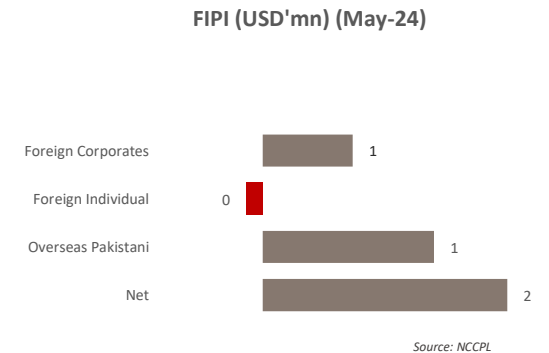
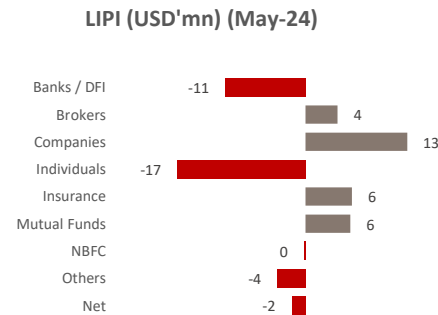
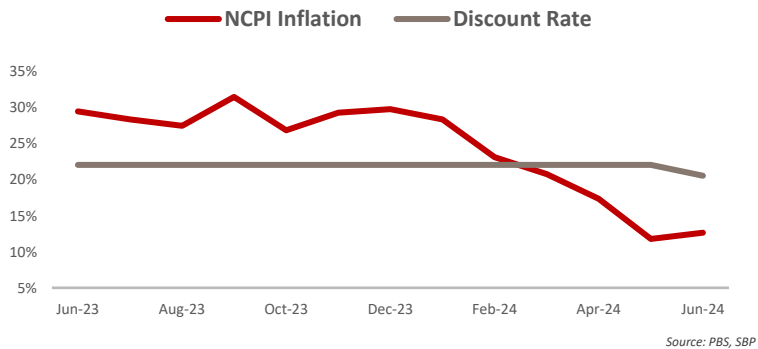
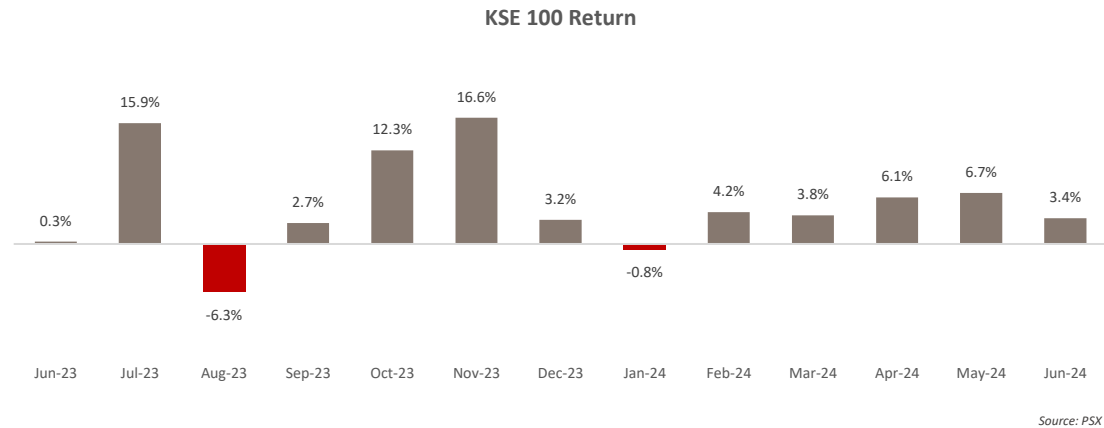


ACPL DIGEST (Jun-24)

Remittances			Exports			Imports			Current Account	
11MFY24	11MFY23	Change	11MFY24	11MFY23	Change	11MFY24	11MFY23	Change	11MFY24	11MFY23
\$27.00 bn	\$24.84 bn	▲ 8.70%	\$28.12 bn	\$25.36 bn	▲ 10.9%	\$49.85 bn	\$51.01 bn	▼ -2.3%	-\$0.5 bn	-\$3.8 bn

In June, the KSE-100 reached a milestone, achieving an all-time high with a 3.4% absolute return, closing at 78,444, fueled by multiple positive macroeconomic sentiments that mainly attributed to the successful completion of the IMF Stand-by Agreement (SBA), the timely initiation of a new IMF facility, a 29-month low inflation reading, record-high monthly remittances in June 2024, the resumption of foreign inflows into domestic treasury bills, better-than-expected FY25 budgetary measures specifically for the stock market as tax rate on dividend and capital gain from stock market for filers was maintained in contrast, tax rate on other asset classes was increased, a 150 basis point decline in the policy rate after four years, and currency stability amidst strong dollar inflows. Fitch statement regarding increase in taxation measures in budget has increased the likelihood of securing an IMF deal also provided stimulus



to the market. As per Bloomberg data, Pakistan market remained 4th best performer in 2Q2024 with total USD return of 17%. Foreigners continued to buy in PSX for the fourth consecutive quarter, with net inflows of \$69 million in 2Q2024, the highest in 35 quarters, due to restored investor confidence and an increased MSCI FM Index weight for Pakistan. Locally, mutual funds were major buyers with net purchases of \$9.2 million, followed by insurance companies and corporations with \$5.3 million and \$4.5 million, respectively. However, individuals and banks were net sellers, offloading \$44 million and \$27 million, respectively. Going Forward, Several key factors will shape the outlook for 3Q2024. The IMF's new Extended Fund Facility (EFF) program is crucial, with an IMF staff team visiting Pakistan in May 2024 to discuss it and continue virtual policy discussions. Significant progress has been reported in these negotiations, and an IMF delegation is expected to revisit Pakistan in July. Developments during this visit will be pivotal for market direction. The State Bank of Pakistan (SBP) recently reduced the policy rate by 150 basis points to 20.5%, citing improved inflation outcomes for the CY24. Despite potential risks from budgetary measures and energy price adjustments, further rate cuts are possible if inflation remains within the target range. The MSCI Quarterly Review in August 2024 may increase Pakistan's index weight due to the ongoing market rally.

Our recommended stocks include UNITY, CPHL, FCCL, SAZEW and AIRLINK

		(USD' mn) (Jun-24)										
		Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross
LIPI Portfolio	Banks / DFI	-0.40	-8.88	-1.59	-0.16	0.87	-0.42	-5.71	1.05	-0.02	4.71	-10.55
	Broker Proprietary Trading	0.72	2.89	4.44	0.01	-0.23	0.01	0.33	-0.26	-0.17	-3.56	4.20
	Companies	2.67	2.11	4.02	0.16	5.11	-0.34	-1.69	-0.27	1.08	0.47	13.31
	Individuals	-4.52	-3.47	-9.98	0.28	3.41	0.11	3.53	-4.55	-0.30	-1.30	-16.79
	Insurance Companies	0.21	1.16	3.44	0.05	-0.53	0.37	0.41	-0.43	0.23	1.16	6.06
	Mutual Funds	3.36	-0.74	1.63	-0.35	-0.72	0.96	0.14	1.51	-0.74	0.79	5.85
	NBFC	-0.08	-0.13	-0.13	-0.00	-0.01	0.08	0.00	-0.02	-0.01	0.08	-0.23
	Other Organization	-0.54	-1.09	-0.05	-0.01	-2.94	0.08	0.25	0.96	0.03	-0.36	-3.68
LIPI Total		1.42	-8.15	1.77	-0.02	4.98	0.85	-2.74	-2.02	0.09	1.99	-1.83
FIPI Portfolio	Foreign Corporates	-0.71	5.53	-1.97	-0.13	-4.85	-1.09	2.05	2.18	0.05	-0.38	0.67
	Foreign Individual	0.02	0.00	0.04	0.00	-0.04	0.00	0.02	0.04	0.00	-0.22	-0.13
	Overseas Pakistani	-0.74	2.61	0.15	0.15	-0.09	0.24	0.68	-0.20	-0.13	-1.39	1.28
	Total	-1.42	8.15	-1.77	0.02	-4.98	-0.85	1.03	2.02	-0.09	-1.99	1.83

Source: NCCPL

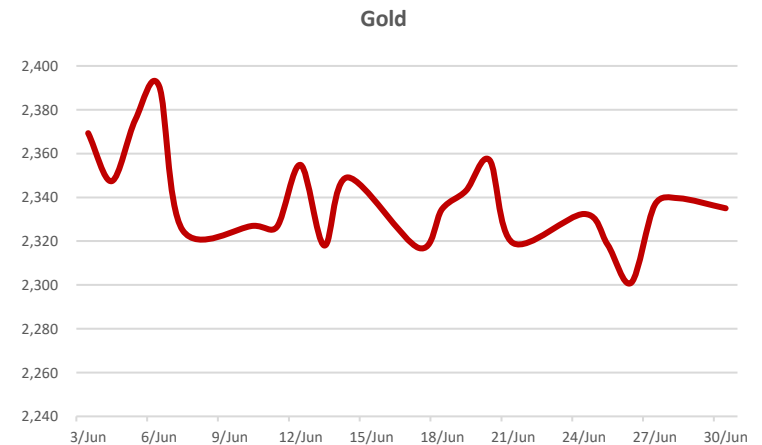
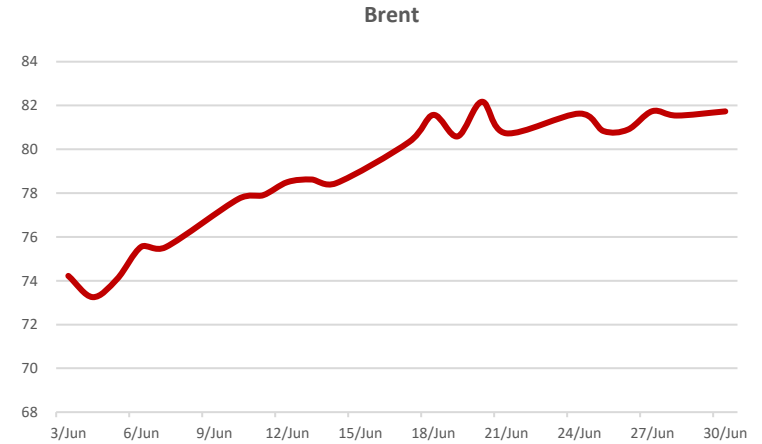
COMMODITIES OVERVIEW

Brent Oil

In June, crude prices rose by 1% despite concerns over weak US fuel demand. Investors balanced this against optimistic US inflation data, anticipating potential rate cuts by the Federal Reserve. US gasoline demand hit a four-month low of 8.83 million barrels per day, despite high production levels in April. The flat US PCE in May bolstered expectations of rate cuts in September, with traders pricing in a 64% chance of a reduction. Lower rates could potentially support oil prices amidst geopolitical tensions and worries about Chinese demand. Barclays remains confident in market stability, forecasting Brent crude to remain near \$90, despite ongoing issues in the Middle East.

Gold

The gold price decreased by 0.5% in June on a monthly basis due to robust US jobs data and China halting gold purchases. Earlier, gold had reached its all-time high on expectations of US rate cuts following actions by the Bank of Canada and the European Central Bank, emerging as a top-performing asset class. In its June meeting, the Fed kept rates steady but revised its rate cut outlook from three to one in 2024, pending further inflation data. Fed Chair Jerome Powell emphasized caution on rate cuts, impacting gold sentiment amid geopolitical tensions. Analysts anticipate gold to fluctuate in the near term, influenced by Fed policy and global uncertainties.



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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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