

MORNING GLANCE



40,964	▼ -66	▼ -0.16%
107 mn	YTD 0.36%	1 Year -5.8%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,499.35	178.20	0.97% ▲
DSE 30	2,198.50	3.42	0.16% ▲
SHANGHAI	3,223.38	10.88	0.34% ▲
Hang Seng	18,742.50	4.42	0.02% ▼
Nikkei 225	31,336.50	420.19	1.36% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,627.20	56.33	0.74% ▲
DAX 30	15,983.97	190.17	1.20% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	33,093.34	328.69	1.00% ▲
S&P 500	4,205.45	54.17	1.30% ▲
NASDAQ	14,298.41	359.88	2.58% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,961.45	1.65	0.08% ▼
Oil-WTI (bbl)	73.42	0.75	1.03% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PAKR	285.15	0.59	0.21% ▼
EURO/PAKR	306.11	0.54	0.18% ▼
GBP/PAKR	352.08	1.58	0.45% ▼
AED/PAKR	77.66	0.15	0.19% ▼

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 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 41,149 (119 points) and 40,784 (246 points) respectively while closed at 40,965 by losing 65 points. Trading volume increased to 107mn shares as compared to 67mn shares on the previous trading day. Going forward, the support for the index resides at 40,385. Breaking this level would further drag the index towards 39,800. Contrarily, the resistance for the index resides at 41,335 (200 DMA).

Key News

International

Asian Markets gain, US Stock futures rise on US debt ceiling deal

Asian markets traded mostly higher Monday on improved risk appetite following the deal between US President Joe Biden and House Speaker Kevin McCarthy to raise the debt ceiling. The US stock futures also gained in the early Asian trade after the deal to raise the federal debt limit with the contracts for the S&P 500 and Nasdaq 100 rising about 0.5%. [see more...](#)

Oil Extends Gain After US Officials Agree on Tentative Debt Deal

Oil advanced after President Joe Biden and House Speaker Kevin McCarthy reached a tentative deal over the weekend on the US debt ceiling, likely averting a catastrophic default. West Texas Intermediate futures rose above \$73 a barrel after closing 1.2% higher on Friday. Biden and McCarthy voiced confidence that their agreement will pass Congress. [see more...](#)

Politics

We look for stability, not turmoil' in Pakistan, says key US senator

Influential US lawmaker and Senate Foreign Relations Committee Chair Senator Bob Menendez has called for upholding the rule of law and stability in Pakistan as the country passes through a serious political crisis. The senator voiced concerns regarding the treatment meted out to [see more...](#)

Economy

Pakistan seeks US help for agreement with IMF - Neutral

Pakistan on Friday again demonstrated its desire for the completion of the ongoing IMF programme and asked the US to play its role in convincing the Fund staff for striking the staff-level agreement without wasting further time. US Ambassador Donald Blome called on Minister for Finance and Revenue Ishaq Dar on Friday and requested for [see more...](#)

MORNING GLANCE

China for closer cooperation in diverse fields - Neutral

Pang Chunxue, charge d' affaires of the Chinese Embassy, on Friday, called for close cooperation between Pakistan and China in the domains of agriculture, industry, technology, and all other areas of mutual interest. The Chinese diplomat was speaking at a seminar, titled, "Global Development Initiative – Catalyst for Development Cooperation", organised by the China-Pakistan Study Centre (CPSC) at the Institute of Strategic Studies [see more...](#)

Govt to share budget details with IMF to unlock funds: Dar - Neutral

Finance Minister Ishaq Dar said on Sunday the country will share its upcoming budget details with the International Monetary Fund (IMF) in order to unlock stalled funds. "They have asked us for some more details like the details of (the) budget, we will give that to them," Dar said in an interview with private TV channel. The IMF's \$1.1 billion funding to Pakistan, which is part of the \$6.5 billion rescue package agreed in 2019, has been held up [see more...](#)

Flood victims; WB approves \$213m financing - Positive

The World Bank's Board of Executive Directors has approved \$213 million in financing to improve livelihoods and essential services and enhance risk protection in communities affected by the 2022 floods, with a focus on the Balochistan. The bank stated that it is part of the program agreed with the government to respond to the devastating floods that hit the country last summer and build a climate-resilient Pakistan "We will be working closely [see more...](#)

\$500m deal being negotiated, says maritime minister - Neutral

Federal Minister for Maritime Affairs Faisal Subzwari announced that a contract worth \$500 million is being negotiated with Gulf countries. The intergovernmental agreement policy has been formulated and will be submitted to the Law Ministry on Monday. If approved, it will pave the way for direct foreign investment as per the conditions set by the International Monetary Fund (IMF). Speaking at an event organized by the Korangi association [see more...](#)

Jul-Apr repatriation of profit, dividends dip 83pc YoY - Neutral

Repatriation of profit and dividends by foreign investors plunged by 83 percent during the first ten months of this fiscal year (FY23), the State Bank of Pakistan (SBP) reported on Friday. Foreign investors repatriated some \$253.4 million on account of profit and dividend during the July-April of FY23 as against \$1.464 billion in the same period of last fiscal year (FY22), depicting a decline of \$1.211 billion. The detailed analysis revealed that [see more...](#)

PM rejects budgetary proposals - Neutral

Prime Minister Shehbaz Sharif has set up multiple special committees to finalise a new budget after finding shortcomings in the finance ministry's proposals, as the government desperately looks for fiscal space to spend in areas that can help increase the vote bank. Sources told The Express Tribune that the prime minister did not endorse some of the allocations that the minister did not endorse [see more...](#)

Inflation: ECC approves Rs4bn TSG for defence forces - Neutral

As the country's inflation is at an all-time high, the Economic Coordination Committee (ECC) has approved Rs4billion Technical Supplementary Grant (TSG) for defence forces to meet financial requirements of rations, utilities, medical services and POL, well informed sources told Business Recorder. On May 24, 2023, Defence Division sought [see more...](#)

Curbs on black market can push remittances to \$50b - Negative

Foreign remittance service providers have voiced optimism that Pakistan's remittances can surpass \$50 billion per annum, if authorities restrain the black market, which they believe constitutes nearly 80% of the total market. They point out the black market or illegal ways of sending remittances, commonly known as Hundi and Hawala in Pakistan, [see more...](#)

Currency markets' gap widens to record Rs25 - Negative

The gap between rupee-dollar value in inter-bank and open markets has widened to a record Rs25, signalling a negative outlook on the exchange rate. The difference broadened after the rupee maintained its uptrend for the third straight day in the inter-bank market. It appreciated 0.21%, or Rs0.59, and hit a 10-day high at Rs285.15 against the US dollar on Friday. On the other hand, the currency dropped 0.32%, or [see more...](#)

Beverage sales dip - Negative

The aerated beverage industry has reported up to 40 per cent reduction in sales volume after the government increased the Federal Excise Duty to 20pc from 13pc through the mini-budget in February. Industry sources said the duty hike is adversely impacting all the manufacturing companies down the chain and may render thousands of people jobless. "Furthermore, if these regulatory challenges persist, [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

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

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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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