

# MORNING GLANCE



44,178	▲ 625	▲ 1.44%
166 mn	YTD 8.24%	1 Year 7.33%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,497.30	98.80	0.51% ▲
DSE 30	2,192.88	0.65	0.03% ▼
SHANGHAI	3,193.47	12.11	0.38% ▼
Hang Seng	18,339.00	194.05	1.05% ▼
Nikkei 225	32,662.50	110.52	0.34% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,280.50	161.6	2.17% ▼
DAX 30	15,528.54	409.04	2.57% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	33,922.26	366.38	1.07% ▼
S&P 500	4,411.59	35.23	0.79% ▼
NASDAQ	15,089.45	114.33	0.75% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,917.35	1.95	0.10% ▲
Oil-WTI (bbl)	71.98	0.18	0.25% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	277.04	0.56	0.20% ▼
EURO/PKR	300.55	0.30	0.10% ▲
GBP/PKR	352.23	0.94	0.27% ▼
AED/PKR	75.42	0.19	0.25% ▼

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

## Market Outlook

The stock market on Thursday Surged over 600 points and conclude the session in the green zone as investors expect approval of a loan from the IMF during an Executive Board meeting on 12 July. The KSE-100 index made an intra-day high and low at 44,213 (660 points) and 43,550 (-3 points) respectively while closed at 44,179 by gaining 626 points. Trading volume decreased to 166mn shares as compared to 181mn shares on the previous trading day. Going forward, we expect the market will maintain a positive trend in the coming days as it crosses the physiological resistance level of 44,000. However, a correction couldn't be ruled out in the short term as all the technical indicators have been exhausted. Therefore, we advise our investors to take profits on strength and consider the dips as buying opportunities. The resistance for the index resides at 44,512. Breaking this level would further push the index towards 44,800. Contrarily, the support for the index resides at 43,500.

## Key News

### International

#### Asian stock market: Markets buckle under US rates, China blues

Asian markets are set for a torrid end to the week on Friday as another spike up in U.S. bond yields and the prospect of interest rates being kept higher for longer triggered waves of 'sell' orders across all asset classes on Thursday. A look at the day ahead in Asian markets from Jamie McGeever, financial markets columnist. Asian markets are set for a torrid [see more...](#)

#### Oil prices steady as rate hike fears offset signs of tightening supply

Oil prices rose slightly on Friday and were on track for their second straight weekly gain, as resilient demand resulted in a larger-than-expected fall in U.S. oil stocks, offsetting fears of higher U.S. interest rates. [see more...](#)

### Politics

#### SC moved for PTI dissolution

A petition seeking the dissolution of Pakistan Tehreek-e-Insaf (PTI) was filed in the Supreme Court (SC) on Thursday. Muhammad Awn Saqlain has filed the petition [see more...](#)

### Economy

#### Around \$100m debt; Pakistan, Italy agree on 'PIDSA' timeline extension – Positive

Pakistan and Italy reached an agreement to extend the timeline of the Pakistan-Italian Debt Swap Agreement (PIDSA) through the Exchange of Letters (EoL) until December 2024. Approximately \$100 million (US \$26.52 million and euro 58.74 million) equivalent to Rs8.276 billion of Pakistan's debt owed to Italy is to be swapped for expenditure on [see more...](#)

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### Agri, defence, IT and mines sectors: Saudi Arabia invests \$0.5bn under SIFC so far – **Positive**

Saudi Arabia has made half a billion dollars investment under the Special Investment Facilitation Council (SIFC) so far since its formation on June 17, 2023, and also showed keen interest to make more investment in days to come, well-placed sources revealed. The sources further maintained that Saudi Arabia including other foreign investors wants to invest in [see more...](#)

### SBP's reserves up – **Positive**

The State Bank of Pakistan's forex reserves further increased by \$ 393 million to \$4.463 billion at the end of last week. mainly due to receipt of official government of Pakistan inflows. Cumulatively, reserves held by the SBP surged by \$ 937 million in last two week as the SBP's foreign exchange reserves surged by \$ 533 million during the previous week supported by Chinese inflows. According to the SBP, the total liquid forex reserves held by the [see more...](#)

### Cash-strapped govt to borrow record Rs11trn – **Negative**

In the absence of sufficient foreign inflows, the federal government has planned to borrow over Rs 11 trillion in the first quarter (Jul-Sep) of this fiscal year (FY24) from domestic resources to meet its financial requirements. The federal government will borrow this amount through auction of security papers including GOP Ijara Sukuk Fixed Rental Rate (FRR), Pakistan Investment Bonds Fixed Rate, Pakistan Investment Bonds (PIBs) [see more...](#)

### Basis for fixation of base tariff; Rupee could hit 325 mark vs dollar by June 2024: PD – **Negative**

The Power Division is said to have projected that Pak rupee could touch Rs 325 per US\$ by June 2024, which is likely to be the basis for fixation of base tariff for FY 2023-24, well-informed sources told Business Recorder. An increase between Rs 4-5 per unit is expected to be approved by the government and implemented from July 1, 2023 due to massive depreciation of Pak rupee [see more...](#)

### 1,320MW Shanghai Thar Coal Block-1 – **Neutral**

The financial closure of 1,320 MW Shanghai Thar Coal Block-1 is reportedly in trouble as Industrial and Commercial Bank of China (ICBC) has decided to withdraw \$ 300 million financing, well-informed sources in Ministry of Planning, Development and Special Initiatives (PD&SI) told Business Recorder. The newly-established plant was on forced outages in May 2023 due to technical faults in its coal mines which has alerted officials [see more...](#)

### Renewable energy: MoU signed with UAE – **Positive**

A memorandum of understanding (MoU) was signed between Pakistan and the United Arab Emirates (UAE) in the field of renewable energy. Power Division Secretary Rashid Mahmood Langrial and the Undersecretary of the Ministry of Energy and Infrastructure of the UAE, Sharif al Olama, signed on behalf of their respective sides Speaking at the MoU signing ceremony, Prime Minister [see more...](#)

### Designs of two hydropower projects; PCA accepts Pakistan's petition against India – **Neutral**

The Hague-based Permanent Court of Arbitration (PCA) has accepted Pakistan's position that it had competence to determine a dispute between India and Pakistan regarding change of designs in Kishanganga and Ratle Hydro Electric plants by India. The court of arbitration rejected India's objection to the assumption of jurisdiction by the [see more...](#)

### Govt approves Rs18.036 billion for telecom development funds – **Neutral**

Pakistan's IT and Telecom Minister Syed Amin ul Haque approved on Thursday the annual budgets of two state-owned funds that support the development of the telecom sector and innovation projects. The Universal Service Fund (USF), which subsidises the expansion of telecom services to remote and underserved areas, received a budget [see more...](#)

### Govt urged to ban sugar export to control increasing prices – **Neutral**

The Progressive Group President Khalid Usman, Senior Vice President Muhammad Arshad Chaudhry and the LCCI executive committee members Muhammad Ejaz Tanveer and Haji Riaz Ul Hassan in a joint statement here on Thursday said that the unbridled rising sugar prices are not only affecting the industries but also the common man. They claimed [see more...](#)

### Some banks reluctant to honour claims related to vandalism of lockers

Despite clear instructions from the State Bank of Pakistan (SBP), some banks are reluctant to honour the claims with regard to vandalism of lockers by the security guards or by their employees, said reliable sources. In recent case, said the sources, the branch management of a leading bank has declined a complaint whose complainant had obtained [see more...](#)

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<b>TP</b>	Target Price	<b>DDM</b>	Dividend Discount Model	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>JPB</b>	Justified Price to Book

## VALUATION METHODOLOGY

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

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

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The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

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