



41,437	▲ 1372	▲ 3.42%
122 mn	YTD 1.52%	1 Year -1.05%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,691.20	25.70	0.14% ▲
DSE 30	2,187.74	1.68	0.08% ▲
SHANGHAI	3,173.52	22.90	0.73% ▲
Hang Seng	19,025.00	230.87	1.23% ▲
Nikkei 225	32,352.50	346.31	1.06% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,453.58	8.29	0.11% ▼
DAX 30	15,813.06	16.88	0.11% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	33,714.71	12.72	0.04% ▼
S&P 500	4,328.82	19.51	0.45% ▼
NASDAQ	14,689.02	202.46	1.36% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,938.15	4.35	0.22% ▲
Oil-WTI (bbl)	69.76	0.39	0.56% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	286.71	0.03	0.01% ▼
EURO/PKR	312.23	0.56	0.18% ▲
GBP/PKR	365.18	0.58	0.16% ▲
AED/PKR	78.06	-	-

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

Market Outlook

The stock market on Monday surged by more than 1,000 points amid optimism over the revival of the IMF program. The KSE-100 index made an intra-day high and low at 41,492 (1427 points) and 40,334 (269 points) respectively while closed at 41,437 by gaining 1372 points. Trading volume increased to 122mn shares as compared to 60mn shares on the previous trading day. Going forward, we expect the market to remain positive as the SBP raised the interest rate by 100 basis points to 22%, making the resumption of the IMF programme even more likely.

Key News

International

Asian stocks market: Inflation, rates worries supersede Russia stress

Asian markets on Tuesday are set to open on the defensive, pressured by worries over inflation and 'higher for longer' interest rates globally more than fallout from the brief uprising by Russian mercenaries against the Kremlin. Wall Street closed in the red on Monday - the Nasdaq shed more than 1% for the third trading day in four - and the [see more...](#)

Oil Steadies With Russian Instability Giving Way to Growth Fears

Oil edged higher on Tuesday after a choppy session following a short-lived armed uprising in Russia, a major OPEC+ producer West Texas Intermediate futures climbed toward \$70 a barrel after closing 0.3% higher on Monday. While the dramatic events in Russia over the weekend came to an abrupt end they add further uncertainty to an oil [see more...](#)

Politics

CJP hopes no trial of civilians by army till SC verdict is out

The Supreme Court (SC) on Monday expected that no civilian will be tried in the military courts till the final conclusion of the pending proceeding with it, hearing pleas seeking the protection of fundamental rights of the citizens and directed the federal government to provide complete details regarding persons arrested so far in connection with May 9 riots across the country. At the same time, a larger bench of the [see more...](#)

Economy

Policy rate hiked by 100 bps to 22pc – Negative

The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) in its emergency meeting held on Monday decided to increase the benchmark policy rate by 100 basis points (bps) to historical high of 22 percent on deteriorated inflation outlook followed by imposition of new taxes in the budget. Cumulatively, the MPC has raised the policy rate by 825 percent during this fiscal year (FY23) to control [see more...](#)

MORNING GLANCE

Dollar bonds jump on revised budget passage – Neutral

Pakistan's sovereign dollar-denominated bonds jumped on Monday after its parliament approved a revised budget in a last ditch bid to clinch a deal with the International Monetary Fund (IMF). Shorter-dated securities saw the biggest gains with the 2024 bond adding more than 3 cents before retracing some of the gains, Tradeweb data showed. However, they are still at deeply distressed levels of just under 53 cents [see more...](#)

Dar launches new Shariah-compliant products of NSS – Neutral

Finance Minister Ishaq Dar, on Monday, launched new Shariah-compliant products of the National Savings Scheme to be available to investors from July 1, 2023. Addressing the launching ceremony, he said that Shariah-compliant products' initiative is in line with the government's decision to promote Islamic banking, he added that these products would cater to persistent public demand for safe investment avenues in line with the [see more...](#)

Govt unlikely to impose additional Rs10 per litre PL on petrol, HSD in one go from July 1 – Neutral

The federal government is unlikely to impose additional Rs10 per litre Petroleum Levy (PL) on petrol and high speed diesel in one go from July 1, as currently consumers are paying up to Rs 67.50 per litre on these products on account of custom duty and PL. The federal government has no intention of imposing additional Rs 10 per litre Petroleum Levy on Petrol and high speed diesel in [see more...](#)

FED hike to increase fertiliser prices by upto Rs470/bag – Positive

The government has imposed federal excise duty (FED) on fertilisers in the federal budget 2023-24, which would increase the price of nitrogen and phosphorous nutrients by Rs150 and Rs470 per 50kg bag respectively. In the recently amended budget document for fiscal year 2023-24, the government has imposed FED at the rate of 5 percent on the fertiliser sector, which would increase the cost of urea by Rs125-150 per bag and the [see more...](#)

Power Cement 're-profiles' long-term obligations of Rs11.9bn – Negative

Power Cement Limited has reached an agreement with a local syndicate of banks to restructure its long-term obligations of Rs11.9 billion. The company shared the development in a notice to the Pakistan Stock Exchange (PSX) on Monday. "In the wake of rising inflationary pressures, high-interest rates and depressed local demand, Power Cement Limited [see more...](#)

Juice makers decry 20pc federal excise duty – Negative

The Fruit Juice and Juice Drinks Manufacturers Alliance has opposed imposition of 20 percent federal excise duty (FED) on packaged juices, protesting on being clubbed with the carbonated beverages in new taxation measures by the government for Budget'24, a statement said. "Juices and fruit drinks have varying and high percentages of fruit content and cannot be equated with carbonated/aerated [see more...](#)

ECC approves over Rs21bn TSGs – Neutral

The Economic Coordination Committee (ECC) of the Cabinet, Monday, approved over Rs21 billion technical supplementary grants (TSGs) including Rs6 billion for census and Rs4 billion for mark-up payments on debt of the PIAC. The ECC meeting presided over by Finance Minister Ishaq Dar considered and approved Rs6 billion TSG in favour of Ministry of Planning, Development and Special Initiatives for [see more...](#)

ECC approves Rs4b grant to overcome PIA's cash flow problems – Neutral

The Economic Coordination Committee (ECC) of the Cabinet has approved Rs 4 billion Technical Supplementary grants to overcome cash flow problems of PIA. Federal Minister for Finance and Revenue Senator Mohammad Ishaq Dar chaired the meeting of ECC today. The Aviation Division requested the ECC to release pending claims of PIAC amounting to Rs 22.94 billion on account of [see more...](#)

ECC for reviewing timber, wood import policy – Neutral

The Economic Coordination Committee (ECC) of the Cabinet has directed Ministries of Commerce and National Food Security and Research to review import policy of timber/wood in consultation with stakeholders, official sources told Business Recorder. Ministry of Commerce, sources said, briefed the ECC, in its last meeting about suspension [see more...](#)

Budget 2023-24: 'high earners' to pay a higher income tax as govt revises rates – Negative

After facing scathing criticism from the International Monetary Fund (IMF), the government of Pakistan revised the budget measures and imposed a higher income tax on what it sees as 'high earners' of the salaried group. Business Recorder takes a look at how the tax payment will change for the salaried group in the coming fiscal year. [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:

- 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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