

MORNING GLANCE



41,686	▼ -457	▼ -1.08%
101 mn	YTD 2.13%	1 Year -4.14%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	18,634.55	91.85	0.49% ▼
DSE 30	2,189.21	0.47	0.02% ▲
SHANGHAI	3,213.75	0.16	0.01% ▲
Hang Seng	19,299.00	0.18	-
Nikkei 225	32,155.50	514.23	1.63% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,599.74	24.6	0.32% ▼
DAX 30	15,989.96	29.40	0.18% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	33,833.61	168.59	0.50% ▲
S&P 500	4,293.93	26.41	0.62% ▲
NASDAQ	14,484.54	181.26	1.27% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,979.15	0.55	0.03% ▲
Oil-WTI (bbl)	70.83	0.46	0.65% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	286.81	0.07	0.02% ▼
EURO/PKR	307.63	1.12	0.37% ▲
GBP/PKR	357.73	1.74	0.49% ▲
AED/PKR	78.08	0.03	0.04% ▼

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

Market Outlook

The stock market on Thursday plunged over 400 points and concluded the session in the red zone amid the political & macro-economic uncertainty ahead of the Fiscal Budget as IMF demand to pass program-friendly budget to unlock funds. The KSE-100 index made an intra-day high and low at 42,307 (164 points) and 41,649 (494 points) respectively while closed at 41,686 by losing 456 points. Trading volume decreased to 101mn shares as compared to 117mn shares on the previous trading day. Going forward, the support for the index resides at 41,278 (200 DMA). Breaking this level would further drag the index towards 40,992 (50 DMA). Contrarily, the resistance for the index resides at 42,000.

Key News

International

Global market: SGX Nifty to Wall Street's new bull market - key triggers for the Indian stock market

Asian markets traded higher on Friday following overnight gains in US stocks with the S&P 500 entering into a bull market. Japan's equity market snapped a two-day fall while Australian shares also turned positive after a three days' fall. Investors will now focus on the US Federal Reserve Bank's policy meeting on June 13 after the US jobless claims [see more...](#)

Oil slips as weak Chinese data fuels demand concerns

Oil prices extended losses into Asian trade on Friday amid persistent fears that slowing economic growth will erode demand this year, with dismal readings from China further denting sentiment. Chinese consumer inflation shrank in May from the prior month, while factory gate inflation hit a seven-year low as an economic recovery in the country [see more...](#)

Politics

Jahangir Tareen launches Istehkam-i-Pakistan Party with PTI defectors by his side

The former PTI leader made the announcement during a press conference in Lahore with several other PTI defectors — including those who left in the aftermath of the May 9 incidents — by his side. He was flanked by another one-time confidant of the PTI chief, Aleem Khan, and several [see more...](#)

Economy

Govt fails to achieve key economic targets - Neutral

Owing to the inability to revive the stalled International Monetary Fund (IMF) programme, restricted imports, severe floods and heightened political temperature in Pakistan, the government has missed all its macroeconomic targets set for the outgoing fiscal year 2022-23. The Economic Survey 2022-23. conceded that the government failed to achieve all macroeconomic targets including GDP growth rate, [see more...](#)

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Economic Survey 2022-23: Pakistan's outstanding stock of guarantees stands at Rs3.460tr – Neutral

The outstanding stock of guarantees in the country remained at Rs3.460 trillion at the end of March 2023, with local guarantees amounting to Rs1.579 trillion and foreign guarantees up to Rs1.881 trillion, as stated in the Economic Survey 2022-23. However, during Jul-Mar FY23, the government issued fresh or rollover guarantees aggregating to Rs171 billion [see more...](#)

Jul-Mar exports, imports post negative growth – Negative

The country's exports and imports have posted a negative growth during first three quarters (July-March) 2022-23 due to global slowdown, domestic policies and restrictions on imports due to foreign exchange availability issues. According to Economic Survey released on Thursday, exports declined by 9.9 percent during Jul-Mar FY2023 to \$ 21.0 billion compared to \$ 23.3 billion in the same period last year. The decline in exports was driven by [see more...](#)

External public debt recorded at \$85.2bn by March-end – Negative

External public debt was recorded at \$85.2 billion at the end of March 2023, revealing a decrease of around \$3.7 billion during the first nine months of the current fiscal year, given in the Economic Survey 2022-23, however, it does not contain liabilities of foreign exchange, public sector enterprises (PSEs), banks, and private sector. According to the State Bank of Pakistan (SBP) data, [see more...](#)

Alarming: SBP-held foreign exchange reserves fall another \$179mn, now stand at \$3.91bn – Negative

Foreign exchange reserves held by the State Bank of Pakistan (SBP) decreased by \$179 million, clocking in at nearly \$3.91 billion as of June 2, data released on Thursday showed. The overall number still stands at a critical level at around a month of import cover. Total liquid foreign reserves held by the country stood at \$9.33 billion. Net foreign reserves held by commercial banks [see more...](#)

Govt plans to borrow record Rs10.36 trillion via T-bills, bonds in June-Aug – Negative

The government intends to borrow a record amount of Rs10.36 trillion through treasury bills and bonds between June and August to plug budget deficit amid low revenue collections and dried-up foreign currency inflows. The majority of the planned borrowing for the three months would be done through Market Treasury Bills (T-bills) with maturities of three, six, and 12 months. [see more...](#)

Pakistan to Push Growth to 3.5% Amid IMF Austerity Measures – Neutral

Pakistan's government will present a carefully-knitted together budget for the next financial year as it looks to balance boosting stuttering economic growth with the tough conditions imposed by the International Monetary Fund to revive a bailout program Finance Minister Ishaq Dar in his speech in the lower house of parliament Friday will [see more...](#)

Pakistan needs convincing budget for any chance of more funds - IMF official – Neutral

Pakistan has to satisfy the IMF on three counts, starting with a budget due on Friday, before its board reviews whether to release at least some of the \$2.5 billion still pending under a lending programme expiring this month, an IMF official said. Esther Perez Ruiz, the International Monetary Fund's resident representative for Pakistan, said on Thursday there [see more...](#)

Dar puts onus of 'another IMF programme' on new govt – Negative

His remarks came during the question-and-answer session following the unveiling of the Economic Survey 2022-23. "We need to be clear that the current IMF programme is scheduled to end on June 30," said Dar in response to a question if the current government's plan included negotiating a new deal with the Washington-based lender amid calls for [see more...](#)

SBP to leave 21pc policy rate unchanged amid high inflation – Neutral

Central bank is widely expected to keep its key interest rate unchanged at 21% on Monday after aggressive rate hikes since April last year to tackle record high inflation amid the nation's worst-ever economic crisis. The country's key rate has been raised by a massive 1125 basis points (bps) since April 2022 and 17 of 18 analysts surveyed said there [see more...](#)

SNGPL, SSGC consumers; Price of imported RLNG without GST fixed for June – Negative

The Oil and Gas Regulatory Authority (Ogra), on Thursday, fixed weighted average sale price of imported RLNG without GST at \$12.7181 per mmbtu for the consumers of the Sui Northern Gas Pipeline Limited (SNGPL) and \$12.9429 per mmbtu for the Sui Southern Gas Company (SSGC) for the month of June. The average price without GST is [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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