

MORNING GLANCE



Market Outlook

The stock market on Monday remained positive in the first half of day. However, selling was experienced in the second half 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 79,160.39 (358.97 points) and 78,553.86 (-247.56 points) respectively while closed at 78,571.05 by losing 230.37 points. Trading volume decreased to 141mn shares as compared to 198mn shares on the previous trading day. Going forward, we expect the market to remain bearishly volatile amid a delay in loan approval by IMF. The index is anticipated to face upcoming resistance at 79,200, while finding support at 78,400 and 77,900.

Key News

International

Asian Stocks Slide as Nvidia Earnings Awaited: Markets Wrap

Asian shares dropped after tech giants dragged down US stocks, with focus shifting from the Federal Reserve's policy outlook to Nvidia Corp.'s earnings later this week. Hong Kong and mainland Chinese markets opened lower, tracking weakness in South Korean and Australian equities. US futures slid in [see more...](#)

Oil prices pause after surging on Libyan outages, Middle East tensions

Oil prices paused their recent advances, receding in Asian trading on Tuesday after surging more than 7% in the previous three sessions on supply concerns prompted by fears of a wider Middle East conflict and the shutdown of Libyan oil fields. Brent crude futures fell 32 cents, or 0.39%, [see more...](#)

Politics

Rs33.5bn incurred on Feb 8 elections: ECP

As much as 33.5 billion rupees were incurred on the controversial February 8 general elections that saw widespread allegations of unprecedented rigging in the country, it emerged on Monday. The expenditure for 2018 general elections exceeded Rs28 billion, according to Election Commission of Pakistan (ECP). The poll entity. [see more...](#)

Economy

Pakistan loan nod not on IMF board agenda till Sept 4 - Negative

The IMF has not included Pakistan yet in the calendar list of those countries till September 4, 2024 for which its executive board is scheduled to consider loan approval or Article IV consultations for other countries. The Fund's Executive Board is scheduled to consider 2024 Article IV consultation with Vietnam on August 30 and Article IV consultation with Togo on September 4, 2024. There is no mention of Pakistan in the calendar. [see more...](#)

78,571	▼ -230	▼ -0.29%
141 mn	YTD 21.51%	1 Year 65.49%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	25,015.80	5.20	0.02% ▲
DSE 30	2,088.13	2.46	0.12% ▼
SHANGHAI	2,845.37	10.15	0.36% ▼
Hang Seng	17,755.00	43.73	0.25% ▼
Nikkei 225	38,159.00	101.00	0.27% ▲

EUROPE	Value	Pts	Chg. (%)
FTSE 100	8,327.78	39.78	0.48% ▲
DAX 30	18,617.02	16.08	0.09% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	41,240.52	65.44	0.16% ▲
S&P 500	5,616.84	17.77	0.32% ▼
NASDAQ	19,516.44	204.43	1.04% ▼

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,542.30	12.9	0.50% ▼
Oil-WTI (bbl)	77.12	0.3	0.39% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	278.90	0.2	0.07% ▼
EURO/PKR	311.83	0.70	0.22% ▲
GBP/PKR	367.51	1.64	0.45% ▲
AED/PKR	76.30	0.22	0.29% ▼

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

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Govt to retain only strategic ministries - Neutral

"This move will not only relieve the government of a significant burden but also ensure a focus on good governance," the minister said while speaking to a private news channel. Sheikh said the government is looking at multiple SOEs and considering whether to privatize them or close them entirely. "These institutions generally generate losses and perform poorly.. [see more...](#)

Iran to move arbitration court next month on IP gas pipeline - Negative

In a shocking development, Iran has served its last notice on Pakistan informing that Tehran is left with no option but to move the Paris Arbitration Court in September 2024 against Pakistan for not constructing the pipeline under the IP gas project during the extended 180-day deadline, senior official sources. [see more...](#)

Govt considering installing prepaid power meters – Neutral

Federal Minister for Power Awais Leghari said on Monday that the ruling coalition government is considering the installation of a prepaid meter system for electricity, akin to the prepaid system used for mobile phones. During a press conference here, Leghari underscored the government's commitment to eradicate electricity theft in the country. He assured [see more...](#)

Hub Power Holdings enters joint venture for mineral exploration – Positive

Hub Power Holdings Limited (HPhL), a wholly-owned subsidiary of The Hub Power Company Limited, has entered into a joint venture agreement with Ark Metals (Private) Limited for the exploration and development of mineral. [see more...](#)

Discos and KE; Rs1.90 per unit QTA for Q4FY24 approved – Positive

The National Electric Power Regulatory Authority (NEPRA) on Monday accorded approval to Quarterly Tariff Adjustment (QTA) of Rs 1.90 per unit for fourth quarter of FY 2023-24 to recover additional amount of Rs 46.805 billion from consumers [see more...](#)

FPA, QTA determination; SC asks Nepra to hold its meeting on Sep 5 - Neutral

The Supreme Court has asked the National Electric Power Regulatory Authority (Nepra) to hold its meeting and determine Fuel Price Adjustment (FPA) and Quarter Tariff Adjustment (QTA) amounts in electricity bills of various companies by September 5. A two-judge [see more...](#)

Rising power tariffs, IPPs cause mass frustration – Neutral

However, power sector stakeholders argue that the situation is far more complex. They believe that a host of factors including intricate financial mechanisms, policy decisions, global economic forces, and above all, the volatile nature of the Pakistani rupee against the US dollar are driving the increase in electricity bills. [see more...](#)

Govt has failed to finalise policy on EV-charging stations - Neutral

The government has failed to finalize policy on Electric Vehicle (EV) charging infrastructure regulations due to lack of proper coordination between National Energy Efficiency & Conservation Authority (NEECA) and Engineering Development Board (EDB), [see more...](#)

SHC issues notice to tractor- manufacturing company – Negative

Sindh High Court (SHC) has issued a notice to a leading tractor manufacturer, who allegedly failed to timely provide details of 954 tractors to the SHC. The SHC had stopped from selling 954 tractors to any third party, as it was. [see more...](#)

Posted Rs75bn loss in 2023; PIA CL liabilities rise to Rs825bn with Rs161bn assets – Negative

Pakistan International Airlines Company Limited (PIACL) made a loss of Rs75 billion approximately during the year 2023 while total liabilities increased to Rs825 billion with total assets amounting to Rs161 billion. The privatisation. [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

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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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