

MORNING GLANCE



72,797	▲ 208	▲ 0.29%
107 mn	YTD 12.58%	1 Year 75.25%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	23,435.10	112.15	0.48% ▲
DSE 30	1,803.06	8.73	0.48% ▼
SHANGHAI	3,028.28	9.19	0.30% ▼
Hang Seng	18,003.00	65.16	0.36% ▲
Nikkei 225	38,813.50	81	0.21% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	8,215.48	67.67	0.83% ▲
DAX 30	18,644.27	274.33	1.49% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	38,712.21	35.21	0.09% ▼
S&P 500	5,421.03	45.71	0.85% ▲
NASDAQ	19,466.67	256.48	1.34% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,329.20	25.6	1.09% ▼
Oil-WTI (bbl)	78.25	0.25	0.32% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	278.90	0.25	0.09% ▲
EURO/PKR	300.52	-	-
GBP/PKR	354.82	-	-
AED/PKR	76.34	-	-

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

Market Outlook

The stock market on Wednesday remained positive throughout the day and concluded the session in the green zone as concerns somewhat subside over anti-growth budget measures. The Benchmark KSE-100 index made an intra-day high and low at 73,169.00 (579.51 points) and 72,464.24 (-125.25) respectively while closed at 72,797.43 by gaining 207.94 points.. Trading volume decrease to 107mn shares as compared to 142mn shares on the previous trading day. Going forward, we anticipate the market to remain under selling pressure for a short term as the the CGT hike on non filers will likely prompt them to sell their holdings. This is expected to increase selling pressure in the market in the short to mid-term, particularly impacting the Textile and IT sectors. However, in the long run, the market is expected to see a positive shift. The index's is currently howering at its 50DMA support at 72,400 and if it closes below this level then the market could drop till 70,500, while finding resistance at 73,300.

Key News

International

Asia stocks rally, bond yields fall as investors assess Fed outlook

Asian equities rallied on Thursday, while bond yields slid, as investors weighed cooling U.S. inflation against a more hawkish posture by the Federal Reserve. Japanese shares underperformed and the yen inched down against the dollar, as the Bank of Japan began its. [see more...](#)

Oil slips on US growth worries, ample crude supply

Oil prices fell in early trade on Thursday as investors digested news that the U.S. Federal Reserve has opted against cutting interest rates in the near future, while ample U.S. crude and fuel stocks further weighed on the market. Brent crude futures lost 14 cents, or 0.17%, to \$82.46 a barrel. [see more...](#)

Politics

Opposition rejects 'anti-people' budget

The opposition Wednesday rejected the budget as anti-people, saying those with Form 47 presented it, having no mandate to do so. Talking to reporters outside the Parliament House after the budget was presented, the opposition rejected the budget as anti-people, saying those with Form 47 had presented it, having no mandate to do so.. [see more...](#)

Economy

A constrained budget under the long shadow of IMF stipulations – Neutral

Prime Minister Shehbaz Sharif-led coalition government's Finance Minister Muhammad Aurangzeb has unveiled a Rs8.5 trillion or 6.9 percent deficit federal budget for the next fiscal year and called for the need to shift to a [see more...](#)

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No amount from IMF loans budgeted for budgetary support - **Negative**

The government has budgeted no amount from the International Monetary Fund (IMF) loans for budgetary support for next fiscal year, 2024-25, against Rs 696 billion budgeted for the current fiscal year, which was later revised to zero. A total of Rs 5.906 trillion is budgeted from external resources. [see more...](#)

Budget termed overall positive for market – **Positive**

Contrary to expectations of change in treatment of income from capital gain and dividends to normal tax, affecting net returns of the investors; the budget FY25 is overall positive for the market as the government has not changed treatment of CGT to normal tax, analysts said. Alongside this, the maximum rate of 15 percent tax on CGT has also remained unchanged. [see more...](#)

Fiscal deficit target of 6.9pc of GDP? Set - **Neutral**

The government has budgeted overall fiscal deficit at an unsustainable 6.9 percent of GDP for 2024-25 against the revised -7.4 percent for 2023-24 which was higher by 0.9 percent than the actual budgeted -6.5 percent. In total terms the federal budget deficit is projected at Rs 8500 billion for.. [see more...](#)

3.6pc economic growth, that too is conditional - **Neutral**

The estimated economic growth of 3.6 percent depends on investors' confidence, political stability, macroeconomic stabilisation under new IMF programme, improved external inflows, and progress on economic reforms, the government said. "Economic outlook 2024-25 is positive with a growth target of 3.6 percent. The economic outlook. [see more...](#)

Exemptions withdrawn; Rs1.8trn new taxation measures unveiled - **Negative**

The government has announced new taxation/enforcement measures of nearly Rs 1,800 billion through withdrawal of exemptions and increase in withholding tax rates on buying/selling of properties, increased tax rates on late-filers, higher tax on salaried/non-salaried. [see more...](#)

Remittances via formal route; Rs86.9bn set aside for TT charges refund - **Neutral**

The federal government has proposed to allocate Rs 86.9 billion for the reimbursement of TT charges to banks aimed at promoting home remittances through formal channels. Federal Minister Finance Muhammad Aurangzeb, in his budget speech said that overseas Pakistanis are. [see more...](#)

Rs1368.874m earmarked for development schemes in PSDP - **Positive**

The federal government earmarked Rs1368.874 million for 10 ongoing and seven new schemes of the Ministry of Law and Justice in the Public Sector Development Programme (PSDP) for the fiscal year 2024-25. As per the budgetary documents, the government allocated Rs1131.00. [see more...](#)

Rs30bn sell-off income target set - **Neutral**

The federal government has set a budgeted target of collecting Rs30 billion through privatisation proceeds in the upcoming fiscal year 2024-25. The government intends to privatise 25 state-owned entities, including Pakistan International Airlines (PIA), Roosevelt. [see more...](#)

Maximum tax rate for non-salaried class hiked to 45pc - **Negative**

The government has hiked rates of higher income earners slabs of both salaried and non-salaried classes to fetch additional revenues of Rs250 billion in the budget 2024-25. Finance Bill 2024-25 tabled in parliament showed that for the salaried class, where the taxable. [see more...](#)

Rs9.775trn to be spent on debt servicing - **Negative**

The country will spend around Rs 9.775 trillion on debt servicing including interest payments and retiring its principal amounts during the next financial year 2024-25 which is 51.8 percent of total budget outlay of Rs 18.877 trillion. The government earmarked Rs 9.775 trillion in the budget 2024-25 for this item against Rs.. [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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