

MORNING GLANCE



78,628	▼ -200	▼ -0.25%
143 mn	YTD 21.6%	1 Year 63.69%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	24,837.95	1.85	0.01% ▲
DSE 30	1,902.75	30.02	1.55% ▼
SHANGHAI	2,923.90	44.61	1.55% ▲
Hang Seng	17,328.00	325.09	1.91% ▲
Nikkei 225	38,443.00	69	0.18% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	8,274.41	17.94	0.22% ▼
DAX 30	18,411.18	90.51	0.49% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	40,743.33	203.40	0.50% ▲
S&P 500	5,436.44	27.1	0.50% ▼
NASDAQ	18,796.27	263.22	1.38% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,460.20	8.30	0.34% ▲
Oil-WTI (bbl)	75.76	1.03	1.38% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	278.90	0.10	0.04% ▲
EURO/PKR	302.76	-	-
GBP/PKR	357.73	0.31	0.09% ▼
AED/PKR	76.29	-	-

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

Market Outlook

The stock market on Tuesday remained volatile throughout the day and concluded the session in the red zone amid profit taking by the investors. The Benchmark KSE-100 index made an intra-day high and low at 79,327.04 (499.30 points) and 78,518.23 (-309.51 points) respectively while closed at 78,628.80 by losing 198.94 points. Trading volume increased to 143mn shares as compared to 135mn shares on the previous trading day. Going forward, we expect the market to remain bearishly uncertain due to a clash in technical and fundamental indicators where on the one hand "S&P Global keeps rating at 'CCC+', citing reliance on foreign aid" and on the other hand market seems to be determined to complete its correction down to 76,000. The index's current support lies at 78,000 and 77,300, while finding a resistance at 79,300.

Key News

International

Asian Shares Decline as Markets Await Key Events: Markets Wrap

Asian stocks fell amid speculation investors are trimming some of their holdings before a rush of events in coming days including major central bank decisions, key economic data and earnings from US megacap companies. Hong Kong's equity benchmark led losses in the region, falling [see more...](#)

Oil claws back some losses after Israel retaliates against Hezbollah

Oil futures clawed back some losses on Wednesday, recovering from 7-week lows as geopolitical tensions rose after Israel retaliated against an attack by Hezbollah, although prices remained under pressure from concerns about demand in China. Brent crude futures climbed 39 cents, or 0.5%, to \$79.02 a barrel by 0020 GMT ahead. [see more...](#)

Politics

IK says ready to hold talks with military

The incarcerated Pakistan Tehreek-e-Insaf (PTI) founding chairman, Imran Khan, on Tuesday, said that we are ready to hold talks with the military, and the army should appoint their representative and we will hold talks with them. Talking to media persons after hearing of the Al-Qadir Trust [see more...](#)

Economy

S&P Global keeps rating at 'CCC+', citing reliance on foreign aid – Positive

The outlook on the long-term rating is stable. Our transfer and convertibility assessment remains at "CCC+", says the ratings agency. It further stated that the stable outlook balances the risks to Pakistan's external liquidity position and fiscal performance over the next 12 months against the prospect of continued support from multilateral and bilateral partners... [see more...](#)

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Finance ministry projects inflation moving towards single-digit rates - **Positive**

The Ministry of Finance has forecast July inflation to fall between 12% and 13%, with further cooling in August to 11% to 12%, and expressed optimism about reaching single-digit rates in the future, according to its monthly economic outlook released on Tuesday. "Economy moved towards.. [see more...](#)

FY24 ends with a budget deficit of 6.8pc of GDP – Neutral

The government has closed fiscal year 2023-24 with budget deficit of 6.8 percent of the gross domestic product (GDP) or Rs7.206 trillion despite provincial budget surplus of Rs518.213 billion, around 0.5 percent of the GDP. On Tuesday, summary of consolidated fiscal operation released by the Finance Ministry showed a collection of Rs1,019 billion on [see more...](#)

Govt set to reduce POL prices – Neutral

The federal government is set to reduce the prices of petrol and high-speed diesel (HSD) by a substantial margin. Effective from August 1, 2024, the price of petrol is expected to decrease by Rs6 per liter, while HSD will become cheaper by Rs11.50 per liter, according to estimates of oil marketing companies (OMCs) Additionally, kerosene oil and light.. [see more...](#)

Petroleum products into sales Tax exemption: Change of status of zero-rating to benefit FBR worth Rs20bn – Neutral

Sources told Business Recorder that the industry is now unable to take refunds due to change of status from sales tax zero-rating into sales tax exemption of petroleum products. Prior to budget (2024-25), the industry was taking refunds due to sales. [see more...](#)

Privatization Commission announces to return 320 million OGDCL shares after decade – Neutral

In a notable shift, the Privatization Commission has announced its decision to return 320 million shares of Oil and Gas Development Company Limited (OGDCL) after a decade of holding them. Initially, these shares were transferred to the commission with the intention of selling them to a.. [see more...](#)

Subsidy package for those consuming up to 200 units announced – Neutral

Federal Minister for Petroleum Musadik Malik said on Tuesday that a Rs 50 billion energy subsidy package for low-income households has been announced for those consuming less than 200 units of electricity. The minister said there were 86 percent households which consume. [see more...](#)

Nepra faces backlash as KE seeks Rs5.50 per unit FCA – Neutral

At a public hearing, the Karachi-based private power utility, K-Electric, demanded an additional FCA of Rs2.53 per unit for electricity consumed in May and Rs2.92 per unit for June, with a cumulative financial impact of Rs10.036 billion in two months. The power utility's team, [see more...](#)

IT, agri sector and SMEs; Aurangzeb asks banks to lend more – **Positive**

Federal Minister for Finance & Revenue, Muhammad Aurangzeb has asked banks to enhance their financing to priority sectors including IT, agriculture and SMEs for a sustainable economic growth and prosperity. The Finance Minister on Tuesday visited the. [see more...](#)

FBR tells banks; Only bad debts classified as loss are expense – Neutral

The Federal Board of revenue (FBR) has conveyed to banks that only bad debts classified as loss pertaining to non-performing assets under the Prudential Regulations issued by the State Bank of Pakistan (SBP).. [see more...](#)

Exports to US decline - **Negative**

The decline in exports of textiles and clothing to the US is the primary reason for the fall, according to the data compiled by the State Bank of Pakistan. Pakistan's merchandise exports to the US fell 8.42pc to \$5.432 billion in the outgoing fiscal year 2023-24 from \$5.93bn over the same period last year. Pakistan's exports to the US stood at. [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

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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