



41,923	▲ 255	▲ 0.61%
122 mn	YTD 2.71%	1 Year -3.59%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,599.00	5.15	0.03% ▲
DSE 30	2,198.22	3.11	0.14% ▼
SHANGHAI	3,202.46	7.12	0.22% ▲
Hang Seng	19,327.00	227.72	1.19% ▲
Nikkei 225	32,069.50	437.28	1.35% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,628.10	28.11	0.37% ▲
DAX 30	15,992.44	28.55	0.18% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	33,573.28	10.42	0.03% ▲
S&P 500	4,283.85	10.06	0.24% ▲
NASDAQ	14,558.09	1.60	0.01% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,980.10	1.4	0.07% ▼
Oil-WTI (bbl)	71.53	0.21	0.29% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	286.56	0.37	0.13% ▲
EURO/PKR	307.83	1.72	0.56% ▲
GBP/PKR	356.76	1.66	0.47% ▲
AED/PKR	78.61	0.13	0.17% ▲

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

Market Outlook

The stock market on Tuesday remained positive throughout the day and concluded the session in the green zone amid the finance minister affirmed the country's commitment to complete the IMF program as Pakistan narrows external funding gap. The KSE-100 index made an intra-day high and low at 42,026 (359 points) and 41,751 (83 points) respectively while closed at 41,926 by gaining 256 points. Trading volume increased to 122mn shares as compared to 82mn shares on the previous trading day. Going forward, the resistance for the index resides at 42,200. Breaking this level would further push the index towards 42,500. Contrarily, the support for the index resides at 41,290 (200 DMA).

Key News

International

SGX Nifty to Coinbase share plunge – Key triggers for Indian stock market today

Asian markets traded mixed on Wednesday following overnight gains on Wall Street after the S&P 500 ended at its highest level of 2023. Investors focus on China's May trade data amid hopes of a government stimulus to support the country's tepid economic recovery. The US Federal Reserve's policy meeting next week will be eyed as the central [see more...](#)

Oil Steadies as Concerns Over Demand Overshadow Saudi Output Cut

Oil steadied amid persistent concerns over the demand outlook following a short-lived bounce on Saudi Arabia's pledge to cut more supply. West Texas Intermediate futures traded below \$72 a barrel after closing 0.6% lower Tuesday. The US sees its oil demand this year growing at half the rate of 2022 due to waning diesel consumption, according [see more...](#)

Politics

Elections cannot take place in two months: Zardari

Former President Asif Ali Zardari said Tuesday that elections could not take place in two months and they would be held only when he would give the go-ahead. He was talking to the party ticket holders from central Punjab at Bilawal House. Secretary General of the party Syed Nayyer Hussain [see more...](#)

Economy

Pakistan making last-ditch effort to secure IMF deal - Negative

Pakistan and the IMF are still making their last-ditch efforts for narrowing down their differences over the external financing needs and budgetary numbers for the next financial year. The IMF wants confirmation on external financing gap of \$6 billion for the current fiscal year ending on June 30, 2023 and unveiling of budgetary framework completely [see more...](#)

MORNING GLANCE

WB revises GDP growth downward to 0.4pc - Neutral

The World Bank (WB) has revised downward the GDP growth rate for Pakistan by 1.6 percent to 0.4 percent for the current fiscal year 2022-23, while saying that continuing effects of the August 2022 floods, compounded by worsening social tensions, high inflation, and policy uncertainty are estimated to have limited growth. The bank in its latest report "Global Economic Prospects" has projected the GDP growth rate at two percent for the [see more...](#)

PM wants budget in line with IMF terms - Neutral

Prime Minister Shehbaz Sharif has asked the finance ministry to ensure that there is no violation of parameters set by the IMF in the next budget to be presented on June 9. An informed source said that in a meeting held between the PM and Finance Minister Ishaq Dar on Tuesday, there was optimism that the government would reach an agreement with the IMF. Contrary to media reports that the government will give the usual election [see more...](#)

Pakistan proposes inflation target of 21% in estimates for upcoming FY24 budget: report – Neutral

Prime Minister Shehbaz Sharif's government is set to present its annual budget on Friday, at a time when the crisis-hit South Asian country is looking for an International Monetary Fund bailout. The government's budget estimates suggest authorities are expecting inflation to ease out in the subsequent months after the headline figure hit a record high of 38% in May 2023. The monthly [see more...](#)

Foreign loans, debt servicing; Repayment revised upward by MoEA – Negative

The Ministry of Economic Affairs has revised upward by Rs402 billion repayment of short-term foreign loan and servicing of foreign debt following the depreciation of the rupee against the dollar and sought approval of grant from the Economic Coordination Committee of the Cabinet. The ECC meeting presided over by Finance Minister Ishaq Dar approved the [see more...](#)

Pakistan to strike a golden deal with oil giants, reducing import reliance – Neutral

In a major breakthrough to unlock a potential solution to Pakistan's soaring import reliance, the Pakistani government is considering making a deal with foreign oil giants, allowing them to operate custom bonded storage facilities. This visionary policy shift paved the way for a new era of energy security. Accordingly, foreign suppliers will be empowered to establish their own [see more...](#)

Import limit on furnace oil threaten summer electricity supply – Negative

Electricity consumers would face 3-5 hours of load-shedding during peak summer as the government has decided to curtail furnace oil imports for power generation due to the dollar crisis, an official of the Energy Ministry said. "The country is currently facing a shortfall of about 4,000MW, which is why consumers are facing power outages for 2-3 hours [see more...](#)

KE privatization; SC disposes of JI's plea - Neutral

The Supreme Court disposed of Jamaat-e-Islami (JI)'s petition challenging the 2005 privatisation of K-Electric (KE) for being infructuous. A three-judge bench, headed by Chief Justice Umar Ata Bandial and comprising Justice Ayesha Malik and Justice Athar Minallah, on Tuesday, heard the JI's petition for declaring the privatisation of Karachi Electric Supply Company as unlawful. During the proceeding, Justice Minallah [see more...](#)

Nepra hints at revising cold storages' tariff – Neutral

The National Electric Power Regulatory Authority (Nepra) on Tuesday hinted at revising tariff of cold storages across the country and reconnection of seasonal units within 72 hours which are paying fixed charges, without any additional charges. The Authority held a public hearing which was convened on concerns of industrial consumers regarding financial burden in the form of fixed charges and [see more...](#)

PM chairs meeting on IT, telecom sectors - Positive

Prime Minister Shehbaz Sharif chaired a high-level meeting on budget proposals regarding IT and telecom sectors on Tuesday. The meeting was informed in detail about the development of the IT and telecom sector and an increase in IT exports and in this regard, comprehensive measures are being taken in the budget with a target to increase the current IT exports by 100 percent. The meeting was further [see more...](#)

Sales tax zero-rating on supply of dairy products to continue - Positive

The sales tax zero-rating on local supplies of dairy products including milk/fat filled milk would remain intact in the upcoming budget (2023-24). Budget makers told Business Recorder that no proposal is under consideration to impose sales tax on milk or any other dairy product at the domestic stage or local supplies. Therefore, the new taxation [see more...](#)

DISCLAIMER

This report has been prepared by Abbasi & Company (Private) Limited and is provided for information purposes only. Under no circumstances, this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Abbasi & Company (Private) Limited and or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Abbasi & Company (Private) Limited accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. In particular, the report takes no account of the investment objectives, financial situation and needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Abbasi & Company (Private) Limited Research Department and do not necessarily reflect those of the company or its directors. Abbasi & Company (Private) Limited as a firm may have business relationships, including investment-banking relationships, with the companies referred to in this report. Abbasi & Company (Private) Limited does not act as a market maker in the securities of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives do not have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company at the time of issuance of this report. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives are not currently serving or have served in the past three years as a director or officer of the subject company. Abbasi & Company (Private) Limited or any officers, directors, associates or close relatives have not received compensation from the subject company in the previous 12 months. The subject company currently is not, or during the 12-month period preceding the date of publication or distribution of this report, was not, a client of Abbasi & Company (Private) Limited. We have not managed or co-managed a public offering or any take-over, buyback or delisting offer of securities for the subject company in the past 12 months and/or received compensation for corporate advisory services, brokerage services or underwriting services from the subject company in the past 12 months. Abbasi & Company (Private) Limited does not expect to receive or intend to seek compensation for corporate advisory services or underwriting services from the subject company in the next 3 months

All rights reserved by Abbasi & Company (Private) Limited. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Abbasi & Company (Private) Limited. Action could be taken for unauthorized reproduction, distribution or publication

VALIDITY OF THE PUBLICATION OR REPORT

The information in this publication or report is, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report. The information may be subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the company, jurisdiction or financial instruments referred to in this report. The valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report and were based upon several estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein is not to be relied upon as a representation and/or warranty by Abbasi & Company (Private) Limited and/or its other associated and affiliated companies, that:

- I. Such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- II. There is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein

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

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

RATINGS CRITERIA

Abbasi & Company (Private) Limited employs a three-tier ratings system to rate a stock and sector, as mentioned below, which is based upon the level of expected return for a specific stock and outlook of sector. The rating is based on the following with stated time horizon

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.

RESEARCH DISSEMINATION POLICY

Abbasi & Company (Private) Limited endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as email, fax mail etc. Nevertheless, all clients may not receive the material at the same time

OTHER DISCLOSURES

The research analyst is primarily involved in the preparation of this report, certifies that:

- I. The views expressed in this report accurately reflect his/her personal views about the subject company/stock /sector and economy
- II. No part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report

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

PREPARED BY

Muhammad Umair Javed

Phone: (+92) 42 38302028

Ext: 117

Email: umairjaved@abbasiandcompany.com

RESEARCH DEPARTMENT

6 - Shadman, Lahore

Phone: (+92) 42 38302028; Ext: 116, 117

Email: research@abbasiandcompany.com

web: www.abbasiandcompany.com

HEAD OFFICE

6 - Shadman, Lahore

Phone: (+92) 42 38302028

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com