

MORNING GLANCE



41,352	▲ 85	▲ 0.21%
68 mn	YTD 1.32%	1 Year -4.91%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,534.10	46.35	0.25% ▲
DSE 30	2,201.33	3.31	0.15% ▲
SHANGHAI	3,234.01	3.94	0.12% ▲
Hang Seng	19,058.00	108.06	0.57% ▲
Nikkei 225	32,075.50	551.28	1.75% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,607.28	117.01	1.56% ▲
DAX 30	16,051.23	197.57	1.25% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	33,762.76	701.19	2.12% ▲
S&P 500	4,282.37	61.35	1.45% ▲
NASDAQ	14,546.64	105.13	0.73% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,961.45	8.15	0.41% ▼
Oil-WTI (bbl)	72.47	0.73	1.02% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	285.68	0.30	0.11% ▲
EURO/PKR	307.53	2.85	0.94% ▲
GBP/PKR	357.87	3.15	0.89% ▲
AED/PKR	77.78	0.08	0.10% ▲

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

Market Outlook

The stock market on Friday remained volatile throughout the day, and managed to close in the green zone amid the political & macro-economic uncertainty ahead of the Fiscal Budget. The 100 index made an intra-day high and low at 41,403 (137 points) and 41,237 (29 points) respectively while closed at 41,353 by gaining 86 points. Trading volume increased to 68mn shares as compared to 49mn shares on the previous trading day. Going forward, we expect the market to remain volatile. The resistance for the index resides at 41,750. Breaking this level would further push the index towards 42,100. Contrarily, the support for the index resides at 41,306 (200 DMA).

Key News

International

Asian markets rise, SGX Nifty up amid strong global cues; Key triggers for Indian market today

Asian markets traded higher Monday following a rally on Wall Street amid prospects of a pause in rate hikes by the US Federal Reserve amid mixed US jobs report and the resolution of the debt-ceiling issue. The US President Joe Biden signed a bill to suspend the nation's debt limit through 1 January 2025, averting default on its financial obligations. Market [see more...](#)

Oil Rises After Saudis Pledge Million-Barrel Cut at OPEC+ Meet

Oil advanced at the week's open after Saudi Arabia said it will make an extra 1 million barrel-a-day supply cut in July, taking its production to the lowest level for several years following a slide in prices. West Texas Intermediate futures jumped almost 5% early in the session before paring gains to trade under \$73 a barrel while global benchmark Brent [see more...](#)

Politics

£190m settlement case: NAB steps up probe against 22 ex-ministers

In a bid to tighten the noose around the former prime minister Imran Khan's cabinet, the National Accountability Bureau (NAB) has accelerated the investigation against 22 former ministers in the £190 million National Crime Agency (NCA) UK settlement case. NAB has sought records of vehicles, [see more...](#)

Economy

PSX delegation; Dar vows to provide business-friendly environment through budget - Neutral

Federal Minister for Finance and Revenue Senator Mohammad Ishaq Dar on Saturday assured the participants that despite economic challenges, the government is determined to provide a business and investment-friendly environment in the country through the upcoming budget of FY 2023-24. "In order to attract more companies [see more...](#)

MORNING GLANCE

Govt mulls taxing bonus shares, undistributed profits – Neutral

The Federal Board of Revenue (FBR) has recommended the imposition of a 5% tax on bonus shares issued by companies and on their undistributed profits in the next budget. This proposal would primarily affect family-owned companies but would benefit minority shareholders. Sources told The Express Tribune that the FBR is contemplating the reinstatement of two old tax measures that were previously dropped for various reasons. [see more...](#)

\$5bn trade with Turkiye achievable in 3 years: PM - Positive

Amidst the reports that Pakistan needs to take timely decisions to avoid economic default in the coming weeks against the backdrop of worsening financial conditions, Prime Minister Shehbaz Sharif has claimed that the target to increase bilateral trade volume between Pakistan and Turkiye to \$5 billion annually over the next three years is “very much achievable.” This claim follows Sharif’s visit to Turkiye in connection with the oath-taking of [see more...](#)

July-May trade deficit shrinks 40.59pc to \$25.79bn YoY - Positive

Pakistan’s trade deficit narrowed by 40.59 percent to \$25.791 billion during the first 11 months (July-May) of the current fiscal year 2022-23 as compared to \$43.409 billion during the same period of last year, the Pakistan Bureau of Statistics (PBS) said. The trade deficit widened by 142.91 percent on a month-on-month basis and stood at \$2.089 billion in May 2023 compared to \$860 million in April 2022. The country’s exports during July-May [see more...](#)

Rs950bn PSDP proposed for next fiscal year - Positive

The Annual Plan Coordination Committee (APCC) has recommended Rs2.659 trillion national development outlay for the next budget 2023-24 including a federal Public Sector Development Programme (PSDP) of Rs1.1 trillion and a provincial allocation of Rs 1.559 trillion. The APCC also proposed to National Economic Council (NEC) a controversial allocation of Sustainable Development Goals Achievement Programme (SAP) for [see more...](#)

Advance tax on cos’ reserves: RRM’s proposal dropped on corporate sector’s deep concerns - Neutral

The government has dropped a major taxation proposal of imposing an advance tax on companies’ reserves proposed by the Reform and Revenue Mobilisation Commission (RRMC) in the coming budget 2023-24. It is reliably learnt that the proposal has been dropped by the government, keeping in view serious reservations of the corporate sector. The government has [see more...](#)

MPC to meet on 12th - Neutral

The meeting of the Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) will be held on June 12, to review the economic indicators and take a decision on the key policy rate. In the previous monetary policy meeting held on April 4, 2023, the committee raised the policy rate by 100 basis points to 21 percent, which is the highest ever interest rate in the Pakistan’s history. The committee took this decision [see more...](#)

SBP injects record Rs3.58tr into banks - Neutral

In a bid to alleviate the liquidity crunch faced by commercial banks and assist the financially strained government, the State Bank of Pakistan (SBP) has injected a staggering Rs3.58 trillion for an unusually extended period of 77 days. This infusion of liquidity comes at a stable rate of return of 21.02%, indicating that the SBP may maintain the benchmark policy rate at the historically high level of 21% in the [see more...](#)

SNGPL and SSGCL; Ogra determines revenue requirements for FY24 - Positive

The Oil and Gas Regulatory Authority (Ogra) has determined the revenue requirements of gas companies for fiscal year 2023-24. The average prescribed price per MMBTU of gas has been recommended at Rs.1,238.68 and the increase in price per MMBTU is Rs.415.11 with increase percentage of 50 percent for SNGPL. The average prescribed price for [see more...](#)

Virtual pipeline LNG import terminal; Govt mulling granting tax exemptions - Positive

The Federal Government is mulling granting tax exemptions to Virtual Pipeline LNG import terminal by Gwadar Gasport Limited (GCPL), a joint venture of Pakistan GasPort, Al-Qasim Gas and Jamshoro JV, well informed sources in Petroleum Division told Business Recorder. Sharing the details, the sources said that Petroleum Division has consulted the [see more...](#)

Indus Motor halts production for a week on import restrictions - Negative

Indus Motor Company Limited on Friday announced a temporary closure of its plant for six days due to hurdles in the import of raw materials. The decision came after one day of meeting of the company officials with PM Shehbaz Sharif. Last time, Indus Motor Company (IMC) production plant went on closure for a few days in the previous month. [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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