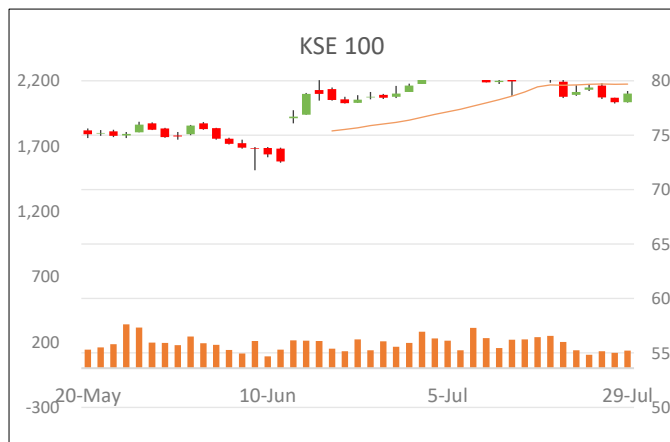


# MORNING GLANCE



## Market Outlook

The stock market on Monday remained bullish throughout the day and concluded the session in the green zone amid Fitch Ratings has upgraded Pakistan's Long-Term Foreign-Currency Issuer Default Rating (IDR) from 'CCC' to 'CCC+'. The Benchmark KSE-100 index made an intra-day high and low at 79,055.99 (1,026.49 points) and 78,016.29 (-13.21 points) respectively while closed at 78,827.74 by gaining 798.24 points.. Trading volume increased to 135mn shares as compared to 117mn shares on the previous trading day. Going forward, we expect the market to remain positive amid SBP cuts rate by 100bps coupled with Fitch upgrades Pakistan rating to 'CCC+'. The index is anticipated to face upcoming resistance at 79,500 and 80,000, while finding support at 78,000.

## 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 prices slip on China demand concerns, waning Middle East worries

Oil prices slipped in early Asian trading on Tuesday, extending losses from the previous session, over concerns about Chinese demand and as the market shrugged off the risk of conflict escalating in the Middle East. Brent crude oil futures fell by 12 cents or 0.15% to \$79.78 a barrel by 0033 GMT. U.S. crude futures were down 14 cents, or 0.18%, at [see more...](#)

### Politics

#### Two ad hoc SC judges take oath

Chief Justice Qazi Faez Isa administered the oath of offices to Justice Sardar Tariq Masood and Justice Mazhar Alam Khan Miankhel as ad-hoc judges of the Supreme Court. In this regard a simple and dignified ceremony was held at the Supreme Court building, here on Monday. Judges of the Supreme Court of [see more...](#)

### Economy

#### Fitch upgrades Pakistan rating to 'CCC+' – Positive

The upgrade reflects greater certainty over continued availability of external funding, in the context of Pakistan's staff-level agreement (SLA) with the IMF on a new 37-month USD7 billion Extended Fund Facility (EFF)," Fitch said in a statement on Monday It said that strong performance on the previous, more temporary IMF arrangement helped Pakistan narrow fiscal deficits and rebuild foreign exchange (FX) reserves, and further improvements are likely.. [see more...](#)

78,827	▲ 798	▲ 1.02%
135 mn	YTD 21.91%	1 Year 64.11%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	24,817.90	18.2	0.07% ▼
DSE 30	1,902.75	30.02	1.55% ▼
SHANGHAI	2,876.87	14.98	0.52% ▼
Hang Seng	17,018.00	220.34	1.28% ▼
Nikkei 225	38,230.50	285.5	0.74% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	8,292.35	6.64	0.08% ▲
DAX 30	18,320.67	96.88	0.53% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	40,539.93	49.41	0.12% ▼
S&P 500	5,463.54	4.44	0.08% ▲
NASDAQ	19,059.49	35.83	0.19% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,429.60	4.10	0.17% ▲
Oil-WTI (bbl)	75.38	0.43	0.57% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PAKR	278.80	-	-
EURO/PAKR	302.76	-	-
GBP/PAKR	358.04	-	-
AED/PAKR	76.29	-	-

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

## MORNING GLANCE

### **SBP cuts rate by 100bps, raises inflation outlook - Positive**

The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) on Monday cut the key policy rate by 100 bps to 19.5 percent effective from July 30, 2024 as economic developments are favourable for the inflation outlook. This is the second and cumulatively 2.5 percent cut in the key policy rate by the committee as in the previous meeting held on June.. [see more...](#)

### **Foreign investors; Repatriation of profits, dividends hits 6-year high – Neutral**

The repatriation of profits and dividends by foreign investors, during last fiscal year, rose to its highest level in six years as the State Bank of Pakistan (SBP) allowed to clear all the backlogs of unpaid dividends and profits. The SBP on Monday reported that repatriation of profits and dividends [see more...](#)

### **Business Confidence Index declines to 48.6 in July 2024 amid economic concerns – Negative**

The Business Confidence Index (BCI) has dropped significantly, falling by 7.5 points to 48.6 in July 2024, according to the latest findings from the 50th wave of the Business Confidence Survey (BCS). This survey is a joint effort by the State Bank of Pakistan (SBP) and the Institute of Business Administration (IBA). [see more...](#)

### **POL announces discovery of oil & gas reserves in KP's Kohat district – Positive**

The listed company, which is a subsidiary of Attock Oil Company Limited, UK, and its ultimate parent is Coral Holding Limited, shared the development in its notice to the Pakistan Stock Exchange (PSX) on Monday. "As per information. [see more...](#)

### **Power sector; Work begins to remove major bottlenecks – Neutral**

Power Division has reportedly started working on sorting out 23 fault lines, identified in the country's generation, transmission and distribution systems, sources in Power Division told Business Recorder. The proposed reforms have also been shared with the Prime Minister and Special Investment Facilitation.. [see more...](#)

### **Global appliance maker eyes strategic alliance with Waves Home Appliances Limited – Positive**

The listed company, formerly Samin Textiles Limited, shared the development in its notice to the Pakistan Stock Exchange (PSX) on Monday. However, WAVESAPP did not disclose the name of the foreign company. "Following improvements in the economic conditions of. [see more...](#)

### **Stock market-linked Mutual Funds; SECP concerned about lack of investors' interest – Negative**

The Securities and Exchange Commission of Pakistan (SECP) has expressed serious concern that the stock market -linked Mutual Funds have not attracted new investors. According to the data compiled by the SECP, the decline in Equity Funds Share of stock market linked [see more...](#)

### **SBP extends IFRS 9 implementation timeline – Neutral**

The State Bank of Pakistan (SBP) has decided to make amendments and extend the timelines of the International Financial Reporting Standard (IFRS) 9 application instructions. "Considering the issues being faced by banks/DFIs/MFBs regarding the implementation of IFRS 9 standard, SBP has decided to make amendments and extend. [see more...](#)

### **FFC, FFBL raise DAP prices by Rs450 per bag - Negative**

Fauji Fertilizer Company Limited (PSX: FFC) and Fauji Fertilizer Bin Qasim Limited (PSX: FFBL) have increased the market retail price of Di-Ammonium Phosphate (DAP) fertilizer by Rs450 per bag. After incorporating this hike, the updated prices are now Rs11,665 per bag for FFC. [see more...](#)

### **APTMA urges govt to revisit deals with IPPs - Neutral**

The APTMA, has also written letters to Secretary Power, Rashid Langrial, Chairman SECP Mehmood Mandviwala, Managing Director, Private Power and Infrastructures Board (PPIB), Shah Jahan Mirza, Chief Executive Officer, Central Power Purchasing Agency-Guaranteed (CPPA-G), requesting information about the owners of IPPs under [see more...](#)

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<b>TP</b>	Target Price	<b>DDM</b>	Dividend Discount Model	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>JPB</b>	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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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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