

MORNING GLANCE



41,667	▲ 314	▲ 0.76%
82 mn	YTD 2.09%	1 Year -4.18%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,593.85	59.75	0.32% ▲
DSE 30	2,201.33	3.31	0.15% ▲
SHANGHAI	3,234.95	2.51	0.08% ▲
Hang Seng	19,335.00	226.50	1.19% ▲
Nikkei 225	32,345.00	127.57	0.40% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,599.99	7.29	0.10% ▼
DAX 30	15,963.89	87.34	0.54% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	33,562.86	199.9	0.59% ▼
S&P 500	4,273.79	8.58	0.20% ▼
NASDAQ	14,556.50	9.86	0.07% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,976.25	1.95	0.10% ▲
Oil-WTI (bbl)	71.79	0.36	0.50% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	286.19	0.51	0.18% ▲
EURO/PKR	306.11	1.42	0.46% ▼
GBP/PKR	355.10	2.77	0.77% ▼
AED/PKR	78.48	0.70	0.90% ▲

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

Market Outlook

The stock market on Monday Surged over 300 points and conclude the session in the green zone as Finance minister promised to announce pro-investor budget. The KSE-100 index made an intra-day high and low at 41,682 (329 points) and 41,376 (23 points) respectively while closed at 41,668 by gaining 315 points. Trading volume increased to 82mn shares as compared to 68mn shares on the previous trading day. Going forward, the resistance for the index resides at 41,900. Breaking this level would further push the index towards 42,300. Contrarily, the support for the index resides at 41,296 (200 DMA).

Key News

International

Asian Shares., SGX Nifty fall as Wall street rally pause; Apple shares slip; Triggers for Indian market

Asian markets declined on Tuesday as the rally on Wall Street took a breather following broader weakness in global stocks. Investors remained on the sideline amid increased hopes that the US Federal Reserve will not raise interest rates after data showed slowing US wage growth. According to CME Group's FedWatch tool, traders have priced in an 81.7% chance [see more...](#)

Oil Falls as Optimism Over Saudi-Led Production Cut Fades Fast

Oil edged lower as traders weighed the outlook for supply and demand after Saudi Arabia's surprise pledge for extra supply cuts. West Texas Intermediate dipped below \$72 a barrel on Tuesday as a cautious tone spread across markets. Futures surged early Monday following the Saudi [see more...](#)

Politics

PDM unlikely to contest elections from single platform, says Fazl

In opposition to Defence Minister Khawaja Asif's proposal, JUI-F chief Maulana Fazlur Rehman has expressed doubt about the likelihood of Pakistan Democratic Movement (PDM) parties contesting the next elections from a single platform, as PDM is not an election alliance. "The PDM is not an [see more...](#)

Economy

PM sees IMF deal materialising this month - Neutral

Prime Minister Shehbaz Sharif has said that his government has been able to navigate the challenges faced by Pakistan in the best possible fashion with the help of its people and brotherly and friendly countries. In an interview with Anadolu News Agency posted on its website on Monday, the prime minister said Pakistan had been facing a plethora of problems since April 2022, when the current government took [see more...](#)

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Govt shares some details of federal budget with IMF - Neutral

Amid rumours of suspension of the International Monetary Fund (IMF) Extended Fund Facility (EFF) programme, the government of Pakistan has shared some of the details of the fiscal year 2023-24 budget with the Fund. This was confirmed by Esther Perez Ruiz, Resident Representative of IMF in Pakistan while responding to Business Recorder questions. She stated that IMF staff looks forward to furthering the discussions to identify spending [see more...](#)

Govt debt stocks rise to Rs58.6trn - Negative

The federal government's borrowing from domestic and external resources rose by 22.5 percent during the first 10 months of this fiscal year (FY23). According to State Bank of Pakistan (SBP), the central government's total domestic and external debt stocks surged to an all-time high level of Rs 58.6 trillion by the end of April 2023 compared to Rs 47.832 trillion as of June 2022, depicting an increase of Rs 10.766 trillion. The central government's [see more...](#)

PKR registers losses - Negative

The Pakistani rupee registered losses for the second straight session against the US dollar, depreciating 0.18% in the inter-bank market on Monday. At close, the currency settled at 286.19, a decline of Re0.51, as per the State Bank of Pakistan (SBP). In the open-market, the PKR was again at the receiving end against the US dollar. Open-market dealers Business Recorder reached out to quoted rates in the range of 305-310 on Monday evening. [see more...](#)

Oil industry wary of govt plan to import on foreign suppliers' account - Positive

The oil industry has serious reservations over the government plan to import oil on foreign suppliers' account through custom bonded storage facilities, sources told The News on Monday. The scheme would be effective if the oil prices are deregulated, sources said, and added that Oil Companies Advisory Council (OCAC) had opposed it when the plan first surfaced in December last. [see more...](#)

Delayed Russian oil cargo to reach Pakistan on June 11 - Neutral

A Russian cargo vessel carrying 100,000 tonnes of crude oil is behind schedule and is now expected to reach the Omani port of Duqm on June 7, a senior official told The News on Monday. The oil will be transported to Pakistan via smaller ships from the Omani port, which will take around two weeks to reach Port Qasim in Karachi, the official added. Pakistan was initially expecting the vessel from Russia to arrive in Oman on May 27-28. [see more...](#)

ECC approves over Rs33bn grants 3 days ahead of budget - Neutral

A meeting of the Economic Coordination Committee (ECC) of the Cabinet has approved over Rs33 billion supplementary grants/technical supplementary grants three days ahead of the budget for 2023-24 as well as fixation of maximum retail prices of 49 drugs. The ECC meeting presided over by Finance Minister Ishaq Dar, on Monday, approved after [see more...](#)

PM takes coalition partners on board over PSDP - Neutral

Prime Minister Shehbaz Sharif chaired a high-level meeting on Monday to consult coalition parties for the Public Sector Development Programme (PSDP). According to the Prime Minister's Office, in the meeting, the leaders and members of the coalition parties termed the prime minister's initiative of taking the allies into confidence and including their suggestions as historic. In the meeting, the coalition [see more...](#)

Payment system, RSF for lending to SMEs; WB's \$137m FIIP experiences delays - Neutral

The World Bank's Pakistan Financial Inclusion and Infrastructure Project (FIIP) worth \$137 million has experienced delays in the implementation of planned payment system upgrades and operationalisation of the risk-sharing facility (RSF) to support lending to Small and Medium Enterprises (SMEs). This has been revealed in the bank [see more...](#)

Inter-company dividends; Govt may provide relief from multiple taxation - Neutral

The government is likely to provide relief from multiple taxes on inter-company dividends in the coming budget (2023-24). According to the Reform and Revenue Mobilisation Commission (RRMC) recommendations, for the budget 2023-24, in order to distinguish multiple taxation of inter-company dividends with an income tax exemption, it is [see more...](#)

Govt may allocate Rs6bn to 31 IT projects - Neutral

The government is likely to allocate Rs6 billion for 31 development projects including one new of the Ministry of Information Technology and Telecommunication under the Public Sector Development Program (PSDP) for 2023-24, official documents revealed. A major chunk of development projects worth Rs1.834 billion which is around 30 percent of the total is proposed for the Special [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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