

MORNING GLANCE



77,980	▼ -590	▼ -0.75%
142 mn	YTD 20.6%	1 Year 60.57%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	24,325.10	21.9	0.09% ▼
DSE 30	2,153.54	20.81	0.98% ▲
SHANGHAI	2,856.09	2.11	0.07% ▼
Hang Seng	17,142.00	30.35	0.18% ▲
Nikkei 225	35,990.00	965.00	2.76% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	8,210.25	42.15	0.52% ▲
DAX 30	17,726.47	3.59	0.02% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	39,357.01	140.53	0.36% ▼
S&P 500	5,344.39	0.23	-
NASDAQ	18,542.03	28.93	0.16% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,504.05	0.05	-
Oil-WTI (bbl)	79.47	0.59	0.74% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	278.80	0.3	0.11% ▼
EURO/PKR	305.73	0.1	0.03% ▼
GBP/PKR	356.00	0.05	0.01% ▼
AED/PKR	76.41	0.1	0.13% ▼

Market Outlook

The stock market on Monday remained negative in majority part of the day and concluded the session in the red zone amid profit taking exerted downward pressure, eroding earlier gains made on the previous trading day. The Benchmark KSE-100 index made an intra-day high and low at 78,886.46 (316.88 points) and 77,940.52 (-629.06 points) respectively while closed at 77,980.29 by losing 589.29 points. Trading volume increased to 142mn shares as compared to 139mn shares on the previous trading day. We expect the market to become volatile as the index has broken its bearish structure, though bearish momentum remains. The key levels to watch in the shorter timeframes are 77,600S and 79,000R, as they will be crucial in indicating the market's overall sentiment. However, The index has a D support at 77,000 and 76,000, while finding resistance at 79,000.

Key News

International

Asian Stocks Recoup Losses from Last Week's Rout: Markets Wrap

Asian stocks rose, fully recovering their losses from last week's rout, bolstered by an advance in Japanese shares. Japan's equities gained after a holiday, as a weaker yen was seen providing support for exporters. MSCI's Asia-Pacific gauge rose as much as 1%. That erased losses from last week's tumble, when a [see more...](#)

Oil prices ease as markets refocus on demand worries

Oil prices edged lower on Tuesday, breaking a five-day streak of gains, as markets refocused on concerns about demand after OPEC on Monday cut its forecast for demand growth in 2024 due to softer expectations in China. Global benchmark Brent crude futures dipped 41 cents, or 0.5%, lower to \$81.89 a barrel at 0005 GMT. U.S. West Texas Intermediate crude futures fell to \$79.63 a barrel, down 43 cents, or 0.5%.. [see more...](#)

Politics

White House warns of possible Iranian reprisal for Ismail Haniyeh's killing this week

'The President is confident that we have the capability available to us to help defend Israel should it come to that,' says spokesperson The US has determined that Iran and its regional proxies may attack Israel as soon as this week, the White House said Monday. [see more...](#)

Economy

July-March: govt signs \$2.166bn loan commitments - Neutral

The government of Pakistan signed new agreements worth \$2.166 billion as commitments in the period July-Mar 2023-24, says the Economic Affairs Division (EAD). Official data revealed that World Bank committed \$888 million.. [see more...](#)

MORNING GLANCE

Cabinet approves panel for modalities; Rs75bn to be disbursed for projects under SDGs – Neutral

The federal cabinet has approved a 27-member steering committee on Sustainable Development Goals Achievement Programme to finalise the modalities of the projects for disbursement of Rs75 billion under Sustainable Development Goals (SDGs). Sources said that the committee.. [see more...](#)

National Saving Schemes: CDNS reduces profit rates on some of its products - Neutral

Rates of Saving Account (SA) decreased by 150 basis points (bps) to 19% from 20.5%. The Short Term Saving Certificates (STSC) will offer a return of 17.9% return, as compared to 19.24% earlier, a decrease of 134bps. Similarly, the rate on Sarwa Islamic Saving Account declined to 19% after a decrease of 150bps.. [see more...](#)

OGDCL starts commercial production of tight gas in Sindh – Positive

The Oil and Gas Development Company Limited (OGDCL) on Monday announced the commencement of early commercial production of tight gas from Nur West Well-1. OGDCL holds 100 percent working interest in Nur Development and Production Lease (D&PL), located in district Sujawal, Sindh.. [see more...](#)

Fuel price reduction in the offing - Positive

Preliminary calculations suggest that the price of petrol could decrease by over Rs9 per litre, while high-speed diesel (HSD) may see a reduction of up to Rs8.50 per litre. Kerosene oil is also likely to become cheaper, with a potential price cut exceeding Rs12 per litre... [see more...](#)

Proposal for 2-3pc sales tax on POL products to remove exemption – Neutral

The country's oil sector has proposed that the government impose a sales tax of two to three percent on petroleum products in lieu of the current sales tax exemption. Industry insiders indicate that if the government accepts this proposal, retail prices for petroleum products will rise. The Oil.. [see more...](#)

Car sales down 36% MoM in July over budgetary measures - Negative

The decline in car sales follows a surge in pre-buying activity in June 2024, spurred by fears of increased taxation in the FY25 budget. On year-on-year (YoY) basis, sales were up 60% in July, largely due to the low base effect from last year when industry operations were disrupted.. [see more...](#)

Millat Tractors warns of shutdown amid GST dispute and plummeting sales – Negative

The listed company shared the development in a notice to the Pakistan Stock Exchange (PSX) on Monday. "It is informed that till now MTL has not stopped operations. MTL shall inform the stock exchange if it happens," the company informed its stakeholders. "However, in [see more...](#)

MSCI shifts SAZEW to FM Index - Positive

Global index provider Morgan Stanley Capital International (MSCI) has transferred one stock — Sazgar Engineering Works (PSX: SAZEW) — to its Frontier Market (FM) Index as part of its latest quarterly review released on Tuesday. Accordingly, Pakistan now has 22 stocks in the MSCI FM Index. Moreover, 6 stocks have been newly added. [see more...](#)

Influential sugar mills linked to ruling parties default on Rs 23 billion loans taken from National Bank - Negative

At least 25 sugar mills owned by influential individuals with ties to the country's political elite have defaulted on loans worth over Rs 23 billion taken from the state owned National Bank of Pakistan (NBP). The,.. [see more...](#)

Scrap importers misuse export scheme - Neutral

According to sources, the FBR has released a draft of proposed rules for stakeholder feedback, but no official notification has been issued yet. With these revelations coming to light, the FBR is now seeking an investigation into the misuse of the Export Facilitation Scheme by importers of compressor and motor scrap. If the allegations are confirmed, the... [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:

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- 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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