

MORNING GLANCE



43,557	▼ -342	▼ -0.78%
246 mn	YTD 6.72%	1 Year 5.34%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,389.00	66.45	0.34% ▲
DSE 30	2,191.52	1.3	0.06% ▼
SHANGHAI	3,229.90	15.45	0.48% ▼
Hang Seng	19,185.00	230.68	1.19% ▼
Nikkei 225	33,304.50	118.02	0.35% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,519.72	7.54	0.10% ▼
DAX 30	16,039.17	41.87	0.26% ▼

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.)	1,931.85	1.75	0.09% ▼
Oil-WTI (bbl)	70.81	1.02	1.46% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PAKR	275.44	10.81	3.78% ▼
EURO/PAKR	300.25	12.68	4.05% ▼
GBP/PAKR	353.17	10.97	3.01% ▼
AED/PAKR	75.61	2.25	2.89% ▼

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

Market Outlook

The stock market on Tuesday opened on a bullish note. However, immediately, it lost momentum and reversed all of its intra-day gains while concluded the session in the red zone amid profit-taking seen on the index as most of the investors closed their positions. The KSE-100 index made an intra-day high and low at 44,512 (613 points) and 43,488 (-411 points) respectively while closed at 43,557 by losing 342 points. Trading volume increased to 246mn shares as compared to 170mn shares on the previous trading day. Going forward, the support for the index resides at 43,150. Breaking this level would further drag the index towards 42,800. Contrarily, the resistance for the index resides at 43,800.

Key News

International

Gift Nifty flat, Asian shares trade lower; Check out key triggers for Indian stock market

Asian markets edged lower on Wednesday in subdued trading following a holiday for US markets, while investors look ahead to the release of private surveys on services in China and Japan. The US markets were closed on Tuesday, while the US stock futures traded lower in early Asian trade. In Asia, Japan's service activity maintained a brisk pace of growth in [see more...](#)

Oil Holds Advance as Traders Take Stock of OPEC+ Supply Curbs

Oil weakened after rallying more than 2% Tuesday on Saudi Arabian and Russian output cuts, with traders waiting for potentially critical commentary from Saudi Energy Minister Prince Abdulaziz bin Salman. Global benchmark Brent dropped back below \$76 a barrel following the gain in the previous low-volume session due to a US holiday. [see more...](#)

Politics

SCO seeks to forge closer ties, expand reach with inclusion of Iran

The leaders of China, India, Russia and Pakistan on Tuesday sought to forge closer ties and boost cooperation within the Shanghai Cooperation Organisation (SCO) group as it seeks to expand its reach and counter Western influence in the [see more...](#)

Economy

IMF puts Pakistan's external funds requirement at \$91.5bn over three years – Negative

The International Monetary Fund (IMF) has projected Pakistan's gross external financing needs at a whopping \$91.536 billion over a three-year period starting from fiscal years 2023-24 to 2025-26. Such a mammoth requirement of gross financing needs of \$91.5 billion over a three-year period clearly indicates that Islamabad will have no other [see more...](#)

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Liquidity risks remain high despite IMF deal: Moody's – **Negative**

The government's liquidity risks remain high despite the International Monetary Fund (IMF) staff-level agreement, says Moody's Investors Services (Moody's). The rating agency in its latest brief on Pakistan stated that on 29 June, Pakistan (Caa3 stable) reached a staff-level agreement with the IMF over a \$3 billion nine-month Stand-By Agreement (SBA) after an IMF Extended Fund Facility programme expired at [see more...](#)

SBP Governor targets inflation at 5-7% over next two years – **Neutral**

State Bank of Pakistan Governor Jameel Ahmad on Tuesday emphasized his concerns regarding inflation and outlined a target to bring it down to a range of 5-7% over the next two years. Speaking at the inauguration ceremony of revealing the new banknote to celebrate 75 years of SBP's founding, the SBP chief acknowledged the challenges faced by the central [see more...](#)

Dollar will settle at Its 'Real Value' of Rs. 250: Ishaq Dar – **Neutral**

Speaking to Samaa News, the finance minister said that the US Dollar will settle near the real effective exchange rate. He said that in an article in May, Bloomberg calculated that the real effective exchange rate of the US Dollar is around Rs. 244. The minister added that last year when he claimed that the US Dollar will fall below Rs. 200, at the time the real effective exchange rate was around Rs. 197. Dar went on to say that the Pakistani [see more...](#)

PKR makes giant strides – **Positive**

As widely expected, the Pakistani rupee made giant strides against the US dollar, appreciating 3.83% in the inter-bank market on Tuesday, an increase that comes on the back of the agreement signed with the International Monetary Fund (IMF). At close, the currency settled at 275.44, an increase of Rs10.55, as per the State Bank of Pakistan (SBP). This is the highest day-on-day recovery after May 12, 2023 (Rs 13.85 or 4.86%)," Arif Habib [see more...](#)

FY23 petroleum products' sales slump 27pc YoY – **Negative**

The sales of petroleum products in Pakistan declined by 27 percent on year-on-year basis to 16.6 million tons during FY23. Analysts said higher petroleum product prices and overall slowdown in economy have made a dent on demand of petroleum products in the local market. This was the lowest sales number of petroleum products since FY06, excluding the Covid year of FY20. In FY06 petroleum products sales were recorded [see more...](#)

Pakistan's benefits on URAL stand at \$7-8 million/100,000 tonnes – **Neutral**

Pakistani's maximum benefit on Russian crude would stand at \$7-8 million/100,000 tonnes compared to Middle Eastern oil, translating to Rs1.30/litre discount on petrol for consumers, an Energy Ministry official told The News. The discount could further increase to Rs1.60/litre petrol for the end consumers, in case National Refinery Limited, Pakistan Refinery [see more...](#)

KE submits business case on running JPCL-1 on Thar coal – **Neutral**

K-Electric (KE) has submitted a business case of conversion of unit-1 of Jamshoro Power Company Limited (JPCL) to 100 percent on Thar-coal, which projects economic benefit of \$ 2.254 billion to national economy and affordable power to the regulated consumers of Karachi, well informed sources told Business Recorder. KE team recently held a meeting [see more...](#)

Power sector circular debt tops Rs2.64tr – **Negative**

The power sector circular debt has reached a staggering amount of Rs2.646 trillion by the end of May 2023, registering an increase of Rs394 billion from July 2022 to May 2023, according to a report by the Ministry of Energy. The mounting debt has become a major concern for the government and power sector policymakers, as it indicates monthly inefficiencies in the energy system, particularly in [see more...](#)

Cement sales decline 22.80pc in June '23 – **Negative**

Cement dispatches declined 22.80 percent in June 2023 with total intake at 4.063 million tonnes against 5.264 million tonnes during the same month last fiscal, data showed on Tuesday. However, a whopping increase of over 100 percent was registered in June 2023 exports compared to June 2022. According to the data released by All Pakistan Cement Manufacturers Association (APCMA), domestic [see more...](#)

Institutional capital market investors; Rs2.5bn 'Gender Bond' launched – **Neutral**

InfraZamin Pakistan, Kashf Foundation and Arif Habib Limited launch Pakistan's first 'AAA' rated, Rs2.5 billion, fully Guaranteed 'Gender Bond' for bond capital market investors. InfraZamin Pakistan, a licensed NBF1 and credit guarantee provider and Kashf Foundation a Section 42 company and licensed microfinance institution have signed an [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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