

MORNING GLANCE



43,899	▲ 2446	▲ 5.90%
170 mn	YTD 7.55%	1 Year 5.11%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,322.55	-	-
DSE 30	2,191.52	1.3	0.06% ▼
SHANGHAI	3,246.02	2.05	0.06% ▲
Hang Seng	19,426.50	119.91	0.62% ▲
Nikkei 225	33,397.50	355.83	1.05% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,527.26	4.27	0.06% ▼
DAX 30	16,081.04	66.86	0.41% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	34,418.47	10.87	0.03% ▲
S&P 500	4,455.59	5.21	0.12% ▲
NASDAQ	15,208.69	29.49	0.19% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,930.45	0.95	0.05% ▲
Oil-WTI (bbl)	70.23	0.44	0.63% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	286.25	0.26	0.09% ▲
EURO/PKR	312.93	-	-
GBP/PKR	364.14	-	-
AED/PKR	77.86	-	-

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

Market Outlook

The stock market on Monday witnessed a remarkable surge of over 2000 points, driven by a wave of optimism surrounding the revival of the IMF program. The KSE-100 index made an intra-day high and low at 43,934 (2481 points) and 43,405 (1952 points) respectively while closed at 43,899 by gaining 2446 points. Trading volume increased to 170mn shares as compared to 138mn shares on the previous trading day. Going forward, it is anticipated that the market will maintain a positive trend during the first half of the day, as it has successfully surpassed a crucial resistance level of 43,000. Nevertheless, the possibility of profit-taking should not be dismissed. Consequently, we advise our investors to seize this opportunity to book their profits today and patiently await a correction before considering new buying opportunities. The index is anticipated to face upcoming resistances at 44,300 and 44,800, while finding support at 43,000.

Key News

International

Asian stock market: Japan's Nikkei slips from 33-year high as investors book profits

Japan's Nikkei share average fell on Tuesday as investors exited some bullish positions after the benchmark index closed at a 33-year high in the previous session. A market holiday in the U.S. added to the cautious mood. The Nikkei fell 1.08 per cent to 33,389.28 by the midday break, after ending at 33,753.33, its highest close since March 1990, on [see more...](#)

Oil Edges Higher After Saudi Arabia and Russia Curb Supplies

Oil edged higher as traders assessed the latest salvo from OPEC+ linchpins Saudi Arabia and Russia to prop up prices by curbing supply. West Texas Intermediate rose above \$70 a barrel, clawing back some of the 1.2% loss in the [see more...](#)

Politics

Nawaz's return depends on 'positive' meetings in KSA

Pakistan Muslim League-Nawaz (PML-N) supreme leader Nawaz Sharif—who is currently in the United Arab Emirates (UAE)—is expected to fly to Saudi Arabia today [Tuesday]. According to party sources, the deposed premier is [see more...](#)

Economy

IMF deal to support macroeconomic stability: Moody's – Neutral

Moody's Investors Service (Moody's), Monday, said that Pakistan's new deal with the International Monetary Fund (IMF) will support macroeconomic stability. In a statement, Moody's said that in the longer term, Pakistan needs to implement reforms including revenue-raising measures, whereas, in the near term the economy will remain [see more...](#)

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Govt's LoI to IMF contains 9 major assurances – Neutral

Pakistan has reportedly sent a Letter of Intent (LoI) to the International Monetary Fund (IMF) containing nine major assurances following the staff-level agreement on a nine-month \$3 billion stand-by arrangement (SBA). Official sources in the Finance Division revealed Pakistan has sent the LoI – signed by Finance Minister Ishaq Dar and State Bank Governor Jameel Ahmed – including the assurance that no new tax amnesty [see more...](#)

Risks undermining MTDS targets identified – Neutral

The estimates of key economic indicators are prone to certain risks and vulnerabilities that could cause deviations from the projections, as these risks can undermine the achievement of the targets set under the Medium-Term Debt Management Strategy (MTDS), says the Finance Division. The division has uploaded “Medium Term Debt Management Strategy (fiscal year 2023-fiscal year 2026)” on its website, which stated that government [see more...](#)

SBP-held foreign exchange reserves rise \$533mn, stand at \$4.07bn – Positive

Foreign exchange reserves held by the State Bank of Pakistan (SBP) surged \$533 million, clocking in at nearly \$4.07 billion as of June 23, data released on Monday showed. The overall number stands at a critical level at around a month of import cover. Total liquid foreign reserves held by the country stood at \$9.34 billion. Net foreign reserves held by commercial banks clocked in at [see more...](#)

Jul-Jun trade deficit shrinks 43.03pc to \$27.547bn YoY – Positive

Pakistan's trade deficit narrowed by 43.03 per cent to \$27.547 billion during the fiscal year 2022-23 (July-June) as compared to \$48.354 billion during the same period of last year, the Pakistan Bureau of Statistics (PBS) said. The country's exports during the fiscal year 2022-23 were recorded at \$27.744 billion against exports of \$31.782 billion in fiscal year 2021-22, i.e. declined by 12.71 per cent, according to the trade data released by PBS [see more...](#)

External debt share in public debt rises to 37pc by FY22 – Neutral

The share of external debt in total public debt increased slightly from 36 percent in 2019-20 to 37 percent in 2021-22 but remained below the benchmark (maximum limit) of 40 percent. The increase was attributable mainly to exchange rate depreciation rather than excessive external borrowings. It was stated in Medium Term Debt Management Strategy for FY2023 to FY2026 released by the Ministry of Finance stated. It states that the government [see more...](#)

June CPI inflation rises to 29.4pc YoY – Positive

The Consumer Price Index (CPI) based inflation increased to 29.4 percent on a year-on-year basis in June 2023 as compared to an increase of 38 percent in the previous month and 21.3 per cent in June 2022, says the Pakistan Bureau of Statistics (PBS). Average CPI inflation for July-June 2022-23 stood at 29.18 per cent compared to 12.15 per cent during the same period of last year. On a month-on-month [see more...](#)

Dollar bonds extend rally fuelled by IMF deal – Positive

Pakistan sovereign dollar-bonds rose as much as 1 cent on Monday, building on last week's gains in the wake of the government striking a last minute \$3 billion financing deal with the International Monetary Fund (IMF). The bonds have notched up sharp gains after the government said on Friday it had secured a short-term financial package from the fund, giving the cash-strapped South Asian economy a long [see more...](#)

OGDCL revives Jhal Magsi gas project – Positive

The Oil and Gas Development Company Limited (OGDCL), the leading exploration and production state-owned company has revived Jhal Magsi Gas project. The state-of-the-art gas processing plant, with a daily capacity to produce 13.7 MMSCF process gas and 45 BBL/day condensate, will mitigate escalating energy needs of Pakistan. Besides the commercial operations, the company has underscored its [see more...](#)

NRL closes hydrogen production unit for 6 weeks – Neutral

National Refinery Limited (PSX: NRL) has closed its Hydrogen Production Unit (HPU) for a period of six weeks amid unscheduled maintenance work, the company's latest filing on PSX revealed. “Till such time, the company shall produce High-Speed Diesel (HSD) compliant with EURO-I specifications,” the notice reads. NRL is engaged in the manufacturing, production, and sale of a large [see more...](#)

WB urges govt to mull leveraging private sector investments – Neutral

The World Bank (WB) is said to have advised the government to consider leveraging private sector investments in the transmission sector and focus on Category-III Renewable Energy (ER) projects after “disinterest” of investors in 600-MW wind project. In a letter to Secretary Power, Rashid Mehmood Langrial, World Bank's Operations Manager [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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