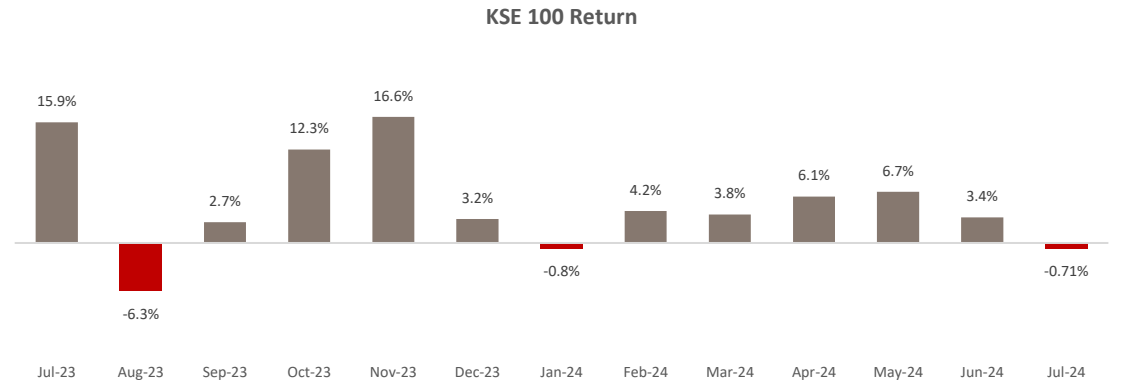


ACPL DIGEST (Jul-24)

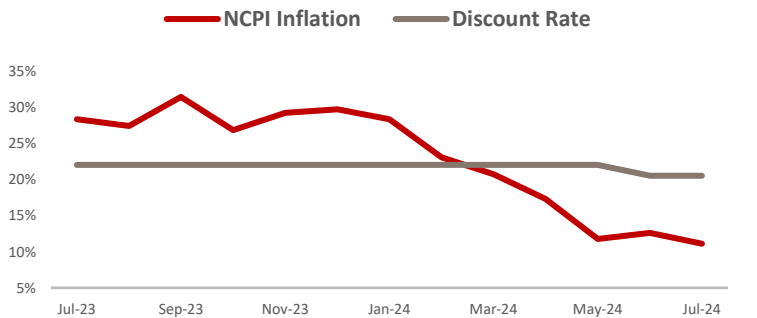


Remittances			Exports			Imports			Current Account	
FY24	FY23	Change	FY24	FY23	Change	FY24	FY23	Change	FY24	FY23
\$30.30 bn	\$27.30 bn	▲ 10.99%	\$30.64 bn	\$27.72 bn	▲ 10.5%	\$54.73 bn	\$55.19 bn	▼ -0.8%	-\$0.681 bn	-\$3.275 bn

In July, the KSE-100 shed 558 points, closing at 77,887, a loss of 0.7% MoM. The new fiscal year began with a bullish trend as Pakistan signed a Staff-Level Agreement with the IMF for a USD 7 billion Extended Fund Facility, which propelled the index to an all-time high of 81,839 points. Fitch further upgraded Pakistan's Long-Term Foreign-Currency Issuer Default Rating to CCC+. Inflation in July dropped to 11.1% from 12.6% in June 2024, and the SBP reduced interest rates by 100 basis points to 19.5%. The current account deficit contracted by 79% to USD 0.7 billion, the lowest in 13 years, driven by a reduced trade deficit and increased remittances. In FY24, remittances increased by 11% YoY, amounting to USD 30.3 billion compared to USD 27.3 billion in FY23, and the Large-Scale Manufacturing Index recorded a 7% YoY growth in May. However, the market did not fully account for the positive economic developments and reversed its intra-month gains in response to political developments.

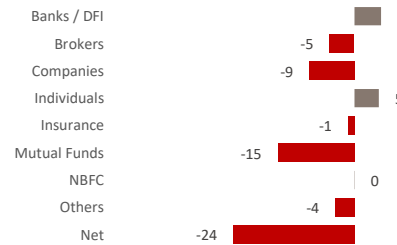


Source: PSX

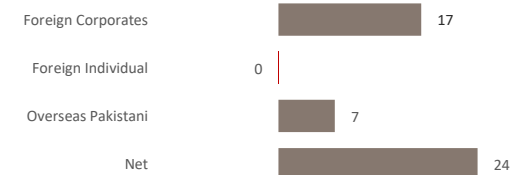


Source: PBS, SBP

LIPI (USD'mn) (Jul-24)



FIPI (USD'mn) (Jul-24)



Source: NCCPL

SBP reserves declined by USD 362 million to USD 9 billion, and the PKR depreciated slightly to 278.74 against the USD. Specifically, the Supreme Court's decision regarding reserved seats that favored PTI created volatility and led to a loss of investor confidence. Foreign buying activity totaled USD 23.8 million in July 2024. Locally, Mutual Funds, Companies, Brokers, Other Organizations, and Insurance sectors reported selling, while Banks/DFIs and Individuals were observed buying. In the upcoming month, key highlights will include the IMF Executive Board's approval and the disbursement of the first tranche of the new EFF, which is expected to attract more foreign inflows. Additionally, the ongoing results season is likely to capture investor interest, keeping certain stocks in focus. However, geopolitical instability in the Middle East could push oil prices higher, potentially affecting short-term inflation expectations.

Our recommended stocks include GAL, SAZEW, HCAR, FABL, FFBL, PTL and BCL

		(USD' mn) (Jul-24)										
		Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross
LIPI Portfolio	Banks / DFI	6.49	4.09	-6.87	0.14	2.85	-0.16	1.05	-2.40	0.37	-0.36	5.21
	Broker Proprietary Trading	-0.86	-3.05	0.36	-0.49	-0.72	-0.21	-0.19	-0.28	0.11	0.43	-4.90
	Companies	0.59	-5.16	0.56	-0.31	3.10	0.28	-3.77	-0.62	-0.41	-3.12	-8.85
	Individuals	-0.87	-2.71	0.81	3.06	-2.11	-0.16	5.54	-1.12	-0.20	2.53	4.77
	Insurance Companies	0.82	1.36	4.07	0.13	0.76	-1.35	-1.88	-0.36	-1.06	-3.74	-1.26
	Mutual Funds	-2.94	0.19	2.31	-0.50	-4.82	0.58	-2.54	-1.64	-1.00	-4.73	-15.09
	NBFC	0.02	-0.01	0.01	0.00	-0.03	0.06	-0.02	-0.02	-0.02	0.06	0.04
	Other Organization	0.11	-0.53	0.39	0.01	-0.86	0.12	-0.21	0.35	-0.01	-3.12	-3.76
LIPI Total		3.36	-5.81	1.64	2.04	-1.82	-0.85	-2.03	-6.09	-2.22	-12.05	-23.84
FIPI Portfolio	Foreign Corporates	-3.38	2.25	-0.95	-1.16	1.88	0.95	-0.22	7.88	2.65	7.20	17.09
	Foreign Individual	0.00	0.02	0.00	0.00	0.00	0.00	0.14	0.04	0.00	-0.20	0.00
	Overseas Pakistani	0.02	3.54	-0.69	-0.88	-0.05	-0.09	2.11	-1.83	-0.43	5.05	6.75
	Total	-3.36	5.81	-1.64	-2.04	1.82	0.85	1.25	6.09	2.22	12.05	23.84

Source: NCCPL

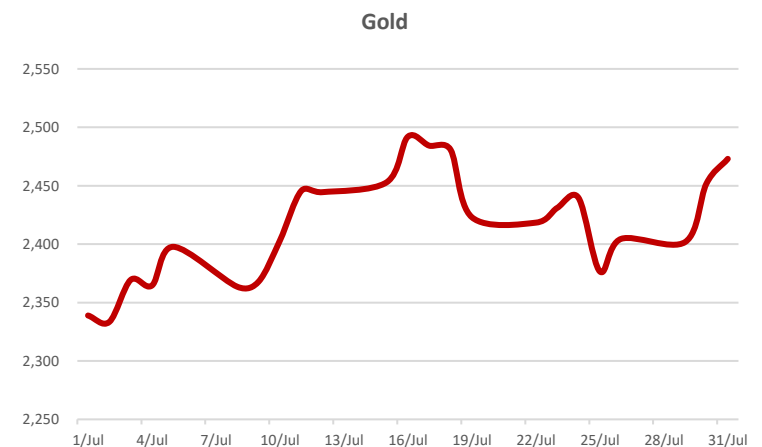
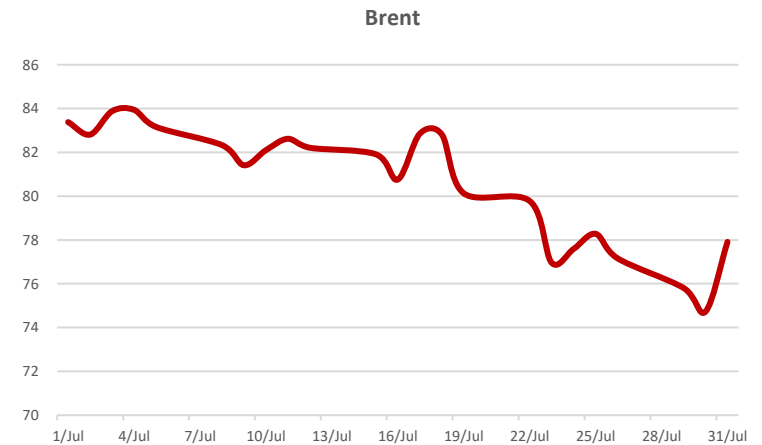
COMMODITIES OVERVIEW

Brent Oil

In July, crude oil prices decreased by 7%, experiencing significant fluctuations due to global economic and geopolitical factors. Starting the month at approximately \$84 per barrel, prices rose to around \$87 per barrel by mid-July, driven by falling crude stocks, investor short covering, and renewed geopolitical tensions in the Middle East. However, by the end of the month, prices fell to around \$78 per barrel, primarily due to persistent demand concerns from China. Overall, the market sentiment was bearish, with traders focused on signs of weak demand, especially from China, leading to the end-of-month decline. Going forward, crude oil prices may exhibit mixed trends due to rising tensions in the Middle East following the assassination of Ismail Haniyeh and lower oil demand from China. Additionally, oil stock inventories in the US have been shrinking over the past few months.

Gold

Gold price increased by 6% in July on a monthly basis. Gold maintained an upward trend but experienced some sideways movement, closing at 2473 at the end of July, suggesting a possible pause before further gains. Geopolitical tensions continued to boost gold's appeal as a safe-haven asset, while market expectations of potential interest rate cuts, particularly by the Federal Reserve, supported gold's attractiveness. The overall market sentiment remained cautiously optimistic, with bullish factors expected to drive prices higher in the coming months. However, future price movements will depend on various economic, geopolitical, and market conditions.



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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

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

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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