

MORNING GLANCE



43,552	▼ -5	▼ -0.01%
181 mn	YTD 6.71%	1 Year 5.81%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,398.50	9.50	0.05% ▲
DSE 30	2,193.53	2.01	0.09% ▲
SHANGHAI	3,217.06	5.89	0.18% ▼
Hang Seng	18,664.00	446.38	2.34% ▼
Nikkei 225	32,916.50	422.2	1.27% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,442.10	77.62	1.03% ▼
DAX 30	15,937.58	101.59	0.63% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	34,288.64	129.83	0.38% ▼
S&P 500	4,446.82	8.77	0.20% ▼
NASDAQ	15,203.78	4.91	0.03% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,925.15	1.95	0.10% ▼
Oil-WTI (bbl)	71.97	0.18	0.25% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	277.60	2.16	0.78% ▲
EURO/PKR	300.25	-	-
GBP/PKR	353.17	-	-
AED/PKR	75.61	-	-

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

Market Outlook

The stock market on Wednesday remained positive during the first half of the day. However, later on, it lost its impetus and managed to close flat amid profit-taking seen on the index as the market is expecting approval by the IMF Executive Board in the coming days. The KSE-100 index made an intra-day high and low at 44,041 (484 points) and 43,464 (-93 points) respectively while closed at 43,553 by losing 4 points. Trading volume decreased to 181mn shares as compared to 246mn 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, Asian stocks to US Fed meeting minutes - key triggers for the Indian stock market

Asian markets traded lower on Thursday following overnight losses in the US stocks after hawkish signals from the Federal Reserve's latest meeting minutes. The minutes showed that the central bank was split on pausing interest rate hikes in June and sees more rate hikes at a slower pace going ahead. At the June 13-14 meeting, the Federal [see more...](#)

Oil prices steady as China demand fears offset tighter supply forecasts

Oil prices moved little in early Asian trade on Thursday as the prospect of tighter supply with output cuts from Saudi Arabia and Russia and a bigger-than-expected drop in U.S. crude stocks were offset by worries over a sluggish demand recovery in China. Brent crude futures was down 2 cents to \$76.63 a barrel by 0038 GMT after settling up 0.5% the previous [see more...](#)

Politics

EU observation mission sees no signs of election in Pakistan this year

Head of the Election Observation Mission of EU Parliament Michael Gahler has said the EU may not send its election observers to Pakistan this year because they are not sure about the general elections in the country in 2023. Gahler was talking to a group of Pakistani journalists in the EU [see more...](#)

Economy

Fingers crossed as govt assures IMF no new tax amnesty on the cards – Neutral

Prime Minister Shehbaz Sharif on Wednesday expressed the hope that the \$3 billion short-term bailout for the country would be given final approval by the International Monetary Fund board when it meets on July 12 and vowed to fulfil all commitments made to the lender. Speaking at a ceremony in Islamabad to commemorate 10 years of the [see more...](#)

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Govt debt stocks hit all-time high of Rs59trn – **Negative**

The federal government's total debt stocks rose to an all-time high level of Rs 59 trillion at the end of May 2023 because of massive borrowing from domestic and external resources. According to the State Bank of Pakistan (SBP), the central government's total debt (domestic and external) surged by 23 percent during the first 11 months of this fiscal year (FY23) Overall, the federal government's total debt stock increased to an all-time high level [see more...](#)

PKR fails to maintain upward momentum – **Negative**

A day after witnessing massive gains, the Pakistani rupee recorded losses against the US dollar, depreciating 0.71% during trading on Wednesday. At close, the currency settled at 277.41, a decrease of Rs1.97, as per the State Bank of Pakistan (SBP). On Tuesday, the Pakistani rupee had made giant strides against the US dollar, appreciating 3.83% in the inter-bank market to settle at 275.44, an increase that came on the back of the agreement signed [see more...](#)

PARCO issues fuel oil sales tender for July – **Neutral**

Pakistan's Pak-Arab Refinery Limited (PARCO) has offered fuel oil for July loading in its latest tender, underlining an ongoing shift in market dynamics as the South Asian country turned to exporting instead of importing fuel oil this summer. The refinery is offering 50,000 metric tones of high sulphur fuel oil (HSFO) with maximum 3.5% sulphur content, for loading at Karachi port between July 15 and 17, based on its website and trade sources. [see more...](#)

Nepra approves tariff hike for Discos, KE – **Negative**

National Electric Power Regulatory Authority (Nepra) on Wednesday accorded in principle approval of positive adjustment of Rs 1.90 per unit in FCA of Discos and Rs 1.45 per unit for K-Electric (KE) for the month of May 2023 under monthly FCA mechanism, financial impact of which has been calculated at Rs 29.2 billion. The provisional decisions were taken at a public hearing officiated Chairman NEPRA, Tauseef H [see more...](#)

Private power plants: PD pays Rs300bn to trim circular debt – **Neutral**

Power Division is said to have paid Rs 300 billion to private sector and public sector power plants till June 30, 2023 aimed at bringing down the stock of circular debt from Rs 2.646 trillion as of May 31, 2023 to Rs 2.370 trillion as of June 30, 2023, well informed sources told Business Recorder. Finance Ministry, sources said, has issued a GoP guarantee in respect of fresh [see more...](#)

Automakers raise car, bike prices – **Neutral**

Amid anticipated stability in the rupee-dollar parity after a staff-level agreement with the IMF, the country's auto assemblers and a leading tetra milk producer on Wednesday shocked consumers with massive price hikes. Lucky Motor Corporation Ltd (LMCL) on Wednesday raised the price of Picanto Automatic Transmission by Rs200,000 to Rs3.825 million from Rs3.625m while keeping Picanto [see more...](#)

OBS Group nearing deal for Bayer pharma assets in Pakistan – **Neutral**

Pakistan's OBS Group is nearing a deal to acquire pharmaceutical assets in the country from Bayer AG, Bloomberg reported on Wednesday. The Karachi-based pharmaceutical maker is close to buying a manufacturing facility in Lahore and 12 pharmaceutical brands for about 7 billion rupees (\$25 million), said one of the people [see more...](#)

Pharma firms told to start using barcode – **Neutral**

The Drug Regulatory Authority of Pakistan (Drap) on Wednesday directed pharmaceutical companies to introduce barcodes on the packing of their products in a fortnight. "Pharmaceutical manufacturers and importers must print 2D barcoding on the packaging of their products. Putting such measures as a 2D barcode matrix for the identification of medicinal products helps [see more...](#)

Avanceon Qatar secures \$10M project for flood risk management – **Positive**

Avanceon Automation & Control W.L.L Qatar, a subsidiary of Avanceon Limited (PSX: AVN) has been awarded an approximately \$10 million contract from a major municipality in the middle east region, the company's filing on PSX showed today. The objective is to improve the Drainage Network Operation System by enabling real-time monitoring and control of assets at various locations [see more...](#)

PIA's losses to go beyond colossal Rs800bn figure – **Negative**

Pakistan International Airlines (PIA)'s overall losses will cross over the Rs800 billion mark by the end of the ongoing calendar year and it would require 100 years to pay back its liabilities. This was revealed during a briefing to the prime minister on PIA's restructuring and reforms. Minister for Aviation Khwaja Saad Rafique and Secretary Aviation [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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- 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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