total crude oil requirements from Russia. Malik told reporters that the government has finalized a comprehensive energy security agreement with Russia, which would cover different aspects of the energy supply in the country. "We want to open an energy [see more...](#)

PSO seeks amendments to taxation laws, Rs628bn allocation - Negative

Pakistan State Oil (PSO) has sought amendments to taxation laws about LNG financial relief and allocation of funds of Rs 628 billion in budget of FY 2023-24 as the company now has no fiscal space to absorb substantial fluctuation in international oil prices. PSO's Managing Director/CEO Syed Muhammad Taha in a letter to Secretary Petroleum Division has submitted different pro [see more...](#)

RLNG prices rise by up to 1.3 percent in May - Negative

The government on Thursday increased the average sale price of re-gasified liquefied natural gas (RLNG) by as much as 17 cents month-on-month for May 2023. The increase, which represents a rise of up to 1.3 percent over last month, comes after four months of straight declines. The higher price is likely to have a small impact on the cost of power generation, particularly from RLNG based power plants. The prices of RLNG were reduced in the first [see more...](#)

Discos' tariffs; Nepra approves 79-paisa per unit FCA for March - Negative

The National Electric Power Regulatory Authority (Nepra) has approved positive adjustment of paisa 79 per unit in tariffs of Discos for March 2023 under monthly Fuel Cost Adjustment (FCA) mechanism. The Authority conducted a public hearing on May 3, 2023 which was attended by the private sector and officials of CPPA-G, NPCC and NTDC. The cumulative [see more...](#)

Dastgir inaugurates 500kV transmission line between Thar and Matiari - Positive

Federal Minister for Energy Khurram Dastgir on Thursday inaugurated the 500-kilovolt Thar-Matiari transmission line. He visited Noh Hotiani village in Matiari district where he inaugurated the 500KV Thar-Matiari transmission line. According to a spokesperson for the National Transmission & Despatch Company (NTDC), the project was completed [see more...](#)

BR urged to gradually reduce tax rate for banks - Positive

Pakistan Banks Association (PBA), demanding a level playing field, has proposed to the Federal Board of Revenue (FBR) for a phase-wise reduction in the tax rate for banks, ie, from 39 percent to 29 percent, as is applicable for the other sectors of the economy. According to PBA proposals for federal budget 2023-24, the tax rate of 39 percent for banks is not only one of the highest in the region, but also very high when [see more...](#)

Searle to raise Rs4.25bn through rights issue - Positive

The Searle Company Limited (SEARL) said on Thursday it will raise Rs4.25 billion (\$27.5 million) through a rights issue of 121.4 million shares at a price of Rs35 per share. The company, in its notice to the Pakistan Stock Exchange (PSX), said that it will issue 121,428,571 ordinary shares at a price of Rs35 per share, (i.e. inclusive of a premium of Rs25 per share) aggregating to Rs4,249,999,985. The quantum of the [see more...](#)

Per capita income plunges to \$1,568 - Negative

Pakistan's per capita income in dollar terms has plunged to \$1,568 in the outgoing fiscal year 2022-23 as against \$1,766 in the last financial year. "The per capita income in dollar terms has dropped by 11.38 percent, standing at \$1,568 in 2022-23 against \$1,766 in the last financial year 2021-22," top official sources confirmed while talking to The News on Thursday. The Pakistan Bureau of Statistics (PBS) has given the [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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- 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

PREPARED BY

Muhammad Umair Javed

Phone: (+92) 42 38302028

Ext: 117

Email: umairjaved@abbasiandcompany.com

RESEARCH DEPARTMENT

6 - Shadman, Lahore

Phone: (+92) 42 38302028; Ext: 116, 117

Email: research@abbasiandcompany.com

web: www.abbasiandcompany.com

HEAD OFFICE

6 - Shadman, Lahore

Phone: (+92) 42 38302028

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com