



48,386	▼ -200	▼ -0.41%
232 mn	YTD 18.55%	1 Year 14.94%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	19,597.30	80.30	0.41% ▲
DSE 30	2,138.40	14.12	0.66% ▼
SHANGHAI	3,272.29	3.46	0.11% ▲
Hang Seng	19,333.00	182	0.93% ▼
Nikkei 225	32,386.50	121.50	0.38% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,554.49	9.88	0.13% ▼
DAX 30	15,950.76	1.1	0.01% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	35,473.13	407.51	1.16% ▲
S&P 500	4,518.44	40.41	0.90% ▲
NASDAQ	15,407.85	132.94	0.87% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,969.15	0.85	0.04% ▼
Oil-WTI (bbl)	82.22	0.28	0.34% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	287.43	0.46	0.16% ▲
EURO/PKR	315.87	1.89	0.60% ▲
GBP/PKR	366.17	1.64	0.45% ▲
AED/PKR	78.25	0.54	0.69% ▼

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

Market Outlook

The stock market on Monday opened on a positive note. However, later on, it lost the impetus and reversed all of its intra-day gains while concluded the session in the red zone as CCOE Approves incentives for Oil Refineries, Pledges \$1b Support. The KSE-100 index made an intra-day high and low at 49,034.92 (449 points) and 48,276.54 (-309 points) respectively while closed at 48,386 by losing 199 points. Trading volume increased to 232mn shares as compared to 210mn shares on the previous trading day. Going forward, we expect the profit-taking to continue in the short term. The index is anticipated to face upcoming support at 48,000 and 47,500 while finding resistance at 49,000.

Key News

International

Asian markets to inflation data

Asian markets traded mostly higher on Tuesday following overnight gains on Wall Street as investors awaited key economic data releases in the region, especially from China, which will guide on the country's growth path China is set to release its trade balance on Tuesday and inflation data on Wednesday. In Japan, official data showed the country's household spending fell 4.2% YoY in June, [see more...](#)

Oil prices inch higher amid tighter supplies, demand uncertainty

Oil prices rose in Asian trade on Tuesday, recovering a measure of overnight losses as bets on tightening global supplies helped somewhat offset concerns over potential weakness in demand for the remainder of the year. Extended production cuts by major suppliers Saudi Arabia and Russia have been the biggest source of support for crude [see more...](#)

Politics

General elections can be postponed till March 2024: interior minister

The general elections in the country can be deferred till March next year as the Election Commission of Pakistan (ECP) is required to carry out fresh delimitation of constituencies on the basis of 2023 census, Interior Minister [see more...](#)

Economy

Investment task: SIFC apex body picks up the pace - Neutral

The third meeting of the Apex Committee of Special Investment Facilitation Council (SIFC) was held here on Monday to continue the positive momentum to attract investment in various sectors of economy. The meeting was chaired by Prime Minister Shehbaz Sharif and attended by Chief of Army Staff, chief ministers, federal and provincial ministers, and high-level government officials. [see more...](#)

MORNING GLANCE

Six incentive schemes of SBP; ECC approves proposal of changes in contours – Neutral

The Economic Coordination Committee (ECC) of the Cabinet has approved the State Bank of Pakistan (SBP)'s proposal with respect to changes in the contours of six incentives in order to improve remittances inflow and get optimal remittance inflow through formal channels. The meeting presided over by Finance Minister Ishaq Dar on Monday was submitted a summary by the [see more...](#)

Aug-Oct auction calendar; Govt plans to borrow Rs11.09trn from banks – Negative

The federal government has planned to borrow Rs 11.09 trillion from the domestic banking system during the next three months (August-October) of FY24. The federal government will raise this amount through the auction for security papers including long-term Pakistan Investment Bonds (PIBs) Fixed Rate, PIBs Floating Rate, GoP Ijara Sukuk Fixed Rental Rate (FRR) [see more...](#)

CCoE approves policy to upgrade local refineries, boost fuel quality – Positive

The Cabinet Committee on Energy (CCoE) approved on Monday a policy to upgrade local refineries and produce cleaner fuels. The policy, which will be notified after final approval by the federal cabinet on Tuesday, would boost refining capacity of petrol and diesel to 100 percent and 50 percent in the next six years with the upgrade of local refineries under the brownfield refinery [see more...](#)

Neelum-Jhelum hydropower project connected to national grid – Positive

At last, after one year and one month, the 969 MW Neelum-Jhelum hydropower project that became non-operational on July 6, 2022, due to a blockage in the 3.5 km Tail Race Tunnel (TRT) has been connected to the national grid by making one unit of 242.25 MW operational. Out of the remaining three units, two units would be made functional today (Tuesday) and the [see more...](#)

ECC okays services for investment from UAE, world – Neutral

The Economic Coordination Committee of the Cabinet (ECC) on Monday approved the inclusion of transmission line and ancillary services of the power sector for attracting multibillion dollars investment from the Gulf region and other countries through the Special Investment Facilitation Council (SIFC), purchasing 104 MW electricity from Iran and fixed Rs 3 billion for health insurance of journalists and uniform tariff for KE consumers. [see more...](#)

DISCOs seek up to Rs6 per unit hike in power tariff – Neutral

The electricity consumers may face a further increase of Rs3.50-6 per unit in their bills as the country's 10 power distribution companies (DISCOs) have sought the hike under the last quarterly tariff adjustment for the last fiscal year of 2022-23, an official said on Monday. The National Electric Power Regulatory Authority (NEPRA) will hold a hearing on the petitions of the 10 DISCOs on August 23 [see more...](#)

KIA Lucky Motors closes 4 dealerships in Pakistan – Negative

Lucky Motor Corporation Limited (Formerly KIA Lucky Motors Pakistan Limited) announced on Monday that the company is closing the operations of its four dealerships in Pakistan with immediate effect, said a press release issued by the company on the same day. The four dealerships that will be closed are; Kia Motors Hanna Lake in Quetta, Kia Motors Chenab in Gujrat, Kia Motors Avenue in Dera Ghazi Khan, and [see more...](#)

RMS Limited intends to acquire majority stake of Baluchistan Wheels – Neutral

The development was shared by brokerage house Arif Habib Limited, which was appointed manager to the offer, in a notice to the Pakistan Stock Exchange (PSX) on Monday. "On behalf of the acquirer, we are pleased to submit a Public Announcement of Intention to acquire up to 63.56% shares of Baluchistan Wheels Limited (the "Target Company") [see more...](#)

Cement prices in North region surged by Rs25 per bag – Positive

The North-based cement manufacturers have increased cement prices by Rs25 per bag, the well-informed source told Mettis Link News on Monday. The increase in cement prices can be attributed to the rising cost of production as the provincial government increased the royalty rate from Rs115 per tonne to Rs250/ tonne along with an electricity [see more...](#)

Symmetry Group Limited IPO raises concerns with unproven IPs, valuation – Neutral

The Pakistan Stock Exchange (PSX) is all set to witness the first Initial Public Offering (IPO) of FY24 via Symmetry Group Limited (SGL) which intends to raise Rs375 million without having any proven Intellectual Properties (IPs) as the company is yet to develop and launch five digital IPs. Basically, the company will first raise money from the public, [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