

MORNING GLANCE



41,452	▲ 15	▲ 0.04%
138 mn	YTD 1.56%	1 Year -0.75%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,189.05	216.95	1.14% ▲
DSE 30	2,192.82	5.08	0.23% ▲
SHANGHAI	3,202.06	19.68	0.62% ▲
Hang Seng	18,916.43	17.93	0.09% ▼
Nikkei 225	33,189.04	45.1	0.14% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,531.53	59.84	0.80% ▲
DAX 30	16,147.90	201.18	1.26% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	34,407.60	285.18	0.84% ▲
S&P 500	4,450.38	53.94	1.23% ▲
NASDAQ	15,179.21	239.26	1.60% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,927.80	9.90	0.52% ▲
Oil-WTI (bbl)	70.45	0.59	0.84% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	285.99	0.72	0.25% ▼
EURO/PKR	312.93	0.70	0.22% ▲
GBP/PKR	364.14	1.04	0.28% ▼
AED/PKR	77.86	0.2	0.26% ▼

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

Market Outlook

The stock market on Tuesday remained volatile throughout the day and managed to close flat ahead of the Eid holidays. The KSE-100 index made an intra-day high and low at 41,606 (169 points) and 41,208 (229 points) respectively while closed at 41,453 by gaining 16 points. Trading volume increased to 138mn shares as compared to 122mn shares on the previous trading day. Going forward, we expect the market to remain positive amid recently signed new Standby Arrangement (SBA) with IMF worth US\$3 billion. The program, which will last for nine months, has exceeded expectations and aims to restore investors' confidence. Following the deal, additional funding from Saudi Arabia, the United Arab Emirates, and other bilateral and multilateral sources is expected, which will help replenish the country's foreign exchange reserves. The index is likely to test its resistance at 42,000. Breaking this level would further push the index towards 42,500.

Key News

International

Gift Nifty, Asian markets to rally in Apple shares - key triggers for Indian stock market

Asian markets traded higher on Monday following a rally in US stocks last week amid signs of cooling US inflation. Investors will eye a slew of manufacturing activity reports released in the Asian region. A US Commerce Department report showed the Personal Consumption Expenditures (PCE) index advanced 3.8% versus April's 4.3%, fuelling hopes the US Federal [see more...](#)

Oil Steadies After Record Losing Run as Traders Eye Second Half

Oil was little changed as the second half kicked off, with traders focused on challenges to demand and a complex supply outlook. Brent crude held above \$75 a barrel after capping a string of four quarterly losses last week the [see more...](#)

Politics

PPP, PML-N 'agree' on caretakers' names, power-sharing formula

The meetings between PML-N and PPP bigwigs in the United Arab Emirates have reportedly resulted in a consensus on a number of issues, including names for the caretaker set [see more...](#)

Economy

9-month \$3bn SBA reached with IMF - Positive

The International Monetary Fund (IMF) and Pakistan have reached a 3 billion dollars nine-month Stand-By Arrangement (SBA). The country failed to complete yet another IMF Extended Fund Facility (EFF) programme of 6.5 billion dollars, which ended on June 30, 2023 unsuccessfully. The new staff-level agreement is subject to approval by the IMF Executive Board, with its consideration expected on 12th July [see more...](#)

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Pakistan likely to avert default this year after last-minute IMF deal: Bloomberg - Positive

Pakistan is likely to avert default this year, stated Bloomberg Economics in a report on Friday, as the country managed to secure a last-minute International Monetary Fund (IMF) bailout. "A last minute bailout from the IMF should help Pakistan avoid default this year," Ankur Shukla, who covers South Asia at Bloomberg, stated on Friday. Shukla was of the view that a staff-level [see more...](#)

IMF says govt has taken 'decisive' steps - Neutral

The International Monetary Fund (IMF) continues discussions with Pakistani authorities with the aim of quickly reaching an agreement on financial support from the Fund. This was stated by Nathan Porter, IMF Mission Chief, through a statement issued by the Esther Perez Ruiz IMF Resident Representative in Pakistan. The statement indicated that the Staff level agreement under the Extended Fund Facility (EFF) of the Fund programme is yet [see more...](#)

Investment purposes; KSA, UAE showing keen interest in IT, agriculture: minister – Neutral

Minister of State for Petroleum Dr Musadiq Malik on Sunday said that Kingdom of Saudi Arabia and United Arab Emirates are taking keen interest in Pakistani information technology agriculture and mining sectors. KSA has planned to fix funds of 24 billion dollars for investment purposes, while UAE allocated 22 billion dollars funds for exploring opportunities in three sectors of [see more...](#)

Pakistan's dollar bonds rise after striking IMF bailout – Positive

Pakistan's dollar bonds rallied after the country reached a staff-level agreement with the International Monetary Fund (IMF) for a \$3 billion loan programme, reducing the risk of a sovereign default. The Pakistan and IMF deal received a significant response from foreign investors. The price of Pakistan's \$1 billion Eurobond, which matures in April 2024, is currently close to 71 cents while the price of its \$500 million Eurobond, which matures [see more...](#)

LHC cuts 'discriminatory' super tax from 10pc to 4pc - Neutral

The Lahore High Court (LHC) has reduced the super tax on large corporations from 10 per cent to 4pc after declaring it discriminatory, but refused to annul the tax altogether. The order on Tuesday was passed by LHC Justice Jawad Hassan on petitions seeking to strike down the tax imposed last year. The petitioners also challenged the amendment to the Income Tax Ordinance, 2001 — introduced through the Finance Act, 2022 — [see more...](#)

Govt raises Rs91.8bn via PIBs auction - Neutral

The government raised Rs91.8 billion through the auction of fixed-rate Pakistan Investment Bonds (PIBs) on Tuesday, while the yield on short-duration paper remained unchanged. The amount that was raised was lower than the pre-auction target of Rs160 billion. The cut-off yield on a three-year PIB stood at 19.3500 percent, unchanged from the previous auction. The bid for five-year was rejected by the government [see more...](#)

Foreign investors repatriate \$313m in July-May FY2023 – Neutral

Repatriation of profits and dividends on foreign investment in Pakistan fell 80.4 percent to \$313.1 million in 11 months of the current fiscal year, according to the latest figures from of the State Bank of Pakistan (SBP). In May, multinational companies doing business in Pakistan and foreign investors in the stock market repatriated \$59.7 million in profits [see more...](#)

'Pakistanis must declare foreign assets' - Neutral

The federal government has made it mandatory on the resident Pakistanis having foreign assets and income to submit details of their assets and income and expenses along with their income tax returns According to a notification issued on Wednesday, the resident taxpayers, who fail to declare foreign assets and income, would be subject to penalties equal to 2% of the value [see more...](#)

New Rs438bn taxation measures enforced – Neutral

The government has enforced new taxation measures of Rs 438 billion, taken through Finance Act 2023 from July 1, 2023, including 0.6 percent withholding tax on cash withdrawals by non-filers from banks, changes in customs duty/ regulatory duty regime on imports, increase in tax rates for non-filers and sales tax changes on services within the Islamabad Capital Territory (ICT). From the start of the new fiscal year [see more...](#)

Rupee rallies in open market – Neutral

A day after Pakistan reached a Staff-Level Agreement (SLA) with the International Monetary Fund, the local currency staged a sharp recovery to Rs280-Rs283 against the US dollar in the open market on Saturday, significantly lower than the official price. Currency exchange companies kept their airport branches open for travellers where hoarders rushed to get their dollars exchanged for rupees fearing further [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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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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